

**FLORHAM PARK BOARD OF EDUCATION**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Florham Park, New Jersey**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
of the  
Florham Park Board of Education  
Florham Park, New Jersey  
For The Fiscal Year Ended June 30, 2022**

**Prepared by  
Business Office**

**FLORHAM PARK BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**INTRODUCTORY SECTION**

Letter of Transmittal	1-5
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8

**FINANCIAL SECTION**

Independent Auditor's Report	9-11
------------------------------	------

**REQUIRED SUPPLEMENTARY INFORMATION- PART I**

Management's Discussion and Analysis	12-21
--------------------------------------	-------

**Basic Financial Statements**

**A. District-wide Financial Statements**

A-1 Statement of Net Position	22
A-2 Statement of Activities	23

**B. Fund Financial Statements**

*Governmental Funds*

B-1 Balance Sheet	24-25
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	26
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances With the District-Wide Statements	27

*Proprietary Funds*

B-4 Statement of Net Position	28
B-5 Combining Statement of Revenues, Expenses, and Changes in Net Position	29
B-6 Statement of Cash Flows	30

*Fiduciary Funds – Not Applicable*

Notes to the Financial Statements	31-71
-----------------------------------	-------

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**C. Budgetary Comparison Schedules**

C-1 Budgetary Comparison Schedule – General Fund	72-77
C-2 Budgetary Comparison Schedule – Special Revenue Fund	78
C-3 Budgetary Comparison Schedule – Note to Required Supplementary Information	79

**FLORHAM PARK BOARD OF EDUCATION  
TABLE OF CONTENTS**

	<u>Page</u>
<b>REQUIRED SUPPLEMENTARY INFORMATION - PART III</b>	
<b>L. Schedules Related to Accounting and Reporting for Pensions and Other Postemployment Benefits</b>	
L-1 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	80
L-2 Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	81
L-3 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	82
L-4 Notes to Required Supplementary Information	83
L-5 Required Supplementary Information – Schedule of Changes in the District’s Proportionate Share of Total OPEB Liability	84
L-6 Notes to Required Supplementary Information	85
 <b>OTHER SUPPLEMENTARY INFORMATION</b>	
<b>D. School Level Schedules – Not Applicable</b>	
<b>E. Special Revenue Fund</b>	
E-1 Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	86-87
E-2 Schedule of Preschool Education Program Aid Expenditures – Budgetary Basis – Not Applicable	88
<b>F. Capital Projects Fund</b>	
F-1 Summary Schedule of Project Expenditures	89
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	90
F-2a Summary Schedule of Revenues, Expenditures, Project Balances and Project Status	91
F-2b Summary Schedule of Revenues, Expenditures, Project Balances and Project Status	92
<b>G. Proprietary Funds</b>	
<i>Enterprise Fund</i>	
G-1 Combining Statement of Net Position	93
G-2 Combining Statement of Revenues, Expenses and Changes in Net Position	93
G-3 Combining Statement of Cash Flows	93
<b>H. Fiduciary Funds – Not Applicable</b>	
<b>I. Long-Term Debt</b>	
I-1 Schedule of Serial Bonds	94
I-2 Schedule of Obligations under Capital Financing Agreements	95
I-3 Debt Service Fund Budgetary Comparison Schedule	96

**FLORHAM PARK BOARD OF EDUCATION  
TABLE OF CONTENTS**

		<u>Page</u>
<b>J.</b>	<b>STATISTICAL SECTION (Unaudited)</b>	
J-1	Net Position by Component	97
J-2	Changes in Net Position	98-99
J-3	Fund Balances – Governmental Funds	100
J-4	Changes in Fund Balances – Governmental Funds	101
J-5	General Fund Other Local Revenue by Source	102
J-6	Assessed Value and Actual Value of Taxable Property	103
J-7	Direct and Overlapping Property Tax Rates	104
J-8	Principal Property Taxpayers	105
J-9	Property Tax Levies and Collections	106
J-10	Ratios of Outstanding Debt by Type	107
J-11	Ratios of Net General Bonded Debt Outstanding	108
J-12	Direct and Overlapping Governmental Activities Debt	109
J-13	Legal Debt Margin Information	110
J-14	Demographic and Economic Statistics	111
J-15	Principal Employers	112
J-16	Full-Time Equivalent District Employees by Function/Program	113
J-17	Operating Statistics	114
J-18	School Building Information	115
J-19	Schedule of Required Maintenance for School Facilities	116
J-20	Insurance Schedule	117
<b>K.</b>	<b>SINGLE AUDIT SECTION</b>	
K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards – Independent Auditor’s Report	118-119
K-2	Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular Letter 15-08 – Independent Auditor’s Report	120-122
K-3	Schedule of Expenditure of Federal Awards	123
K-4	Schedule of Expenditures of State Financial Assistance	124
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	125-126
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	127-128
K-6	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	129
K-6	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	130
K-7	Summary Schedule of Prior Year Findings	131

## **INTRODUCTORY SECTION**



# *Florham Park Public Schools*

## **ADMINISTRATIVE OFFICES**

P.O. BOX 39 FLORHAM PARK, NJ 07932

973-822-3880

973-822-0867 Superintendent FAX

973-822-0716 Business Office FAX

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

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

February 15, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Florham Park Board of Education (the Board or District) for the fiscal year ended June 30, 2022 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the respective changes in financial position of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

The 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 independent auditor's report, management's discussion and analysis (MD&A) and the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No.34. The basic financial statements also include individual financial statements; notes to the financial statements and required supplemental information (RSI). The statistical section includes selected financial and demographic information generally presented on a multi-year basis.



# Florham Park Public Schools

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

### 1. REPORTING ENTITY AND ITS SERVICES

The District provides a full range of educational services appropriate to grade levels pre-K through 8, inclusive of regular education students and those with special needs. The District completed the FY 2021/2022 with an average daily enrollment of 954. The following Average Daily Enrollment figures, reported in the School Register Summary, details the changes in student enrollment over the last ten (10) years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2021/22	954	-.019%
2020/21	961	-2.93%
2019/20	990	1.14%
2018/19	970	0.41%
2017/18	966	0.00%
2016/17	966	0.00%
2015/16	966	-2.42%
2014/15	990	-1.30%
2013/14	1,003	-0.79%
2012/13	1,011	-0.10%

### 2. ECONOMIC CONDITION AND OUTLOOK

Florham Park remains financially healthy. The District is currently carrying approximately a 4.0% unassigned budgetary basis fund balance of the net budget to provide future funding for any reduction of State Aid. In addition, the district has established both a Capital Reserve and Maintenance Reserve for the local funding portion of future capital projects contained the district's Long Range Facility Plan and required maintenance contained in the Comprehensive Maintenance Plan. The district has completed all scheduled projects through year, 21 in all, as part of a \$25 million dollar bond referendum past on November 5, 2019. The district is planning 2 capital projects for year four.





# *Florham Park Public Schools*

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### 3. MAJOR INITIATIVES

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

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

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

The District completed 3 capital projects in the summer/fall of 2022. Those projects were all located at the Brooklake Elementary School. These projects included complete renovations of the STEM Lab, Learning Commons, Centralized Child Study Team/Special Education area and two(2) student bathrooms.

### 4. INTERNAL ACCOUNTING CONTROLS

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

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



# *Florham Park Public Schools*

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### 5. BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, special revenue fund and debt service fund. The final budget amount as amended for FY 2021/2022 is reflected in the budgetary comparison schedules of the required supplementary information.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assigned fund balance at June 30, 2022.

### 6. ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles (GAAP), as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements".

### 7. DEBT ADMINISTRATION

At June 30, 2022 the District had \$25,020,000 in General Obligation Bonds outstanding. The proceeds of these bonds are being used for major capital improvements, to the District's three school buildings scheduled to be completed by the end of fiscal year ending June 30, 2025.

### 8. CASH MANAGEMENT

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

### 9. RISK MANAGEMENT

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



# Florham Park Public Schools

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### 10. OTHER INFORMATION

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

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

### 11. ACKNOWLEDGEMENTS

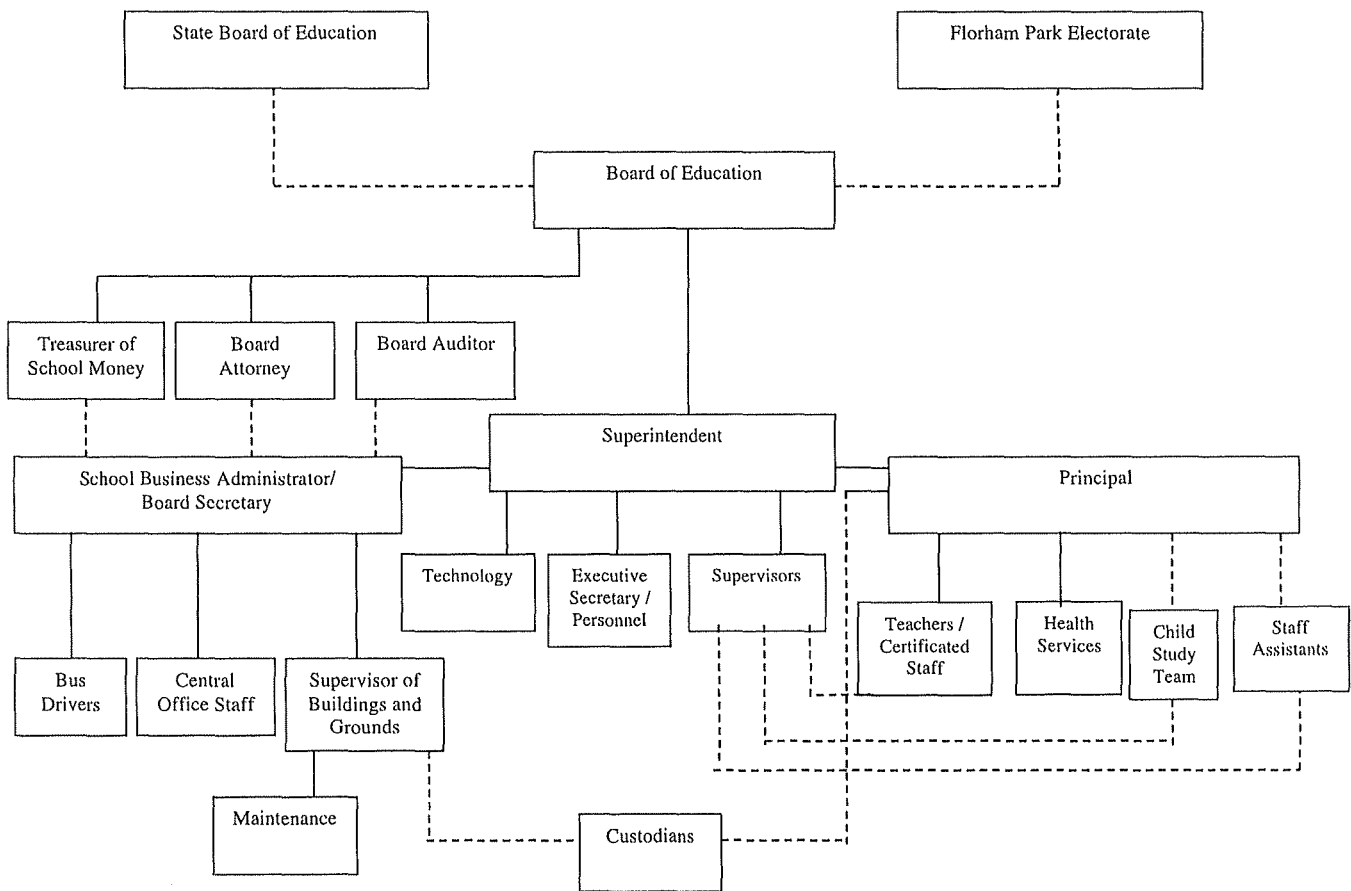
We would like to express our appreciation to the members of the Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the District, as well as contributing their full support to the development and maintenance of our financial operations. The preparation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

Respectfully submitted,

Dr. Steven G. Caponegro  
Superintendent of Schools

John R. Csatlos CPA  
Business Administrator/Board Secretary

### ORGANIZATIONAL CHART



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

**ROSTER OF OFFICIALS  
JUNE 30, 2022**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Brian Perillo, President	2024
Kristina Heinold, Vice President	2023
Yvonne Cali	2022
Fabienne Crimi	2022
Michael Priore	2024
Nicholas Ritrivi	2022
Stacey Sabatos	2023

**Other Officials**

Dr. Steven Caponegro, Superintendent

John R. Csatlos, Business Administrator/Board Secretary

Raymond G. Karaty, Treasurer

**FLORHAM PARK BOARD OF EDUCATION**

**FLORHAM PARK, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

**ATTORNEY**

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

**AUDIT FIRM**

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

**ARCHITECTS**

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

**OFFICIAL DEPOSITORY**

Valley National Bank  
Florham Park, New Jersey 07932

**FINANCIAL SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

## **INDEPENDENT AUDITOR'S REPORT**

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

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Florham Park Board of Education, as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Florham Park Board of Education as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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 the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Florham Park Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Florham Park Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



## ***Auditor's Responsibilities for the Audit of Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Florham Park Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Florham Park Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other postemployment benefits information be presented to supplement the basic financial statements. Such information is the responsibility of management and 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Florham Park Board of Education's basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Florham Park Board of Education. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

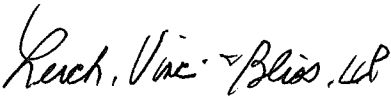
### ***Other Information***


Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with Government Auditing Standards, we have also issued our report dated February 15, 2023 on our consideration of the Florham Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Florham Park Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Florham Park Board of Education's internal control over financial reporting and compliance.

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
February 15, 2023

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

# FLORHAM PARK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

As management of the Florham Park Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Florham Park Board of Education for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report and with the District's financial statements and notes to the financial statements, which immediately follow this discussion and analysis.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2021-2022 fiscal year include the following:

- The assets and deferred outflows of resources of the Florham Park Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$12,311,482. (Net Position)
- The District's total net position increased by \$2,213,728.
- Overall District revenues were \$28,059,613. General revenues accounted for \$22,032,235, or 79%, of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6,027,378, or 21%, of total revenues.
- The school district had \$25,836,516 in expenses for governmental activities; only \$6,025,878 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$22,032,235 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$10,042,768. Of this amount, \$764,209 (8%) is available for spending at the District's discretion (unassigned fund balance – General Fund).
- The General Fund fund balance at June 30, 2022 was \$3,894,365, which represents an increase of \$419,911 as compared to the ending fund balance at June 30, 2021 of \$3,474,454.
- The General Fund unassigned budgetary fund balance at June 30, 2022 was \$4,186,220, which represents an increase of \$381,068 as compared to the ending unassigned budgetary fund balance at June 30, 2021 of \$3,805,152.
- The District's total outstanding long-term liabilities decreased by \$2,698,119 during the current fiscal year.

# FLORHAM PARK BOARD OF EDUCATION

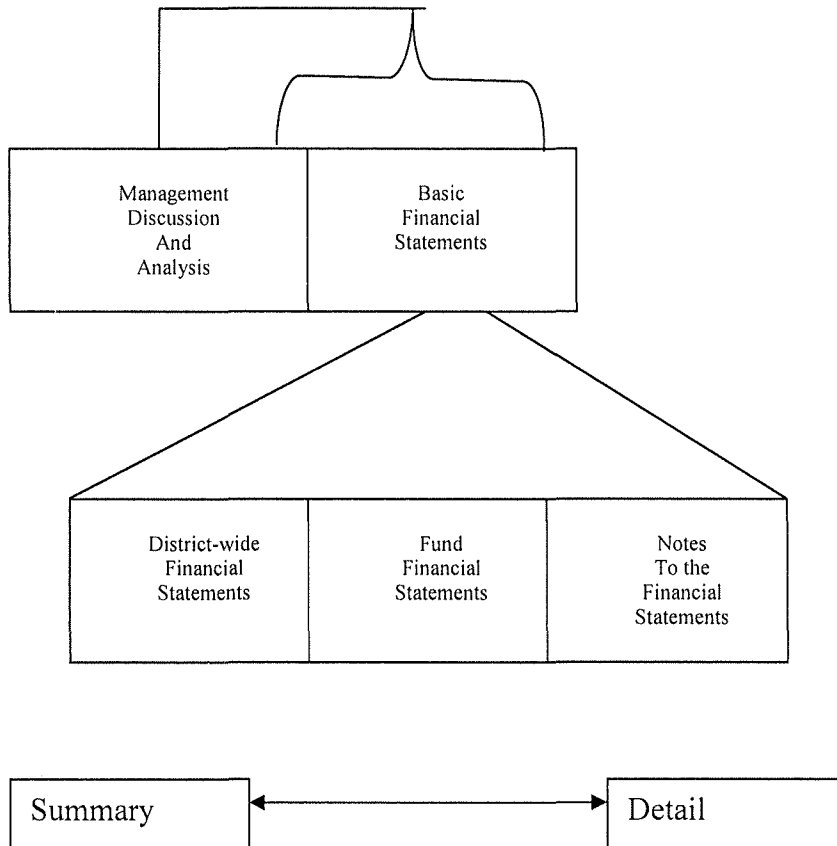
## Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



# FLORHAM PARK BOARD OF EDUCATION

## Management’s Discussion and Analysis Fiscal Year Ended June 30, 2022

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

Major Features of the District-Wide and Fund Financial Statements

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

### District-wide Statements

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

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

# FLORHAM PARK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

### District-wide Statements (Continued)

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

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

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

### Fund Financial Statements

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

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

The District has two kinds of funds:

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

**FLORHAM PARK BOARD OF EDUCATION**

**Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2022**

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

**Net Position.** The District's combined net position was \$12,311,482 and \$10,097,754 on June 30, 2022 and 2021, respectively as follows:

	<b>Net Position</b>					
	<b>As of June 30, 2021 and 2020</b>					
	Governmental Activities		Business- Type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Assets</b>						
Current Assets	\$ 10,539,486	\$ 16,695,784			\$ 10,539,486	\$ 16,695,784
Capital Assets	32,558,650	27,829,092	\$ 3,126	\$ 5,216	32,561,776	27,834,308
<b>Total Assets</b>	<u>43,098,136</u>	<u>44,524,876</u>	<u>3,126</u>	<u>5,216</u>	<u>43,101,262</u>	<u>44,530,092</u>
<b>Total Deferred Outflows of Resources</b>	<u>279,359</u>	<u>788,052</u>	<u>-</u>	<u>-</u>	<u>279,359</u>	<u>788,052</u>
<b>Total Assets and Deferred Outflows     of Resources</b>	<u>43,377,495</u>	<u>45,312,928</u>	<u>3,126</u>	<u>5,216</u>	<u>43,380,621</u>	<u>45,318,144</u>
<b>Liabilities</b>						
Long-Term Liabilities	28,216,265	30,914,384			28,216,265	30,914,384
Other Liabilities	724,395	2,149,231	-	-	724,395	2,149,231
<b>Total Liabilities</b>	<u>28,940,660</u>	<u>33,063,615</u>	<u>-</u>	<u>-</u>	<u>28,940,660</u>	<u>33,063,615</u>
<b>Total Deferred Inflows of Resources</b>	<u>2,128,479</u>	<u>2,156,775</u>	<u>-</u>	<u>-</u>	<u>2,128,479</u>	<u>2,156,775</u>
<b>Total Liabilities and Deferred Inflows     of Resources</b>	<u>31,069,139</u>	<u>35,220,390</u>	<u>-</u>	<u>-</u>	<u>31,069,139</u>	<u>35,220,390</u>
<b>Net Position</b>						
Net Investment in Capital Assets	13,603,613	12,320,727	3,126	5,216	13,606,739	12,325,943
Restricted	2,301,609	1,810,037			2,301,609	1,810,037
Unrestricted	<u>(3,596,866)</u>	<u>(4,038,226)</u>	<u>-</u>	<u>-</u>	<u>(3,596,866)</u>	<u>(4,038,226)</u>
<b>Total Net Position</b>	<u>\$ 12,308,356</u>	<u>\$ 10,092,538</u>	<u>\$ 3,126</u>	<u>\$ 5,216</u>	<u>\$ 12,311,482</u>	<u>\$ 10,097,754</u>

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



# FLORHAM PARK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

The District's total net position of \$12,311,482 at June 30, 2022 represents a \$2,213,728, or 22%, increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2022 and 2021.

### Change in Net Position For The Fiscal Years Ended June 30, 2022 and 2021

	Governmental		Business Type		Total	
	Activities		Activities			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 227,279	\$ 139,625	\$ 1,500		\$ 228,779	\$ 139,625
Operating Grants and Contributions	5,712,617	7,274,877			5,712,617	7,274,877
Capital Grants and Contributions	85,982	53,036			85,982	53,036
General Revenues						
Property Taxes	21,489,467	20,676,739			21,489,467	20,676,739
Unrestricted State Aid	335,883	121,460			335,883	121,460
Other	206,885	217,190	-	-	206,885	217,190
<b>Total Revenues</b>	<u>28,058,113</u>	<u>28,482,927</u>	<u>1,500</u>	<u>-</u>	<u>28,059,613</u>	<u>28,482,927</u>
<b>Expenses</b>						
Instruction						
Regular	9,282,598	10,049,075			9,282,598	10,049,075
Special Education	4,123,238	4,375,034			4,123,238	4,375,034
Other Instruction	802,782	504,841			802,782	504,841
School Sponsored Activities and Athletics	280,776	99,809			280,776	99,809
Support Services					-	
Student and Instruction Related Services	3,976,051	3,916,437			3,976,051	3,916,437
General Administrative Services	730,229	758,364			730,229	758,364
School Administrative Services	1,009,910	1,210,980			1,009,910	1,210,980
Central Administrative Services	787,881	903,345			787,881	903,345
Plant Operations and Maintenance	3,234,486	3,007,782			3,234,486	3,007,782
Pupil Transportation	1,006,658	881,896			1,006,658	881,896
Interest on Debt	601,907	671,286			601,907	671,286
Food Services	-	-	\$ 9,369	\$ 2,090	9,369	2,090
<b>Total Expenses</b>	<u>25,836,516</u>	<u>26,378,849</u>	<u>9,369</u>	<u>2,090</u>	<u>25,845,885</u>	<u>26,380,939</u>
<b>Increase (Decrease) in Net Position Before Transfers</b>	<b>2,221,597</b>	<b>2,104,078</b>	<b>(7,869)</b>	<b>(2,090)</b>	<b>2,213,728</b>	<b>2,101,988</b>
<b>Transfers</b>	<u>(5,779)</u>	<u>-</u>	<u>5,779</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Increase (Decrease) in Net Position</b>	<b>2,215,818</b>	<b>2,104,078</b>	<b>(2,090)</b>	<b>(2,090)</b>	<b>2,213,728</b>	<b>2,101,988</b>
<b>Net Position, Beginning of Year</b>	<u>10,092,538</u>	<u>7,988,460</u>	<u>5,216</u>	<u>7,306</u>	<u>10,097,754</u>	<u>7,995,766</u>
<b>Net Position, End of Year</b>	<u>\$ 12,308,356</u>	<u>\$ 10,092,538</u>	<u>\$ 3,126</u>	<u>\$ 5,216</u>	<u>\$ 12,311,482</u>	<u>\$ 10,097,754</u>

# FLORHAM PARK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$28,058,113 for the fiscal year ended June 30, 2022, property taxes of \$21,489,467 represented 77% of revenues. Another significant portion of revenues came from grants and contributions which totaled \$5,798,599 and represented 21% of revenues. In addition, charges for services from tuition, transportation fees, facility use fees, and student activities as well as general revenue from unrestricted state aid and miscellaneous income such as interest, prior year refunds and other miscellaneous items represented 2% of revenues.

The total cost of all governmental activities programs and services was \$25,836,516 for the fiscal year ended June 30, 2022. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$14,489,394 (56%) of total expenses. Support services costs were \$10,745,215 (42%) of total expenses and interest on debt totaled \$601,907 (2%) of total expenses.

For fiscal year 2022, total governmental activities revenues exceeded expenses and transfers increasing net position for governmental activities by \$2,215,818 from the previous year.

**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$25,836,516. After applying program revenues, derived from operating and capital grants and contributions of \$5,798,599 and charges for services of \$227,279, the net cost of services of the District is \$19,810,638 for the fiscal year ended June 30, 2022.

### Total and Net Cost of Governmental Activities For the Fiscal Years Ended June 30, 2022 and 2021

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Instruction				
Regular	\$ 9,282,598	\$ 10,049,075	\$ 7,341,704	\$ 6,964,413
Special Education	4,123,238	4,375,034	2,189,266	2,424,243
Other Instruction	802,782	504,841	471,044	326,008
School Sponsored Activities and Athletics	280,776	99,809	223,638	86,998
Support Services				
Student and Instruction Related Services	3,976,051	3,916,437	3,240,534	2,949,708
General Administrative Services	730,229	758,364	643,019	589,241
School Administrative Services	1,009,910	1,210,980	847,262	911,893
Central Administrative Services	787,881	903,345	680,514	682,454
Plant Operations and Maintenance	3,234,486	3,007,782	2,983,675	2,777,275
Pupil Transportation	1,006,658	881,896	710,585	622,859
Interest on Debt	601,907	671,286	479,397	576,219
<b>Total</b>	<b><u>\$ 25,836,516</u></b>	<b><u>\$ 26,378,849</u></b>	<b><u>\$ 19,810,638</u></b>	<b><u>\$ 18,911,311</u></b>

**Business-Type Activities** – The District reported \$1,500 in business-type activities revenue for the fiscal year ended June 30, 2022.

Total cost of all business-type activities programs and services was \$9,369 for the fiscal year ended June 30, 2022.

For fiscal year 2022, total business-type activities expenses exceeded revenues and transfers decreasing net position by \$2,090 from the previous year.

# FLORHAM PARK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$10,042,768 at June 30, 2022, a decrease of \$4,755,980 from last year's fund balance of \$14,798,748. This decrease was mainly attributable to the District's on-going expenditures related to the 2020 referendum projects accounted for in the capital projects fund.

Revenues for the District's governmental funds were \$28,641,195, while total expenditures were \$33,391,396 for the fiscal year ended June 30, 2022.

### GENERAL FUND

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

The following schedule presents a summary of General Fund Revenues.

	<u>Fiscal Year Ended</u>		Amount of	Percent Change
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	Increase (Decrease)	
Local Sources				
Property Taxes	\$ 19,601,871	\$ 19,217,521	\$ 384,350	2%
Other	358,874	292,317	66,557	23%
State Sources	<u>5,619,518</u>	<u>4,222,959</u>	<u>1,396,559</u>	33%
 Total General Fund Revenues	 <u>\$ 25,580,263</u>	 <u>\$ 23,732,797</u>	 <u>\$ 1,847,466</u>	 8%

For fiscal year 2022, total General Fund revenues increased \$1,847,466, or 8%, from the previous year. Property taxes increased \$384,350, or 2%, to support increases in budgeted operating costs. As indicated, State aid increased \$1,396,559, or 33%, mainly due to increases in special education formula aid and on behalf TPAF pension benefit contributions made by the State for the District's teaching professionals.

The following schedule presents a summary of General Fund expenditures.

	<u>Fiscal Year Ended</u>		Amount of	Percent Change
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	Increase (Decrease)	
Instruction	\$ 14,591,978	\$ 13,090,350	\$ 1,501,628	11%
Support Services	10,340,865	9,236,254	1,104,611	12%
Debt Service	1,100	3,300	(2,200)	-67%
Capital Outlay	<u>259,259</u>	<u>332,353</u>	<u>(73,094)</u>	-22%
 Total Expenditures	 <u>\$ 25,193,202</u>	 <u>\$ 22,662,257</u>	 <u>\$ 2,530,945</u>	 11%

For fiscal year 2022, total General Fund expenditures increased \$2,530,945, or 11% from the previous year. Notable increases during the year were attributable to regular education instruction costs, student and instruction related services support costs and plant operations and maintenance support costs which were offset by a decrease in capital outlay costs.

**FLORHAM PARK BOARD OF EDUCATION**

**Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2022**

**GENERAL FUND (Continued)**

In fiscal year 2022 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$419,911. Therefore, total fund balance increased to \$3,894,365 at June 30, 2022. After deducting restricted and assigned fund balances, the unassigned fund balance increased by \$42,301 from \$721,908 at June 30, 2021 to \$764,209 at June 30, 2022. In addition, the District increased its restricted fund balances for capital reserve by \$500,000, which was offset by decreases in encumbrances of \$183,404 at year-end.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

At the end of fiscal year 2022, the District had \$32,558,650 invested in land, buildings, furniture, equipment and vehicles for governmental activities. Depreciation charges for fiscal year 2021-2022 amounted to \$731,356 for governmental activities. The following is a comparison of the June 30, 2022 and 2021 balances:

Capital Assets as of June 30, 2022 and 2021 (Net of Accumulated Depreciation)		<u>Governmental Activities</u>	
		<u>2022</u>	<u>2021</u>
Land	\$	1,156,663	\$ 1,156,663
Construction in Progress		18,289,115	13,010,695
Land Improvements		243,027	271,561
Buildings and Building Improvements		11,989,864	12,536,852
Machinery and Equipment		<u>879,981</u>	<u>853,321</u>
Total Capital Assets, Net	\$	<u>32,558,650</u>	\$ <u>27,829,092</u>

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

**LONG TERM LIABILITIES**

At June 30, 2022 the District had \$28,216,265 of total outstanding long term liabilities. Of this amount, \$25,036,407 is for serial bonds, \$418,168 is for compensated absences, and \$2,761,690 is for the District's net pension liability. For fiscal year 2021-2022 total outstanding long-term liabilities decreased by \$2,698,119. The following is a comparison of the June 30, 2022 and 2021 balances:

Outstanding Long-Term Debt as of June 30, 2022 and 2021		<u>Governmental Activities</u>	
		<u>2022</u>	<u>2021</u>
Serial Bonds (Including Original Issue Premium)	\$	25,036,407	\$ 26,778,688
Capital Financing Agreements Payable			1,087
Compensated Absences		418,168	289,496
Net Pension Liability		<u>2,761,690</u>	<u>3,845,113</u>
Total	\$	<u>28,216,265</u>	\$ <u>30,914,384</u>

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

# FLORHAM PARK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

### GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

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

For fiscal year 2022 General Fund budgetary revenues and other financing sources exceeded budgetary expenditures and other financing uses increasing budgetary fund balance by \$381,068 from the previous year. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance increased \$3,458 from \$1,052,606 at June 30, 2021 to \$1,056,064 at June 30, 2022. Additionally, the District increased its capital reserve from \$1,651,077 at June 30, 2021 to \$2,151,077 at June 30, 2022. The District also increased its excess surplus reserve from \$61,141 at June 30, 2021 to \$260,826 at June 30, 2022.

### FACTORS BEARING ON THE DISTRICT'S FUTURE

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

Many factors were considered by the District's administration during the process of developing the fiscal year 2022-2023 budget. The primary factors were the District's projected student population, anticipated state and federal aid, increasing salary and related benefit costs as well as special education costs.

These indicators were considered when adopting the budget for fiscal year 2022-2023. Budgeted expenditures in the General Fund increased approximately 3% to \$21,984,444 for fiscal year 2022-2023. Contractual salary requirements and related employee benefit costs, all well as, special education tuition costs were the main factors for the increase in the 2022-2023 budget.

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Florham Park Board of Education, 67 Ridgedale Avenue, Florham Park, NJ 07932.

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**FLORHAM PARK BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2022**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 10,080,993		\$ 10,080,993
Receivables, net	458,493		458,493
Capital Assets, Not Being Depreciated	19,445,778		19,445,778
Capital Assets, Being Depreciation, Net	13,112,872	\$ 3,126	13,115,998
Total Assets	43,098,136	3,126	43,101,262
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding of Debt	15,999		15,999
Deferred Amounts on Net Pension Liability	263,360	-	263,360
Total Deferred Outflows of Resources	279,359	-	279,359
Total Assets and Deferred Outflows of Resources	43,377,495	3,126	43,380,621
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	458,955		458,955
Payable to Other Governments	1,007		1,007
Accrued Interest Payable	227,677		227,677
Unearned Revenue	36,756		36,756
Noncurrent Liabilities			
Due Within One Year	1,755,000		1,755,000
Due Beyond One Year	26,461,265	-	26,461,265
Total Liabilities	28,940,660	-	28,940,660
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	2,128,479	-	2,128,479
Total Deferred Inflows of Resources	2,128,479	-	2,128,479
Total Liabilities and Deferred Inflows of Resources	31,069,139	-	31,069,139
<b>NET POSITION</b>			
Net Investment in Capital Assets	13,603,613	3,126	13,606,739
Restricted for			
Capital Projects	2,151,077		2,151,077
Student Activities	77,755		77,755
Plant Maintenance	50,000		50,000
Other Purposes	22,777		22,777
Unrestricted	(3,596,866)	-	(3,596,866)
Total Net Position	\$ 12,308,356	\$ 3,126	\$ 12,311,482

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

**FLORHAM PARK BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 9,282,598	\$ 119,214	\$ 1,821,680		\$ (7,341,704)		\$ (7,341,704)
Special Education	4,123,238		1,933,972		(2,189,266)		(2,189,266)
Other Instruction	802,782		331,738		(471,044)		(471,044)
School Sponsored Activities and Athletics	280,776	36,661	20,477		(223,638)		(223,638)
Support Services							
Student and Instruction Related Services	3,976,051		735,517		(3,240,534)		(3,240,534)
General Administrative Services	730,229		87,210		(643,019)		(643,019)
School Administrative Services	1,009,910		162,648		(847,262)		(847,262)
Central Administrative Services	787,881		107,367		(680,514)		(680,514)
Plant Operations and Maintenance	3,234,486		164,829	\$ 85,982	(2,983,675)		(2,983,675)
Pupil Transportation	1,006,658	71,404	224,669		(710,585)		(710,585)
Interest on Debt	601,907	-	122,510	-	(479,397)	-	(479,397)
Total Governmental Activities	<u>25,836,516</u>	<u>227,279</u>	<u>5,712,617</u>	<u>85,982</u>	<u>(19,810,638)</u>	<u>-</u>	<u>(19,810,638)</u>
<b>Business-Type Activities</b>							
Food Service	9,369	1,500	-	-	-	\$ (7,869)	(7,869)
Total Business-Type Activities	<u>9,369</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,869)</u>	<u>(7,869)</u>
Total Primary Government	<u>\$ 25,845,885</u>	<u>\$ 228,779</u>	<u>\$ 5,712,617</u>	<u>\$ 85,982</u>	<u>(19,810,638)</u>	<u>(7,869)</u>	<u>(19,818,507)</u>
<b>General Revenues</b>							
Taxes							
Property Tax, Levied for General Purposes					19,601,871		19,601,871
Property Tax, Levied for Debt Service					1,887,596		1,887,596
State Aid for Debt Service Principal					335,883		335,883
Investment Earnings					43,353		43,353
Miscellaneous Income					163,532		163,532
Transfers					(5,779)	5,779	-
Total General Revenues and Transfers					<u>22,026,456</u>	<u>5,779</u>	<u>22,032,235</u>
Change in Net Position					2,215,818	(2,090)	2,213,728
Net Position, Beginning of Year					<u>10,092,538</u>	<u>5,216</u>	<u>10,097,754</u>
Net Position, End of Year					<u>\$ 12,308,356</u>	<u>\$ 3,126</u>	<u>\$ 12,311,482</u>

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



**FUND FINANCIAL STATEMENTS**

**FLORHAM PARK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 3,666,373	\$ 83,032	\$ 6,331,588		\$ 10,080,993
Intergovernmental Receivable	102,019	313,561			415,580
Other Accounts Receivable	36,035	6,878			42,913
Due from Other Funds	293,698	-	-	-	293,698
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 4,098,125	\$ 403,471	\$ 6,331,588	\$ -	\$ 10,833,184
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 45,793	\$ 6,978	\$ 266,217		\$ 318,988
Accrued Salaries and Wages	491				491
Payroll Deductions and Withholdings Payable	35,808				35,808
Employee Unemployment Contributions Payable	103,668				103,668
Intergovernmental Payable		1,007			1,007
Due to Other Funds		293,698			293,698
Unearned Revenue	18,000	18,756	-	-	36,756
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	203,760	320,439	266,217	-	790,416
Fund Balances					
Restricted					
Capital Reserve	2,012,077				2,012,077
Capital Reserve - Designated for Subsequent Year's Expenditures	139,000				139,000
Maintenance Reserve	50,000				50,000
Emergency Reserve - Designated for Subsequent Year's Expenditures	87,000				87,000
Unemployment Compensation Reserve	17,500				17,500
Excess Surplus	260,826				260,826
Excess Surplus - Designated for Subsequent Year's Expenditures	61,141				61,141
Student Activities		77,755			77,755
Scholarship Awards		5,277			5,277
Capital Projects			6,065,371		6,065,371
Committed					
Year End Encumbrances	39,316				39,316
Assigned					
Year End Encumbrances	77,092				77,092
Designated for Subsequent Year Expenditures	386,204				386,204
Unassigned	764,209	-	-	-	764,209
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	3,894,365	83,032	6,065,371	-	10,042,768
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 4,098,125	\$ 403,471	\$ 6,331,588	\$ -	\$ 10,833,184

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

**FLORHAM PARK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2022**

<b>Total Fund Balances (Exhibit B-1)</b>		<b>\$ 10,042,768</b>
<p>Amounts reported for governmental activities in the statement of net position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$49,774,129 and the accumulated depreciation is \$17,215,479.</p>		32,558,650
<p>Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.</p>		15,999
<p>Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and amortized over future years.</p>		
Deferred Outflows of Resources	\$ 263,360	
Deferred Inflows of Resources	<u>(2,128,479)</u>	(1,865,119)
<p>The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:</p>		(227,677)
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds</p>		
Serial Bonds Payable, Net	25,036,407	
Compensated Absences	418,168	
Net Pension Liability	<u>2,761,690</u>	<u>(28,216,265)</u>
<b>Total Net Position of Governmental Activities (Exhibit A-1)</b>		<b><u>\$ 12,308,356</u></b>

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

**FLORHAM PARK BOARD OF EDUCATION**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 19,601,871			\$ 1,887,596	\$ 21,489,467
Tuition	119,214				119,214
Transportation Fees	71,404				71,404
Interest	4,724		\$ 38,629		43,353
Miscellaneous	163,532	\$ 57,245	-	-	220,777
<b>Total - Local Sources</b>	<b>19,960,745</b>	<b>57,245</b>	<b>38,629</b>	<b>1,887,596</b>	<b>21,944,215</b>
State Sources	5,619,518	34,319		458,393	6,112,230
Federal Sources	-	584,750	-	-	584,750
<b>Total Revenues</b>	<b>25,580,263</b>	<b>676,314</b>	<b>38,629</b>	<b>2,345,989</b>	<b>28,641,195</b>
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular	9,681,082	26,915			9,707,997
Special Education	4,034,749	274,554			4,309,303
Other Instruction	628,224	205,537			833,761
School-Sponsored Activities and Athletics	247,923	45,072			292,995
Support Services					
Student and Instruction Related Services	4,049,820	92,698			4,142,518
General Administrative Services	756,167				756,167
School Administrative Services	1,031,033				1,031,033
Central Administrative Services	830,433				830,433
Plant Operations and Maintenance	2,693,069	5,774			2,698,843
Student Transportation Services	980,343				980,343
Debt Service					
Principal	1,087			1,719,000	1,720,087
Interest and Other Charges	13			626,989	627,002
Capital Outlay	259,259	34,319	5,167,336	-	5,460,914
<b>Total Expenditures</b>	<b>25,193,202</b>	<b>684,869</b>	<b>5,167,336</b>	<b>2,345,989</b>	<b>33,391,396</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	387,061	(8,555)	(5,128,707)	-	(4,750,201)
<b>OTHER FINANCING SOURCES/(USES)</b>					
Transfers In	38,629				38,629
Transfers Out	(5,779)	-	(38,629)	-	(44,408)
<b>Total Other Financing Uses</b>	<b>32,850</b>	<b>-</b>	<b>(38,629)</b>	<b>-</b>	<b>(5,779)</b>
<b>Net Change in Fund Balances</b>	<b>419,911</b>	<b>(8,555)</b>	<b>(5,167,336)</b>	<b>-</b>	<b>(4,755,980)</b>
Fund Balance, Beginning of Year	3,474,454	91,587	11,232,707	-	14,798,748
<b>Fund Balance, End of Year</b>	<b>\$ 3,894,365</b>	<b>\$ 83,032</b>	<b>\$ 6,065,371</b>	<b>\$ -</b>	<b>\$ 10,042,768</b>

**FLORHAM PARK BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** **\$ (4,755,980)**

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

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

Capital Outlay	\$ 5,460,914	
Depreciation Expense	<u>(731,356)</u>	
		4,729,558

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

Increase in Compensated Absences	(128,672)	
Decrease in Pension Expense	<u>625,730</u>	
		497,058

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

Principal Payments		
Serial Bond Principal	1,719,000	
Capital Financing Agreements	<u>1,087</u>	
		1,720,087

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

Amortization of Bond Premium	23,281	
Amortization of Deferred Amounts on Refunding	<u>(22,704)</u>	
		577

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

Decrease in Accrued Interest		<u>24,518</u>
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**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ 2,215,818**

**FLORHAM PARK BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2022**

	<b>Non-Major Enterprise Fund <u>Food Service</u></b>
<b>ASSETS</b>	
Non-Current Assets	
Capital Assets	
Equipment	\$ 119,196
Less: Accumulated Depreciation	<u>(116,070)</u>
Total Non-Current Assets	<u>3,126</u>
Total Assets	<u>3,126</u>
 <b>NET POSITION</b>	
Investment in Capital Assets	<u>3,126</u>
Total Net Position	<u><u>\$ 3,126</u></u>

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

**FLORHAM PARK BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Non-Major Enterprise Fund <u>Food Service</u></b>
<b>OPERATING REVENUES</b>	
Local Sources	
Daily Sales	\$ 1,500
Total Operating Revenues	1,500
<b>OPERATING EXPENSES</b>	
Supplies and Materials	7,279
Depreciation	2,090
Total Operating Expenses	9,369
Operating (Loss )	(7,869)
Transfer In	5,779
Changes in Net Position	(2,090)
Net Position, Beginning of Year	5,216
Net Position, End of Year	\$ 3,126

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

**FLORHAM PARK BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Non-Major Enterprise Fund <u>Food Service</u></b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 1,500
Cash Payments to Suppliers for Goods and Services	<u>(7,279)</u>
Net Cash Provided (Used) by Operating Activities	<u>(5,779)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Cash Received from General Fund	<u>5,779</u>
Net Cash Provided by Noncapital Financing Activities	<u>5,779</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-
Cash and Cash Equivalents, Beginning of Year	\$ <u>-</u>
Cash and Cash Equivalents, End of Year	<u>\$ -</u>
<b>Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities</b>	
Operating (Loss)	\$ <u>(7,869)</u>
Adjustments to Reconcile Operating Loss to Net Cash (Used for) Operating Activities	
Depreciation	<u>2,090</u>
Total Adjustments	<u>2,090</u>
Net Cash Provided (Used by) Operating Activities	<u>\$ (5,779)</u>

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



**NOTES TO THE FINANCIAL STATEMENTS**

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

**B. New Accounting Standards**

During fiscal year 2022, the District adopted the following GASB statements:

- 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.
- GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

- GASB Statement No. 92, *Omnibus 2020*. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

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

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB Statement No. 99, *Omnibus 2022*, the section applicable to the District will be effective beginning with the fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

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

**District-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

**Fund Financial Statements (Continued)**

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

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

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

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

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

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

**Reclassifications**

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

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

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

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

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

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

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

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

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

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

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

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

***2. Receivables***

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

***3. Inventories***

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

***4. Capital Assets***

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

**FLORHAM PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

***4. Capital Assets (Continued)***

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

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

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

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

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

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

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

***6. Compensated Absences***

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

***7. Pensions***

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

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

***8. Financing Agreements***

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

***9. Long-Term Obligations***

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

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



**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

***10. Net Position/Fund Balance***

**District-Wide Statements**

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

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

**Governmental Fund Statements**

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

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

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

*Capital Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2022/2023 District budget certified for taxes.

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

*Emergency Reserve - Designated for Subsequent Year's Expenditures* - This designation was created for emergency reserve fund balance appropriated in the 2022/2023 original budget certified for taxes.

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

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2022 audited excess surplus that is required to be appropriated in the 2023/2024 original budget certified for taxes.

*Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that was appropriated in the 2022/2023 original budget certified for taxes.

FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

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

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

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

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

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

*Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2022/2023 District budget certified for taxes.

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

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

**11. Fund Balance Policies**

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

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

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

***11. Fund Balance Policies (Continued)***

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

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

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

***2. Property Taxes***

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

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

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

Tuition Expenditures - Tuition charges for the fiscal years 2020-2021 and 2021-2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Education as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2021/2022. Also, during 2021/2022 the Board increased the original budget by \$1,306,798. The increase was funded by the additional appropriation of unassigned fund balance, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances.

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

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

**FLORHAM PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

**B. Capital Reserve**

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021	\$ 1,651,077
Increased by	
Deposits Approved by Board Resolution	<u>500,000</u>
Balance, June 30, 2022	<u>\$ 2,151,077</u>

The June 30, 2022 LRFP balance of uncompleted projects is estimated to be \$19,894,500. \$139,000 of the capital reserve balance at June 30, 2022 was designated and appropriated for use in the 2022/2023 original budget certified for taxes.

**C. Maintenance Reserve**

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021	<u>\$ 50,000</u>
Balance, June 30, 2022	<u>\$ 50,000</u>

The June 30, 2022 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$994,136.

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

**D. Emergency Reserve**

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

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

The activity of the emergency reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021	\$ <u>87,000</u>
Balance, June 30, 2022	\$ <u>87,000</u>

The above emergency reserve balance was designated and appropriated for use in the 2022/2023 original budget certified for taxes.

**E. Transfers to Capital Outlay**

During the 2021/2022 school year, the district transferred \$126,081 to the non-equipment capital outlay accounts.

**F. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2022 is \$321,967. Of this amount, \$61,141 was designated and appropriated in the 2022/2023 original budget certified for taxes and the remaining amount of \$260,826 will be appropriated in the 2023/2024 original budget certified for taxes.

**FLORHAM PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2022, the book value of the Board's deposits were \$10,080,993 and bank and brokerage firm balances of the Board's deposits amounted to \$10,658,203. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ 10,473,093
Uninsured and Collateralized	<u>185,110</u>
	<u>\$ 10,658,203</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2022 the Board's bank balance of \$185,110 was exposed to custodial credit risk as follows:

**Depository Account**

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	<u>\$ 185,110</u>
	<u>\$ 185,110</u>

**FLORHAM PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

**Investments**

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

As of June 30, 2022, the Board had no outstanding investments.

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

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

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

Interest earnings in the Capital Project Fund are assigned to the General Fund in accordance with Board policy.

**B. Receivables**

Receivables as of June 30, 2022 for the district’s individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Receivables:			
Intergovernmental:			
Federal		\$ 313,561	\$ 313,561
State	\$ 102,019		102,019
Accounts	-	-	-
	<hr/>	<hr/>	<hr/>
Gross Receivables	102,019	313,561	415,580
Less: Allowance for			
Uncollectibles	-	-	-
Net Total Receivables	<u>\$ 102,019</u>	<u>\$ 313,561</u>	<u>\$ 415,580</u>



**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

**C. Unearned Revenue**

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

General Fund		
Prepaid Tuition Fees	\$	18,000
Special Revenue Fund		
Unencumbered Grant Draw Downs		17,712
Grant Draw Downs Year-End Encumbrances		<u>1,044</u>
Total Unearned Revenue for Governmental Funds	\$	<u>36,756</u>

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	<u>Balance, July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2022</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,156,663			\$ 1,156,663
Construction in Progress	<u>13,010,695</u>	<u>\$ 5,278,420</u>	<u>-</u>	<u>18,289,115</u>
Total Capital Assets, Not Being Depreciated	<u>14,167,358</u>	<u>5,278,420</u>	<u>-</u>	<u>19,445,778</u>
Capital Assets, Being Depreciated:				
Land Improvements	1,662,405			1,662,405
Building and Building Improvements	25,764,966			25,764,966
Machinery and Equipment	<u>2,718,486</u>	<u>182,494</u>	<u>-</u>	<u>2,900,980</u>
Total Capital Assets Being Depreciated	<u>30,145,857</u>	<u>182,494</u>	<u>-</u>	<u>30,328,351</u>
Less Accumulated Depreciation for:				
Land Improvements	(1,390,844)	(28,534)		(1,419,378)
Building and Building Improvements	(13,228,114)	(546,988)		(13,775,102)
Machinery and Equipment	<u>(1,865,165)</u>	<u>(155,834)</u>	<u>-</u>	<u>(2,020,999)</u>
Total Accumulated Depreciation	<u>(16,484,123)</u>	<u>(731,356)</u>	<u>-</u>	<u>(17,215,479)</u>
Total Assets, Being Depreciation, Net	<u>13,661,734</u>	<u>(548,862)</u>	<u>-</u>	<u>13,112,872</u>
Governmental Activities Capital Assets, Net	<u>\$ 27,829,092</u>	<u>\$ 4,729,558</u>	<u>\$ -</u>	<u>\$ 32,558,650</u>

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

**D. Capital Assets (Continued)**

	Balance, July 1, 2021	Increases	Decreases	Balance, June 30, 2022
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 119,196	-	-	\$ 119,196
Total Capital Assets Being Depreciated	<u>119,196</u>	<u>-</u>	<u>-</u>	<u>119,196</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(113,980)	\$ (2,090)	-	(116,070)
Total Accumulated Depreciation	<u>(113,980)</u>	<u>(2,090)</u>	<u>-</u>	<u>(116,070)</u>
Total Capital Assets, Being Depreciated, Net	<u>5,216</u>	<u>(2,090)</u>	<u>-</u>	<u>3,126</u>
Business-Type Activities Capital Assets, Net	<u>\$ 5,216</u>	<u>\$ (2,090)</u>	<u>\$ -</u>	<u>\$ 3,126</u>

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

**Governmental Activities:**

Instruction

Regular \$ 16,103

Special 454

Total Instruction 16,557

Support Services

Student and Instruction Related Services 9,137

General Administrative Services 984

School Administrative Services 29,041

Plant Operations and Maintenance 621,923

Pupil Transportation 53,714

Total Support Services 714,799

Total Depreciation Expense - Governmental Activities \$ 731,356

**Business-Type Activities:**

Food Service Fund \$ 2,090

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

**D. Capital Assets (Continued)**

**Construction Commitments**

The District has the following active construction projects as of June 30, 2022:

<u>Project</u>	<u>Remaining Commitment</u>
Briarwood Elementary School Improvements	\$ 37,216
Brooklake Elementary School Improvements	1,740,220
Ridgedale Middle School Improvements	<u>120,771</u>
	<u>\$ 1,898,207</u>

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

The composition of interfund balances as of June 30, 2022, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	<u>\$ 293,698</u>

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

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

**Interfund Transfers**

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Enterprise Fund Food Service</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 5,779	\$ 5,779
Capital Projects Fund	<u>\$ 38,629</u>	<u>-</u>	<u>38,629</u>
Total Transfers	<u>\$ 38,629</u>	<u>\$ 5,779</u>	<u>\$ 44,408</u>

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

**FLORHAM PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

**F. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2022 are comprised of the following issues:

\$9,185,000, 2009 Refunding Bonds, with a final annual installment of \$945,000 due July 15, 2022, interest at 4.00%	\$945,000
\$24,854,000, 2020 School Bonds, due in annual installments of \$810,000 to \$1,540,000 through August 15, 2039, interest at 2.125% to 2.500%	<u>24,075,000</u>
	<u>\$25,020,000</u>

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

**Governmental Activities:**

Fiscal Year Ended June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 1,755,000	\$ 570,725	\$ 2,325,725
2024	1,030,000	531,125	1,561,125
2025	1,075,000	507,444	1,582,444
2026	1,125,000	482,694	1,607,694
2027	1,170,000	456,875	1,626,875
2028-2032	6,645,000	1,853,894	8,498,894
2033-2037	7,600,000	1,038,275	8,638,275
2038-2041	4,620,000	173,250	4,793,250
	<u>\$ 25,020,000</u>	<u>\$ 5,614,282</u>	<u>\$ 30,634,282</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2022 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 108,606,936
Less: Net Debt Issued and Authorized Not Issued	<u>25,020,156</u>
Remaining Borrowing Power	<u>\$ 83,586,780</u>

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

**G. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable	\$ 26,739,000		\$ 1,719,000	\$ 25,020,000	\$ 1,755,000
Add: Original Issue Premium	39,688	-	23,281	16,407	-
Total Bonds Payable	26,778,688	-	1,742,281	25,036,407	1,755,000
Capital Financing Agreements	1,087		1,087	-	
Compensated Absences	289,496	\$ 128,672		418,168	
Net Pension Liability	3,845,113	-	1,083,423	2,761,690	-
Governmental Activities Long-Term Liabilities	<u>\$ 30,914,384</u>	<u>\$ 128,672</u>	<u>\$ 2,826,791</u>	<u>\$ 28,216,265</u>	<u>\$ 1,755,000</u>

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

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

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

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

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

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

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

Fiscal Year Ended June 30,	District Contributions	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2022	None	\$ 27,282	\$ 127	\$ 6,407	\$ 17,500
2021	None	18,162	50	63,198	17,373
2020	None	19,458	1,336	56,994	62,359

**B. Contingent Liabilities**

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

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2022, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2022, the District has not estimated its arbitrage earnings due to the IRS, if any.

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

**Plan Descriptions and Benefits Provided**

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

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

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

**FLORHAM PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

The following represents the membership tiers for PERS:

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

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

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

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

The following represent the membership tiers for TPAF:

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

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PERS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

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

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

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

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



**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Plan Amendments**

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

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

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

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2021 is \$12.0 billion and the plan fiduciary net position as a percentage of the total pension liability is 70.33%. The collective net pension liability of the State funded TPAF at June 30, 2021 is \$48.2 billion and the plan fiduciary net position as a percentage of total pension liability is 35.52%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

**Actuarial Methods and Assumptions**

In the July 1, 2020 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2022.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2022 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2022, 2021 and 2020 were equal to the required contributions.

During the fiscal years ended June 30, 2022, 2021 and 2020 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2022	\$ 273,014	\$ 3,055,986	\$ 23,525
2021	257,943	2,111,779	27,879
2020	230,162	1,649,553	23,745

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

In addition for fiscal years 2022, 2021 and 2020 the District contributed \$0, \$0 and \$569, respectively for PERS and the State contributed \$1,169, \$1,168 and \$1,165, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$625,045 during the fiscal year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

**Public Employees Retirement System (PERS)**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2020 through June 30, 2021. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2021 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2021.

At June 30, 2022, the District reported in the statement of net position (accrual basis) a liability of \$2,761,690 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2021. At June 30, 2021, the District's proportionate share was .02331 percent, which was a decrease of .00027 percent from its proportionate share measured as of June 30, 2020 of .02358 percent.

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$352,716 for PERS. The pension contribution made by the District during the current 2021/2022 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2022 with a measurement date of the prior fiscal year end of June 30, 2021. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2022 for contributions made subsequent to the measurement date. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 43,555	\$ 19,770
Changes of Assumptions	14,383	983,180
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		727,502
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>205,422</u>	<u>398,027</u>
Total	<u>\$ 263,360</u>	<u>\$ 2,128,479</u>

At June 30, 2022, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension benefit as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2023	\$ (672,926)
2024	(585,307)
2025	(359,105)
2026	(246,765)
2027	(1,016)
Thereafter	<u>-</u>
	<u>\$ (1,865,119)</u>

**FLORHAM PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

*Actuarial Assumptions*

The District's total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%

*Mortality Rates*

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 generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Discount Rate***

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2021. 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 nonemployer contributing entity will be based on 100% 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 in determining the total pension liability.

***Sensitivity of Net Pension Liability***

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

	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 3,760,862</u>	<u>\$ 2,761,690</u>	<u>\$ 1,913,751</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2021. A sensitivity analysis specific to the District’s net pension liability at June 30, 2021 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2020 through June 30, 2021. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2021, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$806,468 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State's proportionate share of the net pension liability attributable to the District is \$34,273,387. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2021. At June 30, 2021, the State's share of the net pension liability attributable to the District was .07129 percent, which was a decrease of .00259 percent from its proportionate share measured as of June 30, 2020 of .07388 percent.



**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

**Actuarial Assumptions**

The total pension liability for the June 30, 2021 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	1.55-4.55%
	Based on Years of Service
Thereafter	2.75%-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

***Mortality Rates***

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-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

***Discount Rate***

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% 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 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 in determining the total pension liability.

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

*Sensitivity of Net Pension Liability*

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

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 40,551,142</u>	<u>\$ 34,273,387</u>	<u>\$ 29,000,468</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2021. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2021 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).

**E. Post-Retirement Medical Benefits**

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Plan Description and Benefits Provided**

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

**FLORHAM PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2020:

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

**Measurement Focus and Basis of Accounting**

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

**Investment Valuation**

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

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2021 is \$60.0 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, 2020 which were rolled forward to June 30, 2021.

**Actuarial Methods and Assumptions**

In the June 30, 2020 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2021.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2022, 2021 and 2020 were \$714,002, \$661,799 and \$611,954, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2020 through June 30, 2021. Nonemployer allocation percentages have been rounded for presentation purposes.

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

**FLORHAM PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,380,438. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State’s proportionate share of the OPEB liability attributable to the District is \$41,499,550. 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, 2021 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the state’s share of the OPEB liability attributable to the District was .06916 percent, which was an increase of .00013 percent from its proportionate share measured as of June 30, 2020 of .06903 percent.

**Actuarial Assumptions**

The OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
Salary Increases*	<u>PERS</u>	<u>TPAF</u>
Initial Fiscal Year Applied Through	2026	2026
Rate	2.00% to 6.00%	1.55% to 4.45%
Rate Thereafter	3.00% to 7.00%	2.75% to 5.65%

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

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. 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-2021. 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-2021 for current disables retirees. Future disabled retirees was based on the Pub-2010 “General” (PERS) and “Teachers” (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

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

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%

**Discount Rate**

The discount rate for June 30, 2021 was 2.16%. 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.

**Changes in the Total OPEB Liability**

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2020 Measurement Date	\$ 46,810,228
Changes Recognized for the Fiscal Year:	
Service Cost	2,265,086
Interest on the Total OPEB Liability	1,076,542
Changes of Benefit Terms	(44,171)
Differences Between Expected and Actual Experience	(7,828,585)
Changes of Assumptions	40,942
Gross Benefit Payments	(848,014)
Contributions from the Member	27,522
Net Changes	<u>\$ (5,310,678)</u>
Balance, June 30, 2021 Measurement Date	<u>\$ 41,499,550</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

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, 2021.

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.16%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	<b>1% Decrease <u>(1.16%)</u></b>	<b>Current Discount Rate <u>(2.16%)</u></b>	<b>1% Increase <u>(3.16%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 49,709,946</u>	<u>\$ 41,499,550</u>	<u>\$ 35,034,356</u>

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

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 33,594,021</u>	<u>\$ 41,499,550</u>	<u>\$ 52,116,092</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021 were not provided by the pension system.

**F. Subsequent Events**

**Appropriation of Fund Balance**

On August 29, 2022 the Board approved the appropriation of an additional \$224,184 of General Fund unassigned fund balance to the 2022/2023 budget.



**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**G. Tax Abatements**

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

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

**NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States. As governments monitor the outbreaks, they have taken various steps to control them through requiring social distancing, masks and business closures and limited openings. As the virus appears to be under control in many areas, many of these restrictions have been lifted although the situation is monitored, sometimes restrictions are reinstated. Several vaccines have been developed and have been administered. Mutant variants have emerged in various places around the world and now are prevalent in the United States. Certain workers are being required to be vaccinated. Companies have developed booster shots, and current vaccines have proven substantially effective against all currently know variants. New treatments are also being developed to avert the worst outcomes. The assessment of the impact of the virus and the ability to control it and its mutant strains is ongoing.

In the State, Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. On June 4, 2021, the Governor signed legislation enabling the end of the public health emergency and keeping certain executive orders in place until January 1, 2022, though such executive orders may be modified or rescinded prior to that day by the Governor. The Board expects ongoing actions be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and may continue to negatively affect economic growth and financial markets worldwide. These negative impacts could reduce or negatively affect property values within the School District.

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS (Continued)**

Since the pandemic began, the federal government had enacted rescue legislation to address the pandemic and alleviate its economic and health effects, including significant support for education. The legislation includes various forms of financial relief including direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. Federal aid for public education has been provided under three 5 separate laws: The Coronavirus Aid, Relief, and Economic Security Act in March 2020 (CARES Act), and the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020 (CRRSA) and the American Rescue Plan Act in March 2021 (ARP). The Elementary and Secondary School Emergency Relief (ESSER) Fund is the main source of funding for public elementary and secondary education under each law. The School District has been awarded up to \$616,348 to address certain expenses incurred as a result of the pandemic. Because of the evolving nature of the outbreak and federal, state and local responses, the Board cannot predict how the outbreak will impact the financial condition or operations of the Board, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The School District cannot predict costs associated with this or any other potential infectious disease outbreak including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease. To date the School District has not been materially and adversely affected financially due to the virus.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**  
**BUDGET COMPARISON SCHEDULES**

**BUDGETARY COMPARISON SCHEDULES**

**FLORHAM PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 19,601,871	-	\$ 19,601,871	\$ 19,601,871	
Tuition	125,812	-	125,812	119,214	\$ (6,598)
Transportation Fees From Individuals	45,000	-	45,000	71,257	26,257
Transportation Fees From Other LEA's	42,000	-	42,000	147	(41,853)
Interest				4,597	4,597
Interest - Unemployment Compensation				127	127
Miscellaneous	60,000	-	60,000	163,532	103,532
<b>Total Local Sources</b>	<b>19,874,683</b>	<b>-</b>	<b>19,874,683</b>	<b>19,960,745</b>	<b>86,062</b>
State Sources					
Special Education Aid	728,132	-	728,132	728,132	
Transportation Aid	161,007	-	161,007	161,007	
Security Aid	19,487	-	19,487	19,487	
Extraordinary Aid				204,710	204,710
Additional Nonpublic Transportation Aid				19,474	19,474
School Security Grant				51,663	51,663
On-behalf TPAF Pension Payments - Pension Contribution (Non-Budget)				3,013,470	3,013,470
NCGI Premium (Non-Budget)				42,516	42,516
On-behalf TPAF OPEB Payments - Post Retirement Medical Benefits (Non-Budget)				714,002	714,002
On-behalf TPAF LTDI Payments - Long-Term Disability Insurance (Non-Budget)				1,169	1,169
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	625,045	625,045
<b>Total State Sources</b>	<b>908,626</b>	<b>-</b>	<b>908,626</b>	<b>5,580,675</b>	<b>4,672,049</b>
<b>Total Revenues</b>	<b>20,783,309</b>	<b>-</b>	<b>20,783,309</b>	<b>25,541,420</b>	<b>4,758,111</b>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	110,641	\$ 461	111,102	110,659	443
Kindergarten	401,684	18,539	420,223	420,223	-
Grades 1-5	2,567,735	30,061	2,597,796	2,597,796	-
Grades 6-8	1,819,393	(3,450)	1,815,943	1,815,943	-
Regular Program - Home Instruction					
Salaries of Teachers	10,000	(3,670)	6,330	6,330	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	7,000	(5,500)	1,500	1,500	-
Purchased Professional/Educational Services	112,800	27,847	140,647	135,707	4,940
Purchased Technical Services	61,250	(544)	60,706	60,706	-
Other Purchased Services	88,905	(10,585)	78,320	69,207	9,113
General Supplies	377,790	59,757	437,547	407,436	30,111
Textbooks	64,000	179,241	243,241	234,968	8,273
Other Objects	7,700	1,409	9,109	8,417	692
<b>Total Regular Programs</b>	<b>5,628,898</b>	<b>293,566</b>	<b>5,922,464</b>	<b>5,868,892</b>	<b>53,572</b>
Special Education Instruction					
Learning and/or Language Disabilities					
Salaries of Teachers	136,060	1,242	137,302	137,302	-
Other Salaries for Instruction	67,080	1,431	68,511	68,511	-
Purchased Professional/Educational Services	3,000	(2,511)	489	489	-
General Supplies	15,910	(659)	15,251	13,069	2,182
Textbooks	-	1,052	1,052	971	81
<b>Total Learning and/or Language Disabilities</b>	<b>222,050</b>	<b>555</b>	<b>222,605</b>	<b>220,342</b>	<b>2,263</b>

**FLORHAM PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Special Education (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 63,480	-	\$ 63,480	\$ 63,395	\$ 85
Other Salaries for Instruction	16,373	\$ (16,000)	373	-	373
Purchased Professional/Educational Services	3,000	29,879	32,879	32,879	-
General Supplies	3,410	(1,445)	1,965	1,836	129
Textbooks	-	456	456	451	5
<b>Total Multiple Disabilities</b>	<b>86,263</b>	<b>12,890</b>	<b>99,153</b>	<b>98,561</b>	<b>592</b>
Resource Room/Resource Center					
Salaries of Teachers	1,495,833	(5,532)	1,490,301	1,490,301	-
Other Salaries for Instruction	170,430	1,709	172,139	172,139	-
Purchased Professional/Educational Services	120,000	38,889	158,889	158,889	-
General Supplies	15,400	1,687	17,087	14,535	2,552
Textbooks	1,750	5,995	7,745	6,039	1,706
<b>Total Resource Room</b>	<b>1,803,413</b>	<b>42,748</b>	<b>1,846,161</b>	<b>1,841,903</b>	<b>4,258</b>
Preschool Disabilities - Full-Time					
Salaries of Teachers	76,291	356	76,647	76,647	-
Other Salaries for Instruction	91,580	19,703	111,283	111,283	-
Purchased Professional/Educational Services	11,520	13,511	25,031	25,031	-
General Supplies	4,975	-	4,975	4,137	838
<b>Total Preschool Disabilities - Full-Time</b>	<b>184,366</b>	<b>33,570</b>	<b>217,936</b>	<b>217,098</b>	<b>838</b>
<b>Total Special Education</b>	<b>2,296,092</b>	<b>89,763</b>	<b>2,385,855</b>	<b>2,377,904</b>	<b>7,951</b>
Basic Skills/Remedial					
Salaries of Teachers	232,960	18,178	251,138	251,138	-
General Supplies	11,150	(2,889)	8,261	4,900	3,361
Textbooks	-	7,500	7,500	7,483	17
<b>Total Basic Skills/Remedial</b>	<b>244,110</b>	<b>22,789</b>	<b>266,899</b>	<b>263,521</b>	<b>3,378</b>
Bilingual Education - Instruction					
Salaries of Teachers	101,290	-	101,290	97,427	3,863
General Supplies	775	8	783	183	600
<b>Total Bilingual Education - Instruction</b>	<b>102,065</b>	<b>8</b>	<b>102,073</b>	<b>97,610</b>	<b>4,463</b>
School Sponsored Co/Extra Curricular Activities					
Salaries	108,742	6,097	114,839	114,839	-
Purchased Services	-	2,960	2,960	2,960	-
Supplies and Materials	10,736	(2,696)	8,040	7,099	941
<b>Total School Sponsored Co/Extra Curricular Activities</b>	<b>119,478</b>	<b>6,361</b>	<b>125,839</b>	<b>124,898</b>	<b>941</b>
School Sponsored Athletics					
Salaries	52,140	-	52,140	27,883	24,257
Purchased Services	13,000	970	13,970	12,970	1,000
Supplies and Materials	9,450	1,390	10,840	8,875	1,965
Other Objects	2,000	-	2,000	1,468	532
<b>Total School Sponsored Athletics</b>	<b>76,590</b>	<b>2,360</b>	<b>78,950</b>	<b>51,196</b>	<b>27,754</b>
Other Instructional Programs					
Salaries	7,500	(4,000)	3,500	3,252	248
Supplies and Materials	2,200	(1,000)	1,200	68	1,132
<b>Total Other Instructional Programs</b>	<b>9,700</b>	<b>(5,000)</b>	<b>4,700</b>	<b>3,320</b>	<b>1,380</b>
<b>Total Instruction</b>	<b>8,476,933</b>	<b>409,847</b>	<b>8,886,780</b>	<b>8,787,341</b>	<b>99,439</b>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Special	229,000	(35,552)	193,448	123,889	69,559
Tuition to APSSD Within the State	255,000	(176,415)	78,585	24,254	54,331
<b>Total Undistributed Expenditures - Instruction</b>	<b>484,000</b>	<b>(211,967)</b>	<b>272,033</b>	<b>148,143</b>	<b>123,890</b>

**FLORHAM PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Health Services					
Salaries	\$ 237,495	\$ 1,753	\$ 239,248	\$ 239,248	-
Purchased Professional-Technical Services	10,000	9,702	19,702	19,702	-
Other Purchased Services	1,735	3,178	4,913	4,663	\$ 250
Supplies and Materials	7,074	(2,547)	4,527	3,795	732
Other Objects	604	-	604	220	384
<b>Total Health Services</b>	<b>256,908</b>	<b>12,086</b>	<b>268,994</b>	<b>267,628</b>	<b>1,366</b>
Speech, OT, PT and Related Services					
Salaries	501,340	(58,000)	443,340	442,305	1,035
Purchased Professional-Educational Services	23,000	16,842	39,842	39,562	280
Supplies and Materials	13,795	(3,423)	10,372	9,496	876
<b>Total Speech, OT, PT and Related Services</b>	<b>538,135</b>	<b>(44,581)</b>	<b>493,554</b>	<b>491,363</b>	<b>2,191</b>
Other Support Services-Students-Extra Serv.					
Salaries	209,540	-	209,540	207,579	1,961
Purchased Professional-Educational Services	60,000	130,602	190,602	190,602	-
<b>Total Other Support Services - Students - Extra Serv.</b>	<b>269,540</b>	<b>130,602</b>	<b>400,142</b>	<b>398,181</b>	<b>1,961</b>
Guidance					
Salaries of Other Professional Staff	223,350	-	223,350	222,424	926
Salaries of Secretarial and Clerical Assistants	29,160	(8,475)	20,685	11,708	8,977
Other Purchased Professional and Tech. Services	88,692	(3,610)	85,082	79,176	5,906
Other Purchased Services	3,550	934	4,484	3,355	1,129
Supplies and Materials	20,145	7,516	27,661	19,706	7,955
Other Objects	750	-	750	158	592
<b>Total Guidance</b>	<b>365,647</b>	<b>(3,635)</b>	<b>362,012</b>	<b>336,527</b>	<b>25,485</b>
Child Study Team					
Salaries of Other Professional Staff	492,700	14,000	506,700	505,574	1,126
Salaries of Secretarial and Clerical Assistants	60,365	1,117	61,482	61,482	-
Purchased Professional-Educational Services	67,000	15,894	82,894	78,270	4,624
Other Purchased Professional and Tech. Services	35,200	(15,886)	19,314	16,494	2,820
Other Purchased Services	5,000	-	5,000	2,852	2,148
Supplies and Materials	33,950	4,645	38,595	34,458	4,137
Other Objects	2,535	-	2,535	1,945	590
<b>Total Child Study Team</b>	<b>696,750</b>	<b>19,770</b>	<b>716,520</b>	<b>701,075</b>	<b>15,445</b>
Improvement of Instructional Services					
Salaries of Other Professional Staff	150,041	7,849	157,890	135,967	21,923
Other Salaries	34,000	-	34,000	24,101	9,899
Supplies and Materials	2,000	-	2,000	362	1,638
Other Objects	2,195	-	2,195	1,929	266
<b>Total Improvement of Instructional Services</b>	<b>188,236</b>	<b>7,849</b>	<b>196,085</b>	<b>162,359</b>	<b>33,726</b>
Educational Media Services/School Library					
Salaries	92,760	-	92,760	73,872	18,888
Supplies and Materials	13,260	15,404	28,664	22,472	6,192
<b>Total Educational Media Serv./School Library</b>	<b>106,020</b>	<b>15,404</b>	<b>121,424</b>	<b>96,344</b>	<b>25,080</b>
Instructional Staff Training Services					
Salaries of Other Professional Staff	49,870	1,546	51,416	51,416	-
Other Salaries	32,800	-	32,800	19,493	13,307
Purchased Professional/Educational Services	144,420	(16,630)	127,790	104,546	23,244
Other Purchased Services	8,200	-	8,200	2,369	5,831
Supplies and Materials	8,100	(5,000)	3,100	2,502	598
Other Objects	905	-	905	575	330
<b>Total Staff Training Services</b>	<b>244,295</b>	<b>(20,084)</b>	<b>224,211</b>	<b>180,901</b>	<b>43,310</b>

**FLORHAM PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Support Services General Administration					
Salaries	\$ 270,386	\$ 39,046	\$ 309,432	\$ 309,432	-
Legal Services	43,000	(4,712)	38,288	38,288	-
Audit Fees	34,655	22,405	57,060	28,310	\$ 28,750
Other Purchased Professional Services	15,250	11,668	26,918	26,918	-
Communications/Telephone	38,500	2,778	41,278	41,278	-
Miscellaneous Purchased Services	55,512	2,862	58,374	58,374	-
General Supplies	9,600	193	9,793	9,720	73
Miscellaneous Expenditures	19,850	(5,576)	14,274	14,243	31
<b>Total Support Services General Administration</b>	<b>486,753</b>	<b>68,664</b>	<b>555,417</b>	<b>526,563</b>	<b>28,854</b>
Support Services School Administration					
Salaries of Principal/Asst. Principals	373,357	(1)	373,356	373,356	-
Salaries of Other Professional Staff	34,970	1,437	36,407	30,985	5,422
Salaries of Secretarial and Clerical Assistants	209,233	(29,480)	179,753	172,176	7,577
Purchased Professional and Technical Services	3,200	43,405	46,605	44,967	1,638
Other Purchased Services	38,477	(17,694)	20,783	14,071	6,712
Supplies and Materials	22,000	(2,550)	19,450	6,275	13,175
Other Objects	16,175	(6,795)	9,380	7,925	1,455
<b>Total Support Services School Administration</b>	<b>697,412</b>	<b>(11,678)</b>	<b>685,734</b>	<b>649,755</b>	<b>35,979</b>
Support Services Central Services					
Salaries	319,991	17,362	337,353	336,438	915
Purchased Technical Services	39,800	(5,797)	34,003	33,104	899
Miscellaneous Purchased Services	3,000	(93)	2,907	1,828	1,079
Supplies and Materials	4,900	1,220	6,120	6,120	-
Miscellaneous Expenditures	2,180	(117)	2,063	1,315	748
<b>Total Support Central School Administration</b>	<b>369,871</b>	<b>12,575</b>	<b>382,446</b>	<b>378,805</b>	<b>3,641</b>
Admin. Info. Technology					
Salaries	153,180	8,289	161,469	161,469	-
Other Purchased Services	-	375	375	375	-
<b>Total Admin. Info. Technology</b>	<b>153,180</b>	<b>8,664</b>	<b>161,844</b>	<b>161,844</b>	<b>-</b>
Required Maintenance for School Facilities					
Salaries	274,923	(5,000)	269,923	268,990	933
Cleaning, Repair and Maintenance Services	111,407	157,047	268,454	268,394	60
General Supplies	21,500	(14,367)	7,133	6,296	837
Other Objects	600	340	940	940	-
<b>Total Required Maintenance for School Fac.</b>	<b>408,430</b>	<b>138,020</b>	<b>546,450</b>	<b>544,620</b>	<b>1,830</b>
Custodial Services					
Salaries	561,390	127,100	688,490	687,423	1,067
Purchased Prof. And Technical Serv.	68,725	765	69,490	69,490	-
Cleaning, Repair and Maint. Serv.	23,500	1,912	25,412	25,412	-
Other Purchased Property Services	31,000	-	31,000	30,825	175
Insurance	79,000	19,485	98,485	98,441	44
Miscellaneous Purchased Services	34,500	(3,158)	31,342	30,916	426
General Supplies	90,000	(17,705)	72,295	71,730	565
Energy (Natural Gas)	85,000	18,898	103,898	101,259	2,639
Energy (Electricity)	250,000	67,153	317,153	317,153	-
Other Objects	800	364	1,164	1,164	-
<b>Total Custodial Services</b>	<b>1,223,915</b>	<b>214,814</b>	<b>1,438,729</b>	<b>1,433,813</b>	<b>4,916</b>
Care and Upkeep of Grounds					
Salaries	76,850	(1,012)	75,838	75,837	1
Purchased Professional and Technical Services	3,800	1,458	5,258	4,712	546
Cleaning, Repair and Maintenance Svc.	45,700	(9,497)	36,203	36,203	-
General Supplies	18,700	(103)	18,597	18,536	61
<b>Total Care and Upkeep of Grounds</b>	<b>145,050</b>	<b>(9,154)</b>	<b>135,896</b>	<b>135,288</b>	<b>608</b>



**FLORHAM PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Security					
Purchased Professional and Technical Services	\$ 150,000	-	\$ 150,000	\$ 77,634	\$ 72,366
Total Security	150,000	-	150,000	77,634	72,366
Student Transportation Services					
Salaries of Non-Instructional Aides	103,602	\$ (6,158)	97,444	97,444	-
Salaries for Pupil Transportation (Between Home and School) - Regular	34,929	71,475	106,404	106,404	-
Salaries for Pupil Transportation (Between Home and School) - Sp Ed	139,200	(53,016)	86,184	86,184	-
Salaries for Pupil Transportation (Between Home and School) - Non-Public School	38,400	(623)	37,777	37,777	-
Management Fee - ESC & CTSA Transp. Prog.	2,500	(1,550)	950	950	-
Other Purchased Prof. and Technical Serv.	850	275	1,125	1,125	-
Cleaning, Repair and Maintenance Services	21,900	4,728	26,628	25,929	699
Contracted Services - Aid in Lieu of Payments Non-Public	70,000	24,294	94,294	94,294	-
Contracted Services (Other than Between Home and School)- Vendors	-	5,199	5,199	5,199	-
Contracted Services (Special Ed Students) - Vendors	7,600	1,416	9,016	9,016	-
Contracted Services (Special Ed Students) - Joint Agreements	281,731	(28,038)	253,693	253,693	-
Contracted Services (Reg. Students) - ESCs & CTSA	6,000	(2,994)	3,006	3,006	-
Contracted Services (Spec. Ed. Students) - ESCs & CTSA	26,000	20,644	46,644	46,644	-
Misc. Purchased Serv. - Transportation	26,000	3,418	29,418	29,418	-
General Supplies	15,700	4,870	20,570	20,570	-
Other Objects	2,700	662	3,362	3,362	-
Total Student Transportation Services	777,112	44,602	821,714	821,015	699
Unallocated Benefits - Employee Benefits					
Social Security Contributions	265,000	-	265,000	256,988	8,012
Other Retirement Contributions - PERS	262,000	11,780	273,780	273,780	-
Other Retirement Contributions - Regular	25,750	-	25,750	23,525	2,225
Workers Compensation	138,000	(21,862)	116,138	113,566	2,572
Health Benefits	3,802,827	(272,127)	3,530,700	3,373,610	157,090
Unemployment Compensation	20,000	(20,000)	-	-	-
Tuition Reimbursement	41,833	-	41,833	38,867	2,966
Other Employee Benefits	104,520	(48,359)	56,161	51,815	4,346
Unused Sick Payment to Terminated/Retired Staff	-	23,199	23,199	23,199	-
Total Unallocated Benefits - Employee Benefits	4,659,930	(327,369)	4,332,561	4,155,350	177,211
On-behalf TPAF Pension Payments -					
Pension Contribution (Non-Budget)	-	-	-	3,013,470	(3,013,470)
NCGI Premium (Non-Budget)	-	-	-	42,516	(42,516)
On-behalf TPAF OPEB Payments -					
Post Retirement Medical Benefits (Non-Budget)	-	-	-	714,002	(714,002)
On-behalf TPAF LTDI Payments -					
Long-Term Disability Insurance (Non-Budget)	-	-	-	1,169	(1,169)
On-behalf TPAF Social Security Payments (Non-Budget)					
	-	-	-	625,045	(625,045)
Total On-Behalf Payments	-	-	-	4,396,202	(4,396,202)
Total Undistributed Expenditures	12,221,184	44,582	12,265,766	16,063,410	(3,797,644)
Total Current Expenditures	20,698,117	454,429	21,152,546	24,850,751	(3,698,205)

**FLORHAM PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
<b>CAPITAL OUTLAY</b>					
Increase in Capital Reserve	\$ 456,143	-	\$ 456,143		\$ 456,143
Equipment					
Undistributed:					
Instruction	83,000	-	83,000	\$ 83,000	-
Related and Extraordinary	-	\$ 2,270	2,270	2,270	-
Child Study Teams	19,500	-	19,500	19,500	-
School Administration	29,500	-	29,500	28,831	669
Care and Upkeep of Grounds	-	48,893	48,893	48,893	-
<b>Total Undistributed Expenditures</b>	<u>588,143</u>	<u>51,163</u>	<u>639,306</u>	<u>182,494</u>	<u>456,812</u>
Facilities Acquisition and Construction Services					
Salaries	-	10,000	10,000	-	10,000
Other Purchased Professional and Tech. Services	-	14,400	14,400	12,300	2,100
Construction Services	-	101,681	101,681	64,465	37,216
Debt Service Assessment	26,168	-	26,168	26,168	-
<b>Total Facilities Acquis. and Const. Services</b>	<u>26,168</u>	<u>126,081</u>	<u>152,249</u>	<u>102,933</u>	<u>49,316</u>
<b>Total Capital Outlay</b>	<u>614,311</u>	<u>177,244</u>	<u>791,555</u>	<u>285,427</u>	<u>506,128</u>
Transfer of Funds to Charter Schools	57,024	-	57,024	57,024	-
<b>Total Expenditures</b>	<u>21,369,452</u>	<u>631,673</u>	<u>22,001,125</u>	<u>25,193,202</u>	<u>(3,192,077)</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(586,143)	(631,673)	(1,217,816)	348,218	1,566,034
Other Financing Sources (Uses)					
Transfer In - Capital Projects Fund	-	-	-	38,629	38,629
Transfer Out - Food Service Enterprise Fund	-	-	-	(5,779)	(5,779)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,850</u>	<u>32,850</u>
<b>Net Change in Fund Balances</b>	<u>(586,143)</u>	<u>(631,673)</u>	<u>(1,217,816)</u>	<u>381,068</u>	<u>1,598,884</u>
Fund Balance, Beginning of Year	3,805,152	-	3,805,152	3,805,152	-
Fund Balance, End of Year	<u>\$ 3,219,009</u>	<u>\$ (631,673)</u>	<u>\$ 2,587,336</u>	<u>\$ 4,186,220</u>	<u>\$ 1,598,884</u>
<b>Recapitulation of Fund Balance</b>					
<b>Restricted Fund Balance:</b>					
Capital Reserve				\$ 2,012,077	
Capital Reserve - Designated for Subsequent Year's Expenditures				139,000	
Maintenance Reserve				50,000	
Emergency Reserve - Designated for Subsequent Year's Expenditures				87,000	
Unemployment Compensation Reserve				17,500	
Excess Surplus				260,826	
Excess Surplus - Designated for Subsequent Year's Expenditures				61,141	
<b>Committed Fund Balance</b>					
Year End Encumbrances				39,316	
<b>Assigned Fund Balance</b>					
Year End Encumbrances				77,092	
Designated for Subsequent Year's Expenditures				386,204	
<b>Unassigned Fund Balance</b>				<u>1,056,064</u>	
				4,186,220	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Payments Not Recognized on GAAP Basis				(291,855)	
<b>Fund Balance Per Governmental Funds (GAAP)</b>				<u>\$ 3,894,365</u>	

**FLORHAM PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Federal	\$ 210,000	\$ 660,450	\$ 870,450	\$ 582,419	\$ (288,031)
State	10,000	2,837	12,837	34,319	21,482
Local	9,000	11,838	20,838	57,245	36,407
Total Revenues	<u>229,000</u>	<u>675,125</u>	<u>904,125</u>	<u>673,983</u>	<u>(230,142)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries		93,751	93,751	15,511	78,240
Purchased Professional/Technical Services		49,716	49,716	49,716	-
Tuition	180,000	67,041	247,041	247,041	-
General Supplies	11,000	274,999	285,999	190,432	95,567
Textbooks	2,000	(20)	1,980	1,975	5
School-Sponsored/Cocurricular Activities	-	-	-	45,072	(45,072)
Total Instruction	<u>193,000</u>	<u>485,487</u>	<u>678,487</u>	<u>549,747</u>	<u>128,740</u>
Support Services					
Salaries		8,895	8,895	2,321	6,574
Purchased Professional/Technical Services	8,000	131,727	139,727	54,727	85,000
Purchased Professional/Educational Services	25,000	11,772	36,772	35,500	1,272
Cleaning, Repair, and Maintenance Services	3,000	2,775	5,775	5,774	1
Scholarship Awards	-	150	150	150	-
Total Support Services	<u>36,000</u>	<u>155,319</u>	<u>191,319</u>	<u>98,472</u>	<u>92,847</u>
Facilities, Acquisition, and Construction Services					
Construction Services	-	34,319	34,319	34,319	-
Total Facilities Acquisition and Const. Svc.	<u>-</u>	<u>34,319</u>	<u>34,319</u>	<u>34,319</u>	<u>-</u>
Total Expenditures	<u>229,000</u>	<u>675,125</u>	<u>904,125</u>	<u>682,538</u>	<u>221,587</u>
Net Change in Fund Balances	-	-	-	(8,555)	(8,555)
Fund Balances, Beginning of Year	<u>91,587</u>	<u>-</u>	<u>91,587</u>	<u>91,587</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 91,587</u>	<u>\$ -</u>	<u>\$ 91,587</u>	<u>\$ 83,032</u>	<u>\$ (8,555)</u>
<b>Recapitulation of Fund Balance</b>					
<b>Restricted Fund Balances</b>					
Student Activities				\$ 77,755	
Scholarships				<u>5,277</u>	
				<u>\$ 83,032</u>	

**FLORHAM PARK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

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

		<b>General Fund</b>		<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	\$ 25,541,420	(C-2)	\$ 673,983
<b>Differences - Budget to GAAP:</b>				
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.				
Encumbrances, June 30, 2021				3,375
Encumbrances, June 30, 2022				(1,044)
State Aid payment recognized for GAAP purpose not recognized for Budgetary statements (2020/2021 State aid)		330,698		
State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2021/2022 State aid)		<u>(291,855)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2)	<u>\$ 25,580,263</u>	(B-2)	<u>\$ 676,314</u>
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	(C-1)	\$ 25,193,202	(C-2)	\$ 682,538
<b>Differences - Budget to GAAP</b>				
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.				
Encumbrances, June 30, 2021				3,375
Encumbrances, June 30, 2022		<u>-</u>		<u>(1,044)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2)	<u>\$ 25,193,202</u>	(B-2)	<u>\$ 684,869</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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

Public Employees Retirement System

Last Nine Fiscal Years\*  
 (Dollar amounts in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Position Liability (Asset)	.02331%	0.02358%	.02366%	.02720%	0.02501%	0.02174%	0.02295%	0.02478%	0.02587
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,761,690	\$ 3,845,113	\$ 4,263,523	\$ 5,355,166	\$ 5,821,427	\$ 6,438,829	\$ 5,152,221	\$ 4,639,341	\$ 4,943,683
District's Covered-Employee Payroll	\$ 1,696,957	\$ 1,706,470	\$ 1,662,648	\$ 1,719,080	\$ 1,816,504	\$ 1,602,017	\$ 1,489,362	\$ 1,606,722	\$ 1,728,708
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	162.74%	225.33%	256.43%	311.51%	320.47%	401.92%	345.93%	288.75%	285.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

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

**Public Employees Retirement System**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 273,014	\$ 257,943	\$ 230,162	\$ 270,533	\$ 231,671	\$ 193,137	\$ 197,324	\$ 204,276	\$ 197,018
Contributions in Relation to the Contractually Required Contribution	<u>273,014</u>	<u>257,943</u>	<u>230,162</u>	<u>270,533</u>	<u>231,671</u>	<u>193,137</u>	<u>197,324</u>	<u>204,276</u>	<u>197,018</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 1,747,418	\$ 1,696,957	\$ 1,706,470	\$ 1,662,648	\$ 1,719,080	\$ 1,816,504	\$ 1,602,017	\$ 1,489,362	\$ 1,606,722
Contributions as a Percentage of Covered-Employee Payroll	15.62%	15.20%	13.49%	16.27%	13.48%	10.63%	12.32%	13.72%	12.26%

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

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

**Teachers Pension and Annuity Fund**

**Last Nine Fiscal Years\***  
**(Dollar amounts in thousands)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 34,273,387</u>	<u>\$ 48,650,176</u>	<u>\$ 44,481,718</u>	<u>\$ 46,069,356</u>	<u>\$ 44,202,616</u>	<u>\$ 52,441,105</u>	<u>\$ 45,143,920</u>	<u>\$ 39,091,399</u>	<u>\$ 36,781,872</u>
<b>Total</b>	<u>\$ 34,273,387</u>	<u>\$ 48,650,176</u>	<u>\$ 44,481,718</u>	<u>\$ 46,069,356</u>	<u>\$ 44,202,616</u>	<u>\$ 52,441,105</u>	<u>\$ 45,143,920</u>	<u>\$ 39,091,399</u>	<u>\$ 36,781,872</u>
District's Covered-Employee Payroll	\$ 8,195,435	\$ 8,054,310	\$ 7,751,932	\$ 7,802,149	\$ 7,523,691	\$ 7,205,552	\$ 6,649,910	\$ 6,809,034	\$ 7,155,944
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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



**FLORHAM PARK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Change of Benefit Terms:** None.

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

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

**Postemployment Health Benefit Plan**

Last Five Fiscal Years\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 2,265,086	\$ 1,282,818	\$ 1,279,552	\$ 1,376,131	\$ 1,650,007
Interest on Total OPEB Liability	1,076,542	1,023,759	1,258,998	1,363,776	1,178,614
Changes of Benefit Terms	(44,171)				
Differences Between Expected and Actual Experience	(7,828,585)	8,384,100	(5,428,541)	(3,740,231)	
Changes of Assumptions	40,942	8,550,620	422,837	(3,634,411)	(4,904,537)
Gross Benefit Payments	(848,014)	(814,928)	(870,542)	(846,873)	(943,534)
Contribution from the Member	<u>27,522</u>	<u>24,700</u>	<u>25,805</u>	<u>29,269</u>	<u>34,743</u>
Net Change in Total OPEB Liability	(5,310,678)	18,451,069	(3,311,891)	(5,452,339)	(2,984,707)
Total OPEB Liability - Beginning	<u>46,810,228</u>	<u>28,359,159</u>	<u>31,671,050</u>	<u>37,123,389</u>	<u>40,108,096</u>
Total OPEB Liability - Ending	<u>\$ 41,499,550</u>	<u>\$ 46,810,228</u>	<u>\$ 28,359,159</u>	<u>\$ 31,671,050</u>	<u>\$ 37,123,389</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>41,499,550</u>	<u>46,810,228</u>	<u>28,359,159</u>	<u>31,671,050</u>	<u>37,123,389</u>
Total OPEB Liability - Ending	<u>\$ 41,499,550</u>	<u>\$ 46,810,228</u>	<u>\$ 28,359,159</u>	<u>\$ 31,671,050</u>	<u>\$ 37,123,389</u>
District's Covered Employee Payroll	\$ 9,892,392	\$ 9,760,780	\$ 9,414,580	\$ 9,521,229	\$ 9,340,195
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%

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

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

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

**FLORHAM PARK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

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

**SCHOOL LEVEL SCHEDULES**

**(General Fund)**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

FLORHAM PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	IDEIA Part B Basic	IDEIA Part B Preschool	American Rescue Plan -		ESEA Title IA	ESEA Title IIA	ESEA Title IV	Nonpublic Technology	Nonpublic Security	Nonpublic Nursing	Nonpublic Textbooks	To Exhibit E-1A
			IDEIA Part B Basic	IDEIA Part B Preschool								
<b>REVENUES</b>												
Federal	\$ 217,041	\$ 9,016	\$ 44,680	\$ 3,817	\$ 25,332	\$ 16,374	\$ 10,000					\$ 326,260
State								\$ 985	\$ 5,774	\$ 3,466	\$ 1,975	12,200
Local	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 217,041</b>	<b>\$ 9,016</b>	<b>\$ 44,680</b>	<b>\$ 3,817</b>	<b>\$ 25,332</b>	<b>\$ 16,374</b>	<b>\$ 10,000</b>	<b>\$ 985</b>	<b>\$ 5,774</b>	<b>\$ 3,466</b>	<b>\$ 1,975</b>	<b>\$ 338,460</b>
<b>EXPENDITURES</b>												
Instruction												
Salaries										\$ 1,680		\$ 1,680
Tuition	\$ 217,041		\$ 30,000									247,041
General Supplies		\$ 9,016	14,680	\$ 3,817	\$ 6,206		\$ 10,000	\$ 985		1,659		46,363
Textbooks	-	-	-	-	-	-	-	-	-	-	\$ 1,975	1,975
<b>Total Instruction</b>	<b>217,041</b>	<b>9,016</b>	<b>44,680</b>	<b>3,817</b>	<b>6,206</b>	<b>-</b>	<b>10,000</b>	<b>985</b>	<b>-</b>	<b>3,339</b>	<b>1,975</b>	<b>297,059</b>
Support Services												
Purchased Professional/Technical Services										127		127
Purchased Professional/Educational Services					19,126	\$ 16,374						35,500
Cleaning, Repair, and Maintenance Services	-	-	-	-	-	-	-	-	\$ 5,774	-	-	5,774
<b>Total Support Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,126</b>	<b>16,374</b>	<b>-</b>	<b>-</b>	<b>5,774</b>	<b>127</b>	<b>-</b>	<b>41,401</b>
<b>Total Expenditures</b>	<b>\$ 217,041</b>	<b>\$ 9,016</b>	<b>\$ 44,680</b>	<b>\$ 3,817</b>	<b>\$ 25,332</b>	<b>\$ 16,374</b>	<b>\$ 10,000</b>	<b>\$ 985</b>	<b>\$ 5,774</b>	<b>\$ 3,466</b>	<b>\$ 1,975</b>	<b>\$ 338,460</b>
Net Change in Fund Balances	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balances, End of Year	-	-	-	-	-	-	-	-	-	-	-	-

pg

FLORHAM PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Exhibit E-1 Subtotal	Local Donations	Student Activities	Scholarship Account	SDA Emergent and Capital Maint. Needs	ESSER II			American Rescue Plan - ESSER III		Grand Total
						CRRSA Act	Learning Acceleration	Mental Health	ESSER III	Evidence-Based Comprehensive Beyond the School Day	
<b>REVENUES</b>											
Federal	\$ 326,260					\$ 68,941	\$ 25,000	\$ 45,000	\$ 109,716	\$ 7,502	\$ 582,419
State	12,200				\$ 22,119						34,319
Local	-	\$ 20,578	\$ 36,661	\$ 6	-	-	-	-	-	-	57,245
<b>Total Revenues</b>	<b>\$ 338,460</b>	<b>\$ 20,578</b>	<b>\$ 36,661</b>	<b>\$ 6</b>	<b>\$ 22,119</b>	<b>\$ 68,941</b>	<b>\$ 25,000</b>	<b>\$ 45,000</b>	<b>\$ 109,716</b>	<b>\$ 7,502</b>	<b>\$ 673,983</b>
<b>EXPENDITURES</b>											
<b>Instruction</b>											
Salaries	\$ 1,680						\$ 7,329			\$ 6,502	\$ 15,511
Purchased Professional/Technical Services	-								\$ 49,716		49,716
Tuition	247,041										247,041
General Supplies	46,363	\$ 8,378				\$ 57,020	17,671		60,000	1,000	190,432
Textbooks	1,975										1,975
School-Sponsored/Cocurricular Activities	-	-	\$ 45,072	-	-	-	-	-	-	-	45,072
<b>Total Instruction</b>	<b>297,059</b>	<b>8,378</b>	<b>45,072</b>	<b>-</b>	<b>-</b>	<b>57,020</b>	<b>25,000</b>	<b>-</b>	<b>109,716</b>	<b>7,502</b>	<b>549,747</b>
<b>Support Services</b>											
Salaries	-					2,321					2,321
Purchased Professional/Technical Services	127					9,600		\$ 45,000			54,727
Purchased Professional/Educational Services	35,500										35,500
Cleaning, Repair, and Maintenance Services	5,774										5,774
Scholarship Awards	-	-	-	\$ 150	-	-	-	-	-	-	150
<b>Total Support Services</b>	<b>41,401</b>	<b>-</b>	<b>-</b>	<b>150</b>	<b>-</b>	<b>11,921</b>	<b>-</b>	<b>45,000</b>	<b>-</b>	<b>-</b>	<b>98,472</b>
<b>Facilities, Acquisition, and Construction Services</b>											
Construction Services	-	12,200	-	-	\$ 22,119	-	-	-	-	-	34,319
<b>Total Facilities Acquisition and Const. Svc</b>	<b>-</b>	<b>12,200</b>	<b>-</b>	<b>-</b>	<b>22,119</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,319</b>
<b>Total Expenditures</b>	<b>\$ 338,460</b>	<b>\$ 20,578</b>	<b>\$ 45,072</b>	<b>\$ 150</b>	<b>\$ 22,119</b>	<b>\$ 68,941</b>	<b>\$ 25,000</b>	<b>\$ 45,000</b>	<b>\$ 109,716</b>	<b>\$ 7,502</b>	<b>\$ 682,538</b>
Net Change in Fund Balances	-	-	(8,411)	(144)	-	-	-	-	-	-	(8,555)
Fund Balances, Beginning of Year	-	-	86,166	5,421	-	-	-	-	-	-	91,587
Fund Balances, End of Year	\$ -	\$ -	\$ 77,755	\$ 5,277	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,032

**FLORHAM PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION PROGRAM AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOT APPLICABLE**



**CAPITAL PROJECTS FUND**

**FLORHAM PARK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Project Title</u>	<u>Appropriation</u>	<u>Expended</u>		<u>Balance, June 30, 2022</u>
		<u>Prior Year</u>	<u>Current Year</u>	
Fiscal Year 2020 School Bond Referendum - Proposal #1 Roof Replacements, Boiler Replacements, HVAC Upgrades, Ceiling/Lighting Replacements	\$ 19,839,493	\$ 11,995,668	\$ 4,654,867	\$ 3,188,958
Fiscal Year 2020 School Bond Referendum - Proposal #2 Window Replacements, Flooring Replacements, Parking Lot Improvements	<u>5,014,663</u>	<u>1,625,625</u>	<u>512,469</u>	<u>2,876,569</u>
	<u>\$ 24,854,156</u>	<u>\$ 13,621,293</u>	<u>\$ 5,167,336</u>	<u>\$ 6,065,527</u>
 <b><u>Reconciliation to GAAP Basis</u></b>				
Project Balance, June 30, 2022				\$ 6,065,527
Less Unfunded Authorizations: Debt Authorized but Not Issued				<u>(156)</u>
Fund Balance, June 30, 2022 - GAAP Basis				<u>\$ 6,065,371</u>
 <b><u>Recapitulation of Fund Balance</u></b>				
Restricted for Capital Projects				
Year-End Encumbrances				\$ 1,787,495
Available for Capital Projects				<u>4,277,876</u>
Total Fund Balance, GAAP Basis				<u>\$ 6,065,371</u>

**FLORHAM PARK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Revenues and Other Financing Sources**

Revenues	
Interest	\$ <u>38,629</u>
 Total Revenues and Other Financing Sources	 <u>38,629</u>

**Expenditures and Other Financing Uses**

Expenditures	
Salaries	37,000
Architect and Engineering Fees	168,255
Other Professional Fees	14,330
Construction Services	4,919,833
Miscellaneous Expenditures	27,918
Other Financing Uses	
Transfer to General Fund	<u>38,629</u>
 Total Expenditures and Other Financing Uses	 <u>5,205,965</u>

Net Change in Fund Balance	(5,167,336)
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Fund Balance, Beginning of Year	<u>11,232,707</u>
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Fund Balance, End of Year	<u>\$ 6,065,371</u>
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**Reconciliation to GAAP Basis**

Fund Balance - Budgetary Basis	<u>\$ 6,065,371</u>
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Fund Balance - GAAP Basis	<u>\$ 6,065,371</u>
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**FLORHAM PARK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
FISCAL YEAR 2020 BOND REFERENDUM - PROPOSAL #1 VARIOUS UPGRADES AND  
RENOVATIONS TO ALL DISTRICT SCHOOLS  
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Bond Proceeds	\$ 19,839,493	-	\$ 19,839,493	\$ 19,839,493
Total Revenues	<u>19,839,493</u>	<u>-</u>	<u>19,839,493</u>	<u>19,839,493</u>
<b>EXPENDITURES AND OTHER FINANCING SOURCES</b>				
Salaries	40,000	\$ 32,000	72,000	100,000
Architect and Engineering Fees	1,356,109	134,604	1,490,713	3,000,000
Legal and Professional Fees	188,931		188,931	1,064,502
Other Professional Fees		14,300	14,300	25,000
Construction Services	10,376,137	4,446,045	14,822,182	15,615,500
Miscellaneous Expenditures	<u>34,491</u>	<u>27,918</u>	<u>62,409</u>	<u>34,491</u>
Total Expenditures and Other Financing Uses	<u>11,995,668</u>	<u>4,654,867</u>	<u>16,650,535</u>	<u>19,839,493</u>
Excess / (Deficiency) of Revenues over (under) Expenditures	<u>\$ 7,843,825</u>	<u>\$ (4,654,867)</u>	<u>\$ 3,188,958</u>	<u>\$ -</u>
 Additional Project Information:				
Project Numbers	1530-020-19-2000/1530-015-19-4000/1530-030-19-3000			
SDA Grant Date	N/A			
Bond Authorization (Referendum) Date	11/5/2019			
Bonds Authorized	\$ 19,839,493			
Bond Issued	19,839,493			
Original Authorized Cost	19,839,493			
Increase/(Decrease)	-			
Revised Authorized Cost	19,839,493			
Percentage Increase Over Original Authorized Cost	0.00%			
Percentage Completion	83.93%			
Original Target Completion Date	June 30, 2021			
Revised Completion Date	December 31, 2024			

**FLORHAM PARK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
FISCAL YEAR 2020 BOND REFERENDUM - PROPOSAL #2 VARIOUS UPGRADES AND  
RENOVATIONS TO ALL DISTRICT SCHOOLS  
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Bond Proceeds	\$ 5,014,507	-	\$ 5,014,507	\$ 5,014,663
Total Revenues	<u>5,014,507</u>	<u>-</u>	<u>5,014,507</u>	<u>5,014,663</u>
<b>EXPENDITURES AND OTHER FINANCING SOURCES</b>				
Salaries	30,000	\$ 5,000	35,000	75,000
Architect and Engineering Fees	333,403	33,651	367,054	750,000
Legal and Professional Fees	34,065		34,065	232,663
Other Professional Fees		30	30	10,000
Construction Services	<u>1,228,157</u>	<u>473,788</u>	<u>1,701,945</u>	<u>3,947,000</u>
Total Expenditures and Other Financing Uses	<u>1,625,625</u>	<u>512,469</u>	<u>2,138,094</u>	<u>5,014,663</u>
Excess / (Deficiency) of Revenues over (under) Expenditures	<u>\$ 3,388,882</u>	<u>\$ (512,469)</u>	<u>\$ 2,876,413</u>	<u>\$ -</u>
Additional Project Information:				
Project Numbers	1530-020-19-2000/1530-015-19-4000/1530-030-19-3000			
SDA Grant Date	N/A			
Bond Authorization (Referendum) Date	11/5/2019			
Bonds Authorized	\$ 5,014,663			
Bond Issued	5,014,507			
Original Authorized Cost	5,014,663			
Increase/(Decrease)	-			
Revised Authorized Cost	5,014,663			
Percentage Increase Over Original Authorized Cost	0.00%			
Percentage Completion	42.64%			
Original Target Completion Date	June 30, 2021			
Revised Completion Date	December 31, 2024			

**ENTERPRISE FUND**

**FLORHAM PARK BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2022**

Financial Statements are Presented on Exhibit B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Financial Statements are Presented on Exhibit B-5

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Financial Statements are Presented on Exhibit B-6

**FIDUCIARY FUNDS**

**NOT APPLICABLE**



**LONG-TERM DEBT**

**FLORHAM PARK BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2021</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2022</u>
School District Refunding Bonds - 2009	9/10/2009	\$ 9,185,000	7/15/2022	\$ 945,000	4.000 %	\$ 1,885,000		\$ 940,000	\$ 945,000
School District Bonds - Series 2020	1/8/2020	24,854,000	8/15/2022	810,000	2.250				
			8/15/2023	1,030,000	2.250				
			8/15/2024	1,075,000	2.250				
			8/15/2025	1,125,000	2.250				
			8/15/2026	1,170,000	2.250				
			8/15/2027	1,235,000	2.250				
			8/15/2028	1,300,000	2.250				
			8/15/2029	1,335,000	2.250				
			8/15/2030	1,375,000	2.250				
			8/15/2031	1,400,000	2.250				
			8/15/2032	1,500,000	2.250				
			8/15/2033-2034	1,510,000	2.250				
			8/15/2035-2039	1,540,000	2.500				
						<u>24,854,000</u>	<u>-</u>	<u>779,000</u>	<u>24,075,000</u>
						<u>\$ 26,739,000</u>	<u>\$ -</u>	<u>\$ 1,719,000</u>	<u>\$ 25,020,000</u>

**FLORHAM PARK BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2021</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2022</u>
Copier - 2017	\$ 14,249	5.93%	<u>\$ 1,087</u>	<u>-</u>	<u>\$ 1,087</u>	<u>\$ -</u>

**FLORHAM PARK BOARD OF EDUCATION  
LONG-TERM DEBT  
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<b>REVENUES</b>	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Local Sources					
Property Taxes	\$ 1,887,596	-	\$ 1,887,596	\$ 1,887,596	-
Total Local Sources	<u>1,887,596</u>	<u>-</u>	<u>1,887,596</u>	<u>1,887,596</u>	<u>-</u>
State Sources					
Debt Service Aid	458,393	-	458,393	458,393	-
Total State Sources	<u>458,393</u>	<u>-</u>	<u>458,393</u>	<u>458,393</u>	<u>-</u>
Total Revenues	<u>2,345,989</u>	<u>-</u>	<u>2,345,989</u>	<u>2,345,989</u>	<u>-</u>
<b>EXPENDITURES</b>					
Debt Service					
Principal	1,719,000	-	1,719,000	1,719,000	-
Interest	626,989	-	626,989	626,989	-
Total Expenditures	<u>2,345,989</u>	<u>-</u>	<u>2,345,989</u>	<u>2,345,989</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

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

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 7,049,947	\$ 7,319,911	\$ 8,233,539	\$ 8,978,991	\$ 9,142,964	\$ 9,518,311	\$ 10,964,789	\$ 11,693,752	\$ 12,320,727	\$ 13,603,613
Restricted	869,753	1,119,301	1,087,822	1,020,183	1,206,701	717,801	685,184	1,042,424	1,810,037	2,301,609
Unrestricted	235,888	(4,736,455)	(4,459,727)	(4,393,670)	(4,688,882)	(4,294,183)	(5,027,879)	(4,747,716)	(4,038,226)	(3,596,866)
<b>Total Governmental Activities Net Position</b>	<b>\$ 8,155,588</b>	<b>\$ 3,702,757</b>	<b>\$ 4,861,634</b>	<b>\$ 5,605,504</b>	<b>\$ 5,660,783</b>	<b>\$ 5,941,929</b>	<b>\$ 6,622,094</b>	<b>\$ 7,988,460</b>	<b>\$ 10,092,538</b>	<b>\$ 12,308,356</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 17,176	\$ 15,366	\$ 13,556	\$ 11,746	\$ 9,936	\$ 8,126	\$ 9,116	\$ 7,306	\$ 5,216	\$ 3,126
Restricted										
Unrestricted										
<b>Total Business-Type Activities Net Position</b>	<b>\$ 17,176</b>	<b>\$ 15,366</b>	<b>\$ 13,556</b>	<b>\$ 11,746</b>	<b>\$ 9,936</b>	<b>\$ 8,126</b>	<b>\$ 9,116</b>	<b>\$ 7,306</b>	<b>\$ 5,216</b>	<b>\$ 3,126</b>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 7,067,123	\$ 7,335,277	\$ 8,247,095	\$ 8,990,737	\$ 9,152,900	\$ 9,526,437	\$ 10,973,905	\$ 11,701,058	\$ 12,325,943	\$ 13,606,739
Restricted	869,753	1,119,301	1,087,822	1,020,183	1,206,701	717,801	685,184	1,042,424	1,810,037	2,301,609
Unrestricted	235,888	(4,736,455)	(4,459,727)	(4,393,670)	(4,688,882)	(4,294,183)	(5,027,879)	(4,747,716)	(4,038,226)	(3,596,866)
<b>Total District Net Position</b>	<b>\$ 8,172,764</b>	<b>\$ 3,718,123</b>	<b>\$ 4,875,190</b>	<b>\$ 5,617,250</b>	<b>\$ 5,670,719</b>	<b>\$ 5,950,055</b>	<b>\$ 6,631,210</b>	<b>\$ 7,995,766</b>	<b>\$ 10,097,754</b>	<b>\$ 12,311,482</b>

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

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

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 6,857,382	\$ 6,839,702	\$ 8,124,418	\$ 8,312,608	\$ 8,898,679	\$ 9,323,261	\$ 9,067,105	\$ 9,119,158	\$ 10,049,075	\$ 9,282,598
Special Education	2,754,197	3,057,821	3,320,865	3,884,339	4,448,709	4,699,889	4,616,774	4,200,003	4,375,034	4,123,238
Other Instruction	197,548	243,694	119,197	216,185	392,057	388,761	381,634	413,433	504,841	802,782
School Sponsored Activities and Athletics	153,681	174,848	172,524	208,900	192,970	240,664	210,847	232,740	99,809	280,776
<b>Support Services:</b>										
Student & Instruction Related Services	2,865,286	2,792,544	3,117,108	3,203,838	3,670,298	3,871,776	3,638,483	3,566,861	3,916,437	3,976,051
General Administrative Services	605,846	477,445	587,964	653,608	675,383	708,755	673,616	665,604	758,364	730,229
School Administrative Services	1,049,373	987,638	1,020,387	1,072,812	1,231,262	1,255,892	1,191,622	1,027,966	1,210,980	1,009,910
Central Administrative Services	388,815	407,775	536,395	576,944	631,307	722,662	716,757	765,557	903,345	787,881
Plant Operations and Maintenance	2,348,184	2,498,158	2,578,129	2,781,829	2,827,407	2,874,570	2,827,711	2,821,856	3,007,782	3,234,486
Pupil Transportation	964,524	1,035,975	1,006,013	970,710	1,041,017	1,115,537	1,140,451	953,779	881,896	1,006,658
Interest on Long-Term Debt	338,146	322,926	301,548	272,166	235,145	193,994	158,933	382,195	671,286	601,907
<b>Total Governmental Activities Expenses</b>	<b>18,522,982</b>	<b>18,838,526</b>	<b>20,884,548</b>	<b>22,153,939</b>	<b>24,244,234</b>	<b>25,395,761</b>	<b>24,623,933</b>	<b>24,149,152</b>	<b>26,378,849</b>	<b>25,836,516</b>
<b>Business-Type Activities:</b>										
Food Service	14,628	14,325	16,048	14,847	11,457	11,482	8,635	8,015	2,090	9,369
<b>Total Business-Type Activities Expense</b>	<b>14,628</b>	<b>14,325</b>	<b>16,048</b>	<b>14,847</b>	<b>11,457</b>	<b>11,482</b>	<b>8,635</b>	<b>8,015</b>	<b>2,090</b>	<b>9,369</b>
<b>Total District Expenses</b>	<b>\$ 18,537,610</b>	<b>\$ 18,852,851</b>	<b>\$ 20,900,596</b>	<b>\$ 22,168,786</b>	<b>\$ 24,255,691</b>	<b>\$ 25,407,243</b>	<b>\$ 24,632,568</b>	<b>\$ 24,157,167</b>	<b>\$ 26,380,939</b>	<b>\$ 25,845,885</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services:</b>										
<b>Instruction</b>	\$ 283,367	\$ 204,974	\$ 136,134	\$ 42,000	\$ 66,500	\$ 70,000	\$ 57,685	\$ 102,938	\$ 93,724	\$ 119,214
School Sponsored Activities and Athletics									6,238	36,661
Plant Operations and Maintenance							68,032	57,000	5,000	
Pupil Transportation	100,523	95,578	123,417	173,840	199,199	197,128	153,444	166,569	34,663	71,404
Operating Grants and Contributions	2,441,422	2,251,981	4,202,090	4,804,584	5,949,438	6,833,942	5,678,221	5,014,114	7,274,877	5,712,617
Capital Grants and Contributions	25,789	41,812	287,653	218,425	-	-	-	7,533	53,036	85,982
<b>Total Governmental Activities Program Revenues</b>	<b>2,851,101</b>	<b>2,594,345</b>	<b>4,749,294</b>	<b>5,238,849</b>	<b>6,215,137</b>	<b>7,101,070</b>	<b>5,957,382</b>	<b>5,348,154</b>	<b>7,467,538</b>	<b>6,025,878</b>
<b>Business-type activities:</b>										
<b>Charges for Services</b>										
Food Service	12,415	12,193	11,123	9,436	6,313	5,029	4,914	4,357		1,500
Operating Grants and Contributions										
Capital Grants and Contributions	9,167									
<b>Total Business Type Activities Program Revenues</b>	<b>21,582</b>	<b>12,193</b>	<b>11,123</b>	<b>9,436</b>	<b>6,313</b>	<b>5,029</b>	<b>4,914</b>	<b>4,357</b>	<b>-</b>	<b>1,500</b>
<b>Total District Program Revenues</b>	<b>\$ 2,872,683</b>	<b>\$ 2,606,538</b>	<b>\$ 4,760,417</b>	<b>\$ 5,248,285</b>	<b>\$ 6,221,450</b>	<b>\$ 7,106,099</b>	<b>\$ 5,962,296</b>	<b>\$ 5,352,511</b>	<b>\$ 7,467,538</b>	<b>\$ 6,027,378</b>

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (15,671,881)	\$ (16,244,181)	\$ (16,135,254)	\$ (16,915,090)	\$ (18,029,097)	\$ (18,294,691)	\$ (18,666,551)	\$ (18,800,998)	\$ (18,911,311)	\$ (19,810,638)
Business-Type Activities	6,954	(2,132)	(4,925)	(5,411)	(5,144)	(6,453)	(3,721)	(3,658)	(2,090)	(7,869)
<b>Total District-Wide Net Expense</b>	<b>\$ (15,664,927)</b>	<b>\$ (16,246,313)</b>	<b>\$ (16,140,179)</b>	<b>\$ (16,920,501)</b>	<b>\$ (18,034,241)</b>	<b>\$ (18,301,144)</b>	<b>\$ (18,670,272)</b>	<b>\$ (18,804,656)</b>	<b>\$ (18,913,401)</b>	<b>\$ (19,818,507)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 14,764,011	\$ 15,050,909	\$ 15,629,073	\$ 16,092,428	\$ 16,414,276	\$ 16,900,649	\$ 17,375,847	\$ 18,154,307	\$ 19,217,521	\$ 19,601,871
Property Taxes Levied for Debt Service	1,039,666	1,042,719	1,041,731	1,043,056	1,047,156	1,043,206	1,043,456	1,045,344	1,459,218	1,887,596
Unrestricted Aid, Grants and Contributions				8,864	9,752	18,347	19,199	1,758	121,460	335,883
Investment Earnings	6,182	5,653	6,442	7,396	6,930	10,751	38,627	55,089	59,774	43,353
Miscellaneous Income	27,771	37,242	58,109	145,502	184,447	114,757	103,351	94,929	157,416	163,532
Transfers	(6,124)	(810)	(322)	(3,115)	(3,601)	(3,334)	(4,643)	(4,711)		(5,779)
<b>Total Governmental Activities</b>	<b>15,831,506</b>	<b>16,135,713</b>	<b>16,735,033</b>	<b>17,294,131</b>	<b>17,658,960</b>	<b>18,084,376</b>	<b>18,575,837</b>	<b>19,346,716</b>	<b>21,015,389</b>	<b>22,026,456</b>
Business-Type Activities:										
Investment Earnings										
Transfers	6,124	810	322	3,115	3,601	3,334	4,643	4,711		5,779
<b>Total Business-Type Activities</b>	<b>6,124</b>	<b>810</b>	<b>322</b>	<b>3,115</b>	<b>3,601</b>	<b>3,334</b>	<b>4,643</b>	<b>4,711</b>	<b>-</b>	<b>5,779</b>
<b>Total District-Wide</b>	<b>\$ 15,837,630</b>	<b>\$ 16,136,523</b>	<b>\$ 16,735,355</b>	<b>\$ 17,297,246</b>	<b>\$ 17,662,561</b>	<b>\$ 18,087,710</b>	<b>\$ 18,580,480</b>	<b>\$ 19,351,427</b>	<b>\$ 21,015,389</b>	<b>\$ 22,032,235</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 159,625	\$ (108,468)	\$ 599,779	\$ 379,041	\$ (370,137)	\$ (210,315)	\$ (90,714)	\$ 545,718	\$ 2,104,078	\$ 2,215,818
Business-Type Activities	13,078	(1,322)	(4,603)	(2,296)	(1,543)	(3,119)	922	1,053	(2,090)	(2,090)
<b>Total District</b>	<b>\$ 172,703</b>	<b>\$ (109,790)</b>	<b>\$ 595,176</b>	<b>\$ 376,745</b>	<b>\$ (371,680)</b>	<b>\$ (213,434)</b>	<b>\$ (89,792)</b>	<b>\$ 546,771</b>	<b>\$ 2,101,988</b>	<b>\$ 2,213,728</b>



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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 1,119,753	\$ 952,145	\$ 919,755	\$ 1,229,465	\$ 1,550,147	\$ 1,011,537	\$ 1,143,785	\$ 1,829,287	\$ 2,452,734	\$ 2,627,544
Committed						566,023				39,316
Assigned	179,088	109,288	302,830	307,567	446,894	382,058	135,683	192,605	299,812	463,296
Unassigned	263,069	281,944	249,176	303,854	313,123	278,294	367,831	323,762	721,908	764,209
<b>Total General Fund</b>	<b>\$ 1,561,910</b>	<b>\$ 1,343,377</b>	<b>\$ 1,471,761</b>	<b>\$ 1,840,886</b>	<b>\$ 2,310,164</b>	<b>\$ 2,237,912</b>	<b>\$ 1,647,299</b>	<b>\$ 2,345,654</b>	<b>\$ 3,474,454</b>	<b>\$ 3,894,365</b>
All Other Governmental Funds										
Restricted										
Committed		417,156	418,067	90,428				20,017,642	11,324,294	6,148,403
Assigned										
<b>Total all Other Governmental Funds</b>	<b>\$ -</b>	<b>\$ 417,156</b>	<b>\$ 418,067</b>	<b>\$ 90,428</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,017,642</b>	<b>\$ 11,324,294</b>	<b>\$ 6,148,403</b>

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

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Property Taxes	\$ 16,093,628	\$ 16,670,804	\$ 17,135,484	\$ 17,461,432	\$ 17,943,855	\$ 18,419,303	\$ 19,199,651	\$ 19,739,527	\$ 20,676,739	\$ 21,489,467
Tuition	283,367	204,974	136,134	42,000	66,500	70,000	57,685	102,938	93,724	119,214
Transportation Fees	100,523	95,578	123,417	173,840	199,199	197,128	153,444	166,569	34,663	71,404
Interest Earnings	5,653	6,442	7,396	6,930	10,751	38,627	55,089	141,636	59,774	43,353
Miscellaneous	102,034	112,886	189,921	194,085	133,315	144,460	205,467	200,567	189,359	220,777
State Sources	2,143,690	1,997,880	2,485,186	2,519,552	2,488,505	2,975,796	3,364,400	3,669,879	4,504,188	6,112,230
Federal Sources	258,729	241,136	251,670	280,855	257,919	257,390	267,925	274,057	340,491	584,750
<b>Total Revenue</b>	<b>18,987,624</b>	<b>19,329,700</b>	<b>20,329,208</b>	<b>20,678,694</b>	<b>21,100,044</b>	<b>22,102,704</b>	<b>23,303,661</b>	<b>24,295,173</b>	<b>25,898,938</b>	<b>28,641,195</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	6,807,333	6,842,650	7,154,541	7,086,683	7,098,579	7,744,442	8,081,603	8,553,144	8,908,998	9,707,997
Special Education Instruction	2,756,191	3,061,728	3,011,002	3,442,010	3,740,194	4,013,862	4,209,309	4,028,565	3,968,731	4,309,303
Other Instruction	206,299	234,943	119,166	184,063	320,145	318,560	340,368	386,121	444,888	833,761
School Sponsored Activities/Athletics	153,681	174,848	172,524	206,900	182,553	213,981	198,252	237,341	96,927	292,995
<b>Support Services:</b>										
Student and Inst. Related Services	2,849,109	2,782,721	2,873,116	2,861,543	3,069,835	3,281,982	3,279,568	3,403,633	3,549,482	4,142,518
General Administrative Services	618,816	477,445	586,105	603,354	601,187	613,022	623,518	613,440	689,668	756,167
School Administrative Services	1,034,914	982,864	946,243	948,944	993,800	1,050,076	1,060,188	998,272	1,092,481	1,031,033
Central Services/Business Services	388,815	391,628	503,459	531,707	546,118	603,018	642,500	732,100	819,068	830,433
Plant Operations and Maintenance	1,713,187	1,863,465	1,928,045	2,120,754	2,029,487	2,130,813	2,133,199	2,289,100	2,329,766	2,698,843
Pupil Transportation	954,187	1,013,299	988,045	945,742	977,279	1,003,840	1,054,043	917,776	808,989	980,343
Capital Outlay	228,600	263,433	871,496	654,751	127,526	149,961	1,218,371	5,381,760	9,075,443	5,460,914
<b>Debt Service</b>										
Principal	695,000	710,000	730,000	760,000	791,666	832,624	872,784	907,954	943,134	1,720,087
Interest and Other Charges	347,719	331,731	313,056	287,156	253,740	214,132	175,860	139,362	735,911	627,002
<b>Total Expenditures</b>	<b>18,753,851</b>	<b>19,130,755</b>	<b>20,196,798</b>	<b>20,633,607</b>	<b>20,732,109</b>	<b>22,170,313</b>	<b>23,889,563</b>	<b>28,588,568</b>	<b>33,463,486</b>	<b>33,391,396</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	233,773	198,945	132,410	45,087	367,935	(67,609)	(585,902)	(4,293,395)	(7,564,548)	(4,750,201)
<b>Other Financing sources (uses)</b>										
Serial Bond Proceeds								24,854,000		
Capital Lease Proceeds					14,249					
Transfers In		476,070	432,390	-	87,847			104,060	58,260	38,629
Transfers Out	(810)	(476,392)	(435,505)	(3,601)	(91,181)	(4,643)	(4,711)	(105,908)	(58,260)	(44,408)
<b>Total Other Financing Sources (Uses)</b>	<b>(810)</b>	<b>(322)</b>	<b>(3,115)</b>	<b>(3,601)</b>	<b>10,915</b>	<b>(4,643)</b>	<b>(4,711)</b>	<b>24,852,152</b>	<b>-</b>	<b>(5,779)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 232,963</b>	<b>\$ 198,623</b>	<b>\$ 129,295</b>	<b>\$ 41,486</b>	<b>\$ 378,850</b>	<b>\$ (72,252)</b>	<b>\$ (590,613)</b>	<b>\$ 20,558,757</b>	<b>\$ (7,564,548)</b>	<b>\$ (4,755,980)</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	5.63%	5.52%	5.40%	5.24%	5.07%	4.75%	4.63%	4.51%	6.88%	8.40%

\* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended <u>June 30.</u>	<u>Interest</u>	<u>Tuition</u>	Transportation <u>Fees</u>	Prior Year <u>Reimbursements</u>	Insurance <u>Refunds</u>	Prior Year <u>Orders Canceled</u>	Cancel Old <u>Outstanding Checks</u>	Facility <u>Use</u>	<u>E-Rate</u>	<u>Miscellaneous</u>	<u>Total</u>
2013	\$ 5,653	\$ 283,367	\$ 100,523	\$ 10,299			\$ 2,315	\$ 2,377	\$ 16,367	\$ 5,884	\$ 426,785
2014	6,442	204,974	95,578	5,485	\$ 16,305		4,060		13,021	19,238	365,103
2015	7,396	136,134	123,417	69,664	2,777		1,523	34,465	33,426	3,647	412,449
2016	6,930	42,000	173,840	70,061	3,211	\$ 21,160	4,366	35,400	38,942	11,307	407,217
2017	10,751	66,500	199,199	4,849	27,625		5,499	37,909	26,368	12,507	391,207
2018	38,627	70,000	197,128	20,731			1,739	63,888	5,218	11,775	409,106
2019	55,089	57,685	153,444	22,815	23,645	6,000		68,032	7,282	35,187	429,179
2020	37,576	102,938	166,569	19,518	78,929			57,000	3,115	29,247	494,892
2021	1,514	93,724	34,663	19,275	6,379	90,119	17,846	5,000	16,033	7,764	292,317
2022	4,724	119,214	71,404	5,023	4,295	7,902		76,131	11,468	58,713	358,874

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

Calendar Year	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct Local School Tax Rate *
2013	\$ 95,485,900	\$ 2,024,445,400	\$ 748,300	\$ 119,800	\$ 890,390,400	\$ 97,324,800	\$ 157,415,500	\$ 3,265,930,100	\$ 4,257,410	\$ 3,270,187,510	\$ 3,015,767,531	\$ 0.501
2014	98,799,800	1,985,991,600	748,300	119,800	882,320,700	96,354,600	168,609,300	3,232,944,100	3,854,835	3,236,798,935	2,839,810,971	0.523
2015	95,113,200	2,003,842,000	748,300	119,800	883,268,500	94,644,600	175,484,100	3,253,220,500	4,080,033	3,257,300,533	3,021,413,939	0.530
2016	98,191,900	2,014,682,600	748,300	119,800	903,530,300	92,180,200	175,484,100	3,284,937,200	4,079,867	3,289,017,067	3,126,935,377	0.540
2017	96,791,400	2,035,336,200	748,300	119,800	894,116,700	88,344,300	193,577,400	3,309,034,100	4,107,211	3,313,141,311	3,168,759,250	0.550
2018	64,953,700	2,050,951,700	748,300	119,800	929,394,900	88,344,300	245,944,100	3,380,456,800	3,974,458	3,384,431,258	3,503,649,795	0.560
2019	67,831,000	2,060,266,800	748,300	119,800	972,198,500	88,344,300	248,969,900	3,438,478,600	4,002,145	3,442,480,745	3,511,036,186	0.570
2020	82,509,400	2,070,552,600	748,300	119,800	985,194,200	85,544,300	272,985,400	3,497,654,000	4,089,215	3,501,743,215	3,622,796,572	0.580
2021	99,798,400	2,148,372,800	748,300	10,800	971,753,600	85,544,300	279,709,700	3,585,937,900	4,168,259	3,590,106,159	3,704,718,662	0.580
2022	81,616,800	2,221,513,000	748,300	10,800	968,786,300	85,544,300	279,709,700	3,637,929,200	4,102,053	3,642,031,253	3,796,565,280	0.596

Source: County Abstract of Ratables

a Tax rates are per \$100

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

Calendar Year	Total Direct School Tax Rate		Overlapping Rates			Total Direct and Overlapping Tax Rate
	Florham Park Local School District	Hanover Park Regional High School District	Municipality of Florham Park	Morris County		
2013	\$ 0.501	\$ 0.227	\$ 0.387	\$ 0.233	\$ 1.348	
2014	0.523	0.233	0.398	0.230	1.384	
2015	0.530	0.240	0.400	0.230	1.400	
2016	0.540	0.250	0.410	0.230	1.430	
2017	0.550	0.260	0.410	0.250	1.470	
2018	0.560	0.270	0.410	0.270	1.510	
2019	0.570	0.280	0.420	0.270	1.540	
2020	0.580	0.290	0.430	0.270	1.570	
2021	0.588	0.303	0.440	0.269	1.600	
2022	0.596	0.302	0.445	0.269	1.612	

Source: County Abstract of Ratables

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

Taxpayer	2022		2013	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Sun Valley Plaza, LLC	\$ 111,239,800	3.05%		
KBSII 300-600 Campus Drive, LLC	93,517,700	2.57%		
KCI FP Owner LLC % Ave Mgmt - C. Soto	63,500,000	1.74%		
Avalon Bay Communities Inc.	63,369,900	1.74%	\$ 85,422,625	2.61%
KBSII 100-200 Campus Drive, LLC	61,742,300	1.70%	273,145,779	8.35%
Welltower Inc.	52,511,000	1.44%		
BASF Corp.	50,000,000	1.37%	91,664,000	2.80%
LIPT 140 Park Avenue LLC	35,014,200	0.96%		
KBSII 190-200 Campus Drive, LLC	34,052,800	0.93%		
LIPT 170 Park Avenue LLC	30,992,600	0.85%		
Wells Reit II			123,256,941	3.77%
Rock GW LLC			84,149,575	2.57%
Advance at Park Place LLC			75,848,724	2.32%
LFT Real Estate			45,697,200	1.40%
LH Florham Holding			44,484,000	1.36%
Vreeland SPVEF			33,295,196	1.02%
Pershing LLC			31,389,393	0.96%
	<u>\$ 595,940,300</u>	<u>16.36%</u>	<u>\$ 888,353,433</u>	<u>27.17%</u>

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 16,093,628	\$ 16,093,628	100%	
2014	16,670,804	16,670,804	100%	
2015	17,135,484	17,135,484	100%	
2016	17,461,432	17,461,432	100%	
2017	17,943,855	17,943,855	100%	
2018	18,419,303	18,419,303	100%	
2019	19,199,651	19,199,651	100%	
2020	19,739,527	19,739,527	100%	
2021	20,676,739	20,676,739	100%	
2022	21,489,467	21,489,467	100%	

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Population	Per Capita
	General Obligation Bonds	Capital Financing Agreements			
2013	\$ 8,420,000		\$ 8,420,000	11,865	\$ 710
2014	7,710,000		7,710,000	11,853	650
2015	6,980,000		6,980,000	11,781	592
2016	6,220,000		6,220,000	11,815	526
2017	5,430,000	\$ 12,583	5,442,583	11,755	463
2018	4,600,000	9,959	4,609,959	11,734	393
2019	3,730,000	7,175	3,737,175	11,657	321
2020	27,679,000	4,221	27,683,221	11,575	2,392
2021	26,739,000	1,087	26,740,087	11,824	2,262
2022	25,020,000		25,020,000	13,149	1,903

(E) - Estimate



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

<u>General Bonded Debt Outstanding</u>					
<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2013	\$ 8,420,000		\$ 8,420,000	0.26	\$ 710
2014	7,710,000		7,710,000	0.24	650
2015	6,980,000		6,980,000	0.21	592
2016	6,220,000		6,220,000	0.19	526
2017	5,430,000		5,430,000	0.16	462
2018	4,600,000		4,600,000	0.14	392
2019	3,730,000		3,730,000	0.11	320
2020	27,679,000		27,679,000	0.79	2,391
2021	26,739,000		26,739,000	0.74	2,261
2021	25,020,000		25,020,000	0.69	1,903

**FLORHAM PARK BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2021  
(Unaudited)**

	<u>Total Gross Debt</u>
Municipal Debt: (1)	
Florham Park Board of Education (as of June 30, 2022)	\$ 25,020,000
Regional High School - Florham Park's Share	3,569,256
Borough of Florham Park	<u>11,733,000</u>
Total Direct Municipal Debt	<u>40,322,256</u>
Overlapping Debt Apportioned to the Municipality:	
Morris County: (2)	
County of Morris (A)	<u>14,701,374</u>
Total Overlapping Debt Apportioned to the Municipality	<u>14,701,374</u>
Total Direct and Overlapping Debt	<u>\$ 55,023,630</u>

## Source:

- (1) Borough of Florham Park's 2021 Annual Debt Statement
- (2) Morris County's 2021 Annual Debt Statement
- (A) The debt for this entity was apportioned by dividing the municipality's 2021 equalized value by the total 2021 equalized value for Morris County.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 96,912,020	\$ 91,797,202	\$ 88,416,523	\$ 89,109,645	\$ 92,265,379	\$ 96,534,898	\$ 100,827,648	\$ 104,603,525	\$ 106,440,400	\$ 108,606,936
Total net debt applicable to limit	8,420,000	7,710,000	6,980,000	6,220,000	5,430,000	4,600,000	3,730,000	27,679,156	26,739,156	25,020,156
Legal debt margin	\$ 88,492,020	\$ 84,087,202	\$ 81,436,523	\$ 82,889,645	\$ 86,835,379	\$ 91,934,898	\$ 97,097,648	\$ 76,924,369	\$ 79,701,244	\$ 83,586,780
Total net debt applicable to the limit as a percentage of debt limit	8.69%	8.40%	7.89%	6.98%	5.89%	4.77%	3.70%	26.46%	25.12%	23.04%

Source: Annual Debt Statements

**Legal Debt Margin Calculation for Fiscal Year 2022**

	Equalized valuation basis
	2019 \$ 3,542,267,024
	2020 3,594,711,202
	2021 3,723,715,369
	<u>\$ 10,860,693,595</u>
Average equalized valuation of taxable property	<u>\$ 3,620,231,198</u>
Debt limit (3 % of average equalization value)	\$ 108,606,936
Total Net Debt Applicable to Limit	<u>25,020,156</u>
Legal debt margin	<u>\$ 83,586,780</u>

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

<u>Fiscal Year</u>	<u>Borough Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2013	11,865	\$ 81,026	5.4%
2014	11,853	84,287	4.7%
2015	11,781	88,298	4.0%
2016	11,815	91,252	3.7%
2017	11,755	93,544	3.5%
2018	11,734	97,244	3.1%
2019	11,657	99,140	2.7%
2020	11,575	102,227	7.3%
2021	11,824	N/A	5.0%
2022	13,149	N/A	N/A

N/A - Not Available

Source: New Jersey State Department of Education

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

	<u>2022</u>		<u>2013</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction	108.0	110.0	109.0	113.0	113.0	114.0	113.0	113.8	118.5	118.0
Support Services										
Student and Instruction Related Services	24.6	23.6	23.6	21.3	21.3	21.3	20.3	24.8	22.3	25.0
General Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administrative Services	6.0	6.0	6.0	6.3	6.3	6.3	6.3	6.3	6.3	6.0
Central Services	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.5	4.5	5.2
Plant Operations and Maintenance	11.3	11.3	11.3	11.8	11.3	11.3	11.3	11.3	11.3	12.3
Pupil Transportation	13.5	13.5	13.5	13.1	13.1	13.1	12.1	9.1	10.5	7.5
Total	<u>168.4</u>	<u>169.4</u>	<u>168.4</u>	<u>171.5</u>	<u>171.0</u>	<u>172.0</u>	<u>169.0</u>	<u>171.8</u>	<u>175.4</u>	<u>176.0</u>

Source: District Personnel Records

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

Teacher/Student Ratio

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Elementary	Middle School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2013	1,029	\$ 17,482,532	\$ 16,990	3.85%	90	1:12	1:12	1,011	982	-1.46%	97.13%
2014	1,001	17,825,591	17,808	4.81%	89	1:12	1:12	1,003	964	-0.79%	96.11%
2015	986	18,282,246	18,542	4.12%	89	1:12	1:12	990	951	-1.30%	96.06%
2016	959	18,931,700	19,741	6.47%	90	1:10	1:10	966	927	-2.42%	95.96%
2017	954	19,559,177	20,502	3.86%	90	1:10	1:10	966	924	0.00%	95.65%
2018	971	20,973,596	21,600	5.35%	91	1:10	1:10	966	920	0.00%	95.24%
2019	982	21,622,548	22,019	1.94%	91	1:10	1:10	970	923	0.41%	95.15%
2020	991	22,159,492	22,361	1.55%	92	1:10	1:10	990	958	2.06%	96.77%
2021	967	22,708,998	23,484	5.02%	99	1:10	1:10	961	932	-2.93%	96.98%
2022	947	25,583,393	27,015	15.04%	96	1:10	1:10	954	906	-3.64%	94.97%

Sources: District records

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
<b>Brooklake</b>										
Square Feet	50,700	50,700	50,700	50,700	50,700	50,700	50,700	50,700	50,700	50,700
Enrollment	347	324	297	316	327	328	335	348	322	329
<b>Briarwood</b>										
Square Feet	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000
Enrollment	355	350	352	301	310	318	324	321	327	300
<b><u>Middle School</u></b>										
<b>Ridgedale</b>										
Square Feet	76,100	76,100	76,100	76,000	76,000	76,000	76,000	76,000	76,000	76,000
Enrollment	327	327	337	342	317	325	323	322	318	318

Number of Schools at June 30, 2022

Elementary =	2
Middle School =	<u>1</u>
	<u><u>3</u></u>

Source: District Records



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

<u>School Facilities</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Brooklake Elementary School	\$ 123,324	\$ 105,435	\$ 126,543	\$ 157,949	\$ 111,247	\$ 157,758	\$ 98,476	\$ 100,554	\$ 122,017	\$ 111,766
Briarwood Elementary School	83,628	96,050	117,308	146,422	103,576	151,218	97,202	101,111	113,113	159,982
Ridgedale Middle School	<u>120,975</u>	<u>150,664</u>	<u>189,939</u>	<u>237,078</u>	<u>168,790</u>	<u>154,327</u>	<u>167,769</u>	<u>236,352</u>	<u>182,905</u>	<u>272,872</u>
Total School Facilities	<u>\$ 327,927</u>	<u>\$ 352,149</u>	<u>\$ 433,790</u>	<u>\$ 541,449</u>	<u>\$ 383,613</u>	<u>\$ 463,303</u>	<u>\$ 363,447</u>	<u>\$ 438,017</u>	<u>\$ 418,035</u>	<u>\$ 544,620</u>

Source: District Records

**FLORHAM PARK BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2022  
(Unaudited)**

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

Source: School District's records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund of the Florham Park Board of Education as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Florham Park Board of Education's basic financial statements and have issued our report thereon dated February 15, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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


### **Report on Compliance and Other Matters**

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Florham Park Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated February 15, 2023.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Florham Park Board of Education’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Florham Park Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
February 15, 2023



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

**INDEPENDENT AUDITOR'S REPORT**

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

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

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

We have audited the Florham Park Board of Education's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Florham Park Board of Education's major state programs for the fiscal year ended June 30, 2022. The Florham Park Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Florham Park Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2022.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Florham Park Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Florham Park Board of Education's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Florham Park Board of Education's state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Florham Park Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Florham Park Board of Education's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Florham Park Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Florham Park Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Florham Park Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

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


Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.


Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Florham Park Board of Education, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated February 15, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
February 15, 2023



**FLORHAM PARK BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance, July 1, 2021	Unearned	Accounts	Cash	Budgetary	Repayment of	June 30, 2022			MEMO GAAP Receivable	
						Revenue Carryover Amount	Receivable Carryover Amount			Prior Years Balances	Adjustments	(Account Receivable)	Unearned Revenue		Due to Grantor
<b>U.S. Department of Education</b>															
<b>Passed-through State Department of Education</b>															
I.D.E.I.A. Part B, Basic Regular	84.027A	H027A210100	7/1/21-9/30/22	\$ 217,041				\$ 136,916	\$ 217,041			\$ (80,125)	-	* \$ (80,125)	
I.D.E.I.A. Part B, Basic Regular	84.027A	H027A200100	7/1/20-9/30/21	234,653	\$ (26,322)			26,322						* -	
American Rescue Plan - I.D.E.I.A. Part B, Basic Regular	84.027X	H027X210100	7/1/21-9/30/22	44,680					44,680			(44,680)	-	* (44,680)	
I.D.E.I.A. Preschool	84.173A	H027A210114	7/1/21-9/30/22	9,016		\$ 339	\$ (339)		9,016			(9,016)	\$ -	* (9,016)	
I.D.E.I.A. Preschool	84.173A	H027A210114	7/1/20-9/30/21	9,077	(1,560)	(339)	339	1,221			339			* -	
American Rescue Plan - I.D.E.I.A. Preschool	84.173X	H173X210114	7/1/21-9/30/22	3,817		-	-		3,817			(3,817)	-	* (3,817)	
				K										* -	
Total Special Education Cluster (IDEA)					(27,882)	-	-	164,459	274,554	-	339	(137,638)	-	* (137,638)	
123															
Title I Part A	84.010	S010A210030	7/1/21-9/30/22	22,728		3,876	(3,876)	822	25,332			(25,782)	1,272	* (24,510)	
Title I Part A	84.010	S010A200030	7/1/20-9/30/21	23,033	(22,937)	(3,876)	3,876	19,883			3,054			* -	
Title II Part A	84.367A	S010A210029	7/1/21-9/30/22	12,434		3,940	(3,940)	2,880	16,374			(13,494)	-	* (13,494)	
Title II Part A	84.367A	S010A200029	7/1/20-9/30/21	12,531	(16,975)	(3,940)	3,940	15,915			1,060			* -	
Title IV	84.424	S365A210031	7/1/21-9/30/22	10,000					10,000			(10,000)	-	* (10,000)	
Title IV	84.424	S365A200031	7/1/20-9/30/21	10,000	(23,783)	-	-	23,783		\$ -				* -	
Total ESEA					(63,695)	-	-	63,283	51,706	-	4,114	(49,276)	1,272	* (48,004)	
Elementary and Secondary School Emergency Relief Fund (ESSER):															
ESSER I - C.A.R.E.S. Emergency Relief Grant	84.425D	S425D200027	3/13/20-9/30/22	20,248	(1,520)							(1,890)	\$ 370	* (1,520)	
ESSER II - Coronavirus Response and Relief Supplm. Appropriations	84.425D	S425D200027	3/13/20-9/30/23	75,515				65,820	68,941			(9,695)	6,574	* (3,121)	
ESSER II - Learning Acceleration	84.425D	S425D200027	3/13/20-9/30/23	25,000				19,140	25,000			(5,860)	-	* (5,860)	
ESSER II - Mental Health	84.425D	S425D200027	3/13/20-9/30/23	45,000				44,800	45,000			(200)	-	* (200)	
American Rescue Plan (ARP) - ESSER III	84.425U	S425U210027	3/13/20-9/30/24	169,716					109,716			(169,716)	60,000	* (109,716)	
American Rescue Plan (ARP) - Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	80,568								(80,568)	80,568	* -	
American Rescue Plan (ARP) - Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000								(40,000)	40,000	* -	
American Rescue Plan (ARP) - Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000					7,502			(40,000)	32,498	* (7,502)	
American Rescue Plan (ARP) - NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000								(45,000)	45,000	* -	
Total Elementary and Secondary School Emergency Relief Fund Cluster (ESSER)					(1,520)	-	-	129,760	256,159	-	-	(392,929)	264,640	370	* (127,919)
Total U.S. Department of Education					\$ (93,097)	\$ -	\$ -	\$ 357,502	\$ 582,419	\$ -	\$ 4,453	\$ (579,843)	\$ 265,912	\$ 370	* \$ (313,561)
Total Federal Financial Assistance - Special Revenue Fund					\$ (93,097)	\$ -	\$ -	\$ 357,502	\$ 582,419	\$ -	\$ 4,453	\$ (579,843)	\$ 265,912	\$ 370	* \$ (313,561)

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

See Accompanying Notes to Schedule of Expenditures of Federal Awards

**FLORHAM PARK BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2021	Cash Received	Budgetary Expenditures	Refunded to State	June 30, 2022		MEMO	
								(Accounts Receivable)	Due to Grantor	GAAP Receivable	Combined Total Expenditures
<b>State Department of Education</b>											
<b>General Fund:</b>											
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	\$ 728,132		\$ 658,298	\$ 728,132		\$ (69,834)	*		\$ 728,132
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	558,682	\$ (53,097)	53,097				*		-
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	19,487		17,618	19,487		(1,869)	*		19,487
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	19,487	(1,852)	1,852	-	-	-	*		-
Total State Aid - Public Cluster				(54,949)	730,865	747,619	-	(71,703)	*		747,619
Transportation Aid	21-495-034-5120-014	7/1/21-6/30/22	161,007		145,565	161,007		(15,442)	*		161,007
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	161,007	(15,302)	15,302				*		-
Additional Nonpublic Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	19,474			19,474		(19,474)	*	\$ (19,474)	19,474
Additional Nonpublic Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	19,751	(19,751)	19,751	-	-	-	*		-
Total Transportation Aid Cluster				(35,053)	180,618	180,481	-	(34,916)	*	(19,474)	180,481
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	204,710			204,710		(204,710)	*		204,710
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	260,447	(260,447)	260,447				*		-
TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	625,045		594,163	625,045		(30,882)	*	(30,882)	625,045
TPAF Pension Contributions	22-495-034-5094-002	7/1/21-6/30/22	3,013,470		3,013,470	3,013,470			*		3,013,470
TPAF Pension - NCGI Premium	22-495-034-5094-004	7/1/21-6/30/22	42,516		42,516	42,516			*		42,516
TPAF Post Retirement Medical Contributions	22-495-034-5094-001	7/1/21-6/30/22	714,002		714,002	714,002			*		714,002
TPAF Long-Term Disability Insurance Contributions	22-495-034-5094-004	7/1/21-6/30/22	1,169	-	1,169	1,169	-	-	*	-	1,169
School Security Grant	20E00277	7/1/20-6/30/22	51,663	-	-	51,663	-	(51,663)	*	(51,663)	51,663
Total General Fund				(350,449)	5,537,250	5,580,675	-	(393,874)	*	(102,019)	5,580,675
<b>Special Revenue Fund:</b>											
<b>New Jersey Nonpublic Aid</b>											
Nursing	22-100-034-5120-070	7/1/21-6/30/22	3,696		3,696	3,466		\$ 230	*		3,466
Nursing	21-100-034-5120-070	7/1/20-6/30/21	4,794	599			\$ 599		*		-
Technology	22-100-034-5120-373	7/1/21-6/30/22	1,386		1,386	985		401	*		985
Textbooks	22-100-034-5120-064	7/1/21-6/30/22	1,980		1,980	1,975		5	*		1,975
Textbooks	21-100-034-5120-064	7/1/20-6/30/21	2,871	189			189		*		-
Security	22-100-034-5120-509	7/1/21-6/30/22	5,775	-	5,775	5,774	-	-	*	1	5,774
Total Nonpublic Aid Cluster				788	12,837	12,200	788	-	*	637	12,200
Schools Development Authority									*		
Emergent and Capital Maintenance Needs	N/A	7/1/21-6/30/23	22,119	-	22,119	22,119	-	-	*	-	22,119
Total Special Revenue Fund				788	34,956	34,319	788	-	*	637	34,319
<b>Debt Service Fund:</b>											
Debt Service Aid	22-495-034-5120-075	7/1/21-6/30/22	458,393	-	458,393	458,393	-	-	*	-	458,393
Total Debt Service Fund				-	458,393	458,393	-	-	*	-	458,393
Total State Financial Assistance Subject to Single Audit Determination				(349,661)	6,030,599	6,073,387	788	(393,874)	*	637	(102,019) 6,073,387
<b>State Financial Assistance</b>											
<b>Not Subject to Major Program Determination</b>											
<b>General Fund</b>											
TPAF Pension Contributions	22-495-034-5094-002	7/1/21-6/30/22	3,013,470		(3,013,470)	(3,013,470)			*		(3,013,470)
TPAF Pension - NCGI Premium	22-495-034-5094-004	7/1/21-6/30/22	42,516		(42,516)	(42,516)			*		(42,516)
TPAF Post Retirement Medical Contributions	22-495-034-5094-001	7/1/21-6/30/22	714,002		(714,002)	(714,002)			*		(714,002)
TPAF Long-Term Disability Insurance Contributions	22-495-034-5094-004	7/1/21-6/30/22	1,169	-	(1,169)	(1,169)	-	-	*	-	(1,169)
Total State Financial Assistance For Major Program Determination				\$ (349,661)	\$ 2,259,442	\$ 2,302,230	\$ 788	\$ (393,874)	\$ 637	\$ (102,019)	\$ 2,302,230

124

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue

is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$38,843 for the general fund and an increase of \$2,331 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 5,619,518	\$ 5,619,518
Special Revenue Fund	\$ 584,750	34,319	619,069
Debt Service Fund	-	458,393	458,393
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Financial Assistance	<u>\$ 584,750</u>	<u>\$ 6,112,230</u>	<u>\$ 6,696,980</u>

**FLORHAM PARK BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

**NOTE 5 OTHER INFORMATION**

TPAF Social Security contributions in the amount of \$625,045 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2022. The amount reported as TPAF Pension System Contributions in the amount of \$3,055,986, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$714,002 and TPAF Long-Term Disability Insurance in the amount of \$1,169 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2022.

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

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

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

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

FLORHAM PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified        yes   X   no

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

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

**Federal Awards Section** Not Applicable

**FLORHAM PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

Internal Control over major programs:

(1) Material weakness(es) identified \_\_\_\_\_ yes       X  no

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

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

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

Identification of major state programs:

GMIS Number(s):

22-495-034-5120-089

22-495-034-5120-084

\_\_\_\_\_

Name of State Program:

Special Education Aid

Security Aid

\_\_\_\_\_

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

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

**FLORHAM PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

THERE ARE NONE.

**FLORHAM PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

**CURRENT YEAR FEDERAL AWARDS**

NOT APPLICABLE

**CURRENT YEAR STATE AWARDS**

There are none.



**FLORHAM PARK BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

There were none.