

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

Paramus, New Jersey

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

Paramus Board of Education

Paramus, New Jersey

For The Fiscal Year Ended June 30, 2022

Prepared by

**Paramus Board of Education
Business Department**

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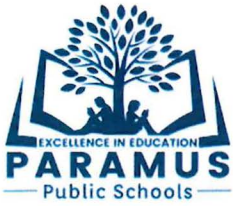
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INTRODUCTORY SECTION



PARAMUS PUBLIC SCHOOLS

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Brooke Bartley
Board Secretary/
Business Administrator
bbartley@paramusschools.org

February 3, 2023

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

Dear Board Members:

State Department of Education statutes require that all School District's prepare a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report (ACFR) of the Paramus Board of Education for the fiscal year ended June 30, 2022.

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

The Paramus Board of Education's financial statements have been audited by Lerch, Vinci & Bliss, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Paramus Board of Education for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Paramus Board of Education's financial statements for the fiscal year ended June 30, 2022 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

1. REPORTING ENTITY AND ITS SERVICES: The Paramus School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds of the District are included in this report. The Paramus Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels pre-K through 12. These include regular, as well as special education for handicapped youngsters. The District's student enrollment of 3,663 students for the 2021-2022 fiscal year represents an increase of 66 students from the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2021-2022	3,663	1.83%
2020-2021	3,597	(4.6%)
2019-2020	3,765	(0.6%)
2018-2019	3,781	0.3%
2017-2018	3,776	(1.2%)
2016-2017	3,823	(1.8%)
2015-2016	3,894	(1.0%)
2014-2015	3,933	(0.2%)
2013-2014	3,941	(2.3%)
2012-2013	4,034	(1.5%)

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

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

Bergen County is the most populated county in the State of New Jersey. The Borough of Paramus has become a major retail trade center. A significant percentage of the Borough tax revenues are generated by its commercial and industrial complexes which are experiencing continual growth. The population of the Borough has leveled off (2020 U.S. Census 26,342 est.) and the most recent Borough Master Plan (2006) indicates that the period of rapidly accelerating demand for municipal service facilities has passed.

Paramus is one of the largest shopping areas in the country, generating over \$6 billion in annual retail sales, more than any other ZIP code in the United States. Approximately 85% of the retail trade comes from people living outside the Borough, primarily customers being drawn from Bergen and Passaic Counties and from New York City and Rockland and Orange Counties in New York State. The Garden State Plaza, the Outlets at Bergen Town Center, the Paramus Fashion Center and Paramus Park, and the Paramus Crossroads are the major shopping complexes located in the Borough. The Borough is also home to many retail establishments including Ikea, BJ's Wholesale Club, Home Depot, Barnes & Noble, six multiplex movie theaters, and many other retail businesses, all of which are easily accessible.

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

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

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

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

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

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

The 2021-2022 school year included many new and continuing instructional initiatives highlighted by various curriculum projects that aligned existing curricula with the updated 2020 New Jersey Student Learning Standards (NJSLS) in preparation for implementation during the 2022-2023 school year. In addition to the curriculum projects, the district also expanded its use of diverse and differentiated online instructional tools to support students with engaging and authentic resources within the 1:1 learning environment.

The district has also made it a goal to focus on supporting the Social Emotional and Mental Health needs of its students and staff. In addition to the existing mental health professionals who support students and staff and both middle schools and the high school, the district also added an elementary clinician to support the mental health needs of students in grades K-4. Utilizing grant funds the district added an additional clinician at the High School level. A component of these clinician supports include parent/guardian outreach nights that provide mental health and social-emotional resources for families within the community.

In addition to routine maintenance, the District completed several significant construction projects including roof replacement at Paramus High School, HVAC upgrades at Ridge Ranch Elementary School, and the creation of a life skills special education classroom at East Brook Middle School.

To maintain a high level of school security, the district upgraded cameras at Paramus High School and will continue with both middle schools, continued utilizing armed security staff, and reviewed/sharpened security drill procedures. A new notification system for building lockdowns has been installed.

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

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

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

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

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

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

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

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

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

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

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

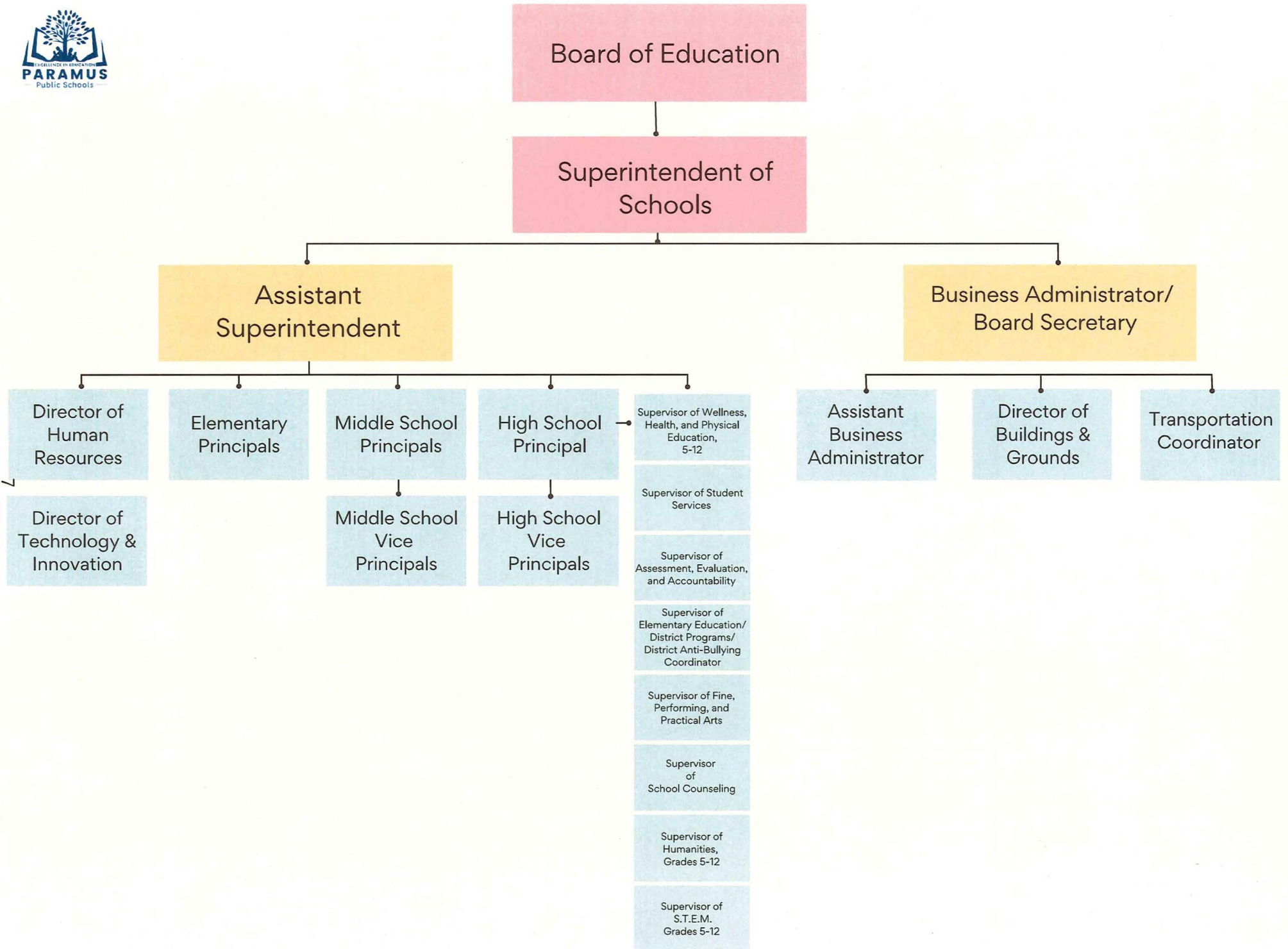
Respectfully submitted,



Sean Adams
Superintendent of Schools



Brooke Bartley
Business Administrator/Board Secretary



PARAMUS BOARD OF EDUCATION

**ROSTER OF OFFICIALS
AS OF JUNE 30, 2022**

	Term Expires
Melissa Caminiti, President	2023
Patricia Kim, Vice President	2022
Joanne Bergmann	2023
Lisa Cassesa	2022
Christina Kardasakis	2024
Alison Donoghue	2024
Keri Greene	2022
Lisa Hochhauser	2024
William F. Holzmann	2023

Other Officials

Sean Adams, Superintendent of Schools

Timothy Donohue, Assistant Superintendent

Steven Cea, Interim Business Administrator/Board Secretary (7/1/21-8/28/2021)

Brooke Bartley, Business Administrator/Board Secretary (8/29/2021-6/30/2022)

Mattea Field, Assistant Business Administrator

PARAMUS BOARD OF EDUCATION

**CONSULTANTS AND ADVISORS
AS OF JUNE 30, 2022**

Architect

LAN Associates
445 Godwin Avenue, Suite 9
Midland Park, NJ 07432

Audit Firm

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Fair Lawn, New Jersey 07410

Attorneys

Board Attorney

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21-00 Route 208 South
Fair Lawn, NJ

Labor Negotiating Attorney

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

Bond Counsel

McManimon, Scotland & Baumann, LLC
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Roseland, New Jersey 07068

Official Depository

Capital One
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Paramus, New Jersey 07652

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 Trustees
Paramus Board of Education
145 Spring Valley Road
Paramus, New Jersey 07652

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund, of the Paramus 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 and each major fund of the Paramus 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 Paramus 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 Paramus 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.

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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 Paramus 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 Paramus 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 Paramus Board of Education's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Paramus Board of Education. 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.

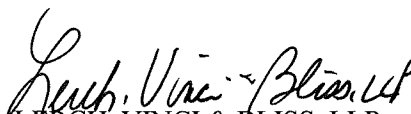
Other Information


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 3, 2023 on our consideration of the Paramus Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Paramus Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Paramus Board of Education's internal control over financial reporting and compliance.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 3, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

The discussion and analysis of the Paramus Board of Education's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the financial statements as well as the financial statements themselves to enhance their understanding of the District's financial performance.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$73,453,333 (net position).
- General revenues accounted for \$85,718,308 or 73 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$31,440,889 or 27 percent of total revenues of \$117,159,197.
- Total net position of governmental activities amounted to \$72,744,886 as of June 30, 2022.
- The District had \$105,275,294 in expenses related to governmental activities; only \$29,371,611 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$85,718,308 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$109,300,567 in revenues and \$103,894,974 in expenditures and transfers. The General Fund's fund balance (GAAP Basis) increased \$5,805,593 over the fiscal year ended June 30, 2021.

Using the Annual Comprehensive Financial Report (ACFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the district's most significant funds. In the case of the Paramus Board of Education, the General Fund is by far the most significant fund.

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities, which appear first in the District's financial statements, report information as a whole and its activities. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- **Governmental Activities** – most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extra-curricular activities.
- **Business-Type Activities** – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods and services provided. The District's food service program is reported as a business-type activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Enterprise Fund

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

Notes to the Financial Statements

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

The District as a Whole

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

Below is a summary of the District's net position as of June 30, 2022 and 2021.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets						
Current Assets	\$ 43,953,324	\$ 38,393,915	\$ 655,641	\$ 135,891	\$ 44,608,965	\$ 38,529,806
Capital Assets	<u>58,662,194</u>	<u>58,999,530</u>	<u>174,321</u>	<u>169,289</u>	<u>58,836,515</u>	<u>59,168,819</u>
Total Assets	<u>102,615,518</u>	<u>97,393,445</u>	<u>829,962</u>	<u>305,180</u>	<u>103,445,480</u>	<u>97,698,625</u>
Deferred Outflows of Resources						
Deferred Amount on Refunding of Debt	291,717	356,055	-	-	291,717	356,055
Deferred Amount on Net Pension Liability	<u>395,232</u>	<u>1,802,227</u>	<u>-</u>	<u>-</u>	<u>395,232</u>	<u>1,802,227</u>
Total Deferred Outflows of Resources	<u>686,949</u>	<u>2,158,282</u>	<u>-</u>	<u>-</u>	<u>686,949</u>	<u>2,158,282</u>
Liabilities						
Long-Term Liabilities	20,369,863	26,807,355			20,369,863	26,807,355
Other Liabilities	<u>1,447,395</u>	<u>1,722,871</u>	<u>121,515</u>	<u>15,012</u>	<u>1,568,910</u>	<u>1,737,883</u>
Total Liabilities	<u>21,817,258</u>	<u>28,530,226</u>	<u>121,515</u>	<u>15,012</u>	<u>21,938,773</u>	<u>28,545,238</u>
Deferred Inflows of Resources						
Deferred Amount on Net Pension Liability	<u>8,740,323</u>	<u>8,091,240</u>	<u>-</u>	<u>-</u>	<u>8,740,323</u>	<u>8,091,240</u>
Total Deferred Inflows of Resources	<u>8,740,323</u>	<u>8,091,240</u>	<u>-</u>	<u>-</u>	<u>8,740,323</u>	<u>8,091,240</u>
Net Position						
Net Investment in Capital Assets	50,866,999	50,001,559	174,321	169,289	51,041,320	50,170,848
Restricted	32,539,189	29,744,455			32,539,189	29,744,455
Unrestricted	<u>(10,661,302)</u>	<u>(16,815,753)</u>	<u>534,126</u>	<u>120,879</u>	<u>(10,127,176)</u>	<u>(16,694,874)</u>
Total Net Position	<u>\$ 72,744,886</u>	<u>\$ 62,930,261</u>	<u>\$ 708,447</u>	<u>\$ 290,168</u>	<u>\$ 73,453,333</u>	<u>\$ 63,220,429</u>

The District's combined net position was \$73,453,333 and \$63,220,429 at June 30, 2022 and 2021, respectively. This was an increase of \$10,232,904 or 16 percent from the prior year. This is primarily due to an increase in invested in capital assets as a result of the payment of debt and an increase in restricted assets for future capital projects.

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Below is the changes in net position for fiscal years ended June 30, 2022 and 2021.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,572,538	\$ 1,103,719	\$ 238,870	\$ 7,164	\$ 1,811,408	\$ 1,110,883
Operating Grants and Contributions	27,799,073	34,090,678	1,830,408	351,877	29,629,481	34,442,555
General Revenues						
Property Taxes	84,044,079	82,479,590			84,044,079	82,479,590
Other	<u>1,674,229</u>	<u>1,263,752</u>	<u>-</u>	<u>-</u>	<u>1,674,229</u>	<u>1,263,752</u>
Total Revenues	<u>115,089,919</u>	<u>118,937,739</u>	<u>2,069,278</u>	<u>359,041</u>	<u>117,159,197</u>	<u>119,296,780</u>
Expenses						
Instruction						
Regular	41,072,919	44,132,065			41,072,919	44,132,065
Special Education	17,415,264	19,097,391			17,415,264	19,097,391
Other Instruction	2,717,193	2,895,590			2,717,193	2,895,590
School Sponsored Activities and Athletics	2,464,529	2,543,446			2,464,529	2,543,446
Support Services						
Student and Instruction Related Services	16,975,885	16,805,183			16,975,885	16,805,183
General Administration Services	1,003,182	1,060,527			1,003,182	1,060,527
School Administration Services	5,784,392	6,776,335			5,784,392	6,776,335
Plant Operations and Maintenance	11,289,292	10,732,116			11,289,292	10,732,116
Pupil Transportation	4,412,435	4,063,281			4,412,435	4,063,281
Central Services	1,916,892	2,812,672			1,916,892	2,812,672
Interest on Debt	223,311	272,742			223,311	272,742
Food Services	<u>-</u>	<u>-</u>	<u>1,650,999</u>	<u>365,742</u>	<u>1,650,999</u>	<u>365,742</u>
Total Expenses	<u>105,275,294</u>	<u>111,191,348</u>	<u>1,650,999</u>	<u>365,742</u>	<u>106,926,293</u>	<u>111,557,090</u>
Change in Net Position	9,814,625	7,746,391	418,279	(6,701)	10,232,904	7,739,690
Net Position, Beginning of Year	<u>62,930,261</u>	<u>55,183,870</u>	<u>290,168</u>	<u>296,869</u>	<u>63,220,429</u>	<u>55,480,739</u>
Net Position, End of Year	<u>\$ 72,744,886</u>	<u>\$ 62,930,261</u>	<u>\$ 708,447</u>	<u>\$ 290,168</u>	<u>\$ 73,453,333</u>	<u>\$ 63,220,429</u>

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Governmental Activities

The District's total revenues were \$115,089,919 and \$118,937,739 for the years ended June 30, 2022 and 2021, respectively. Property taxes made up 73 and 69 percent of revenues for governmental activities for the Paramus Board of Education for the fiscal years ended June 30, 2022 and 2021, respectively. Federal, state and local grants and aid accounted for another 24 and 30 percent of revenues for the years ended June 30, 2022 and 2021, respectively.

The total cost of all programs and services was \$105,275,294 and \$111,191,348 for the fiscal years ended June 30, 2022 and 2021, respectively. Instruction comprises 60 and 62 percent of governmental program expenses for the fiscal years ended June 30, 2022 and 2021, respectively. Support services expenses make up 39 percent and 38 percent of governmental expenses for the fiscal years ended June 30, 2022 and 2021, respectively. Interest on debt comprises less than 1 percent of governmental expenses for fiscal years ended June 30, 2022 and 2021. The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The total cost of services and the net cost of services is presented below.

	<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	\$ 41,072,919	\$ 44,132,065	\$ 30,815,615	\$ 29,923,279
Special Education	17,415,264	19,097,391	7,157,578	8,876,188
Other Instruction	2,717,193	2,895,590	2,283,640	2,192,240
School Sponsored Activities and Athletics	2,464,529	2,543,446	1,487,914	1,391,326
Support Services				
Student and Instruction Related Services	16,975,885	16,805,183	13,150,194	12,114,724
General Administration Services	1,003,182	1,060,527	919,954	927,225
School Administration Services	5,784,392	6,776,335	4,614,668	4,873,404
Plant Operations and Maintenance	11,289,292	10,732,116	10,062,110	9,813,250
Pupil Transportation	4,412,435	4,063,281	3,526,060	3,196,713
Central Services	1,916,892	2,812,672	1,662,639	2,415,860
Interest on Debt	223,311	272,742	223,311	272,742
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	\$ 105,275,294	\$ 111,191,348	\$ 75,903,683	\$ 75,996,951

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

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Business-Type Activities

The only business-type activity is the food service operation. The program had revenues of \$2,069,278 and \$359,041 and expenses of \$1,650,999 and \$ 365,742 in fiscal years ended June 30, 2022 and 2021, respectively. Of the revenues, \$238,870 and \$7,164 was charges for services paid by patrons for daily food service, \$1,830,408 and \$351,877 was from State and Federal reimbursements for the fiscal years ended June 30, 2022 and 2021, respectively.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$117,358,336 and \$108,536,363 and expenditures were \$111,537,926 and \$102,412,730 for the fiscal years ended June 30, 2022 and 2021, respectively.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule present a summary of the revenues of the governmental funds for the fiscal years ending June 30, 2022 and 2021.

	<u>Year Ended June 30,</u>		Amount of Increase (Decrease)	Percent Change
	<u>2022</u>	<u>2021</u>		
Local Sources	\$ 87,315,135	\$ 84,886,688	\$ 2,428,447	2.86%
State Sources	25,989,586	21,032,772	4,956,814	23.57%
Federal Sources	4,053,615	2,616,903	1,436,712	54.90%
Total Revenues	<u>\$ 117,358,336</u>	<u>\$ 108,536,363</u>	<u>\$ 8,821,973</u>	8.13%

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ended June 30, 2022 and 2021.

	<u>Year Ended June 30,</u>		Amount of Increase (Decrease)	Percent Change
	<u>2022</u>	<u>2021</u>		
Current:				
Instruction	\$ 63,933,361	\$ 59,040,545	\$ 4,892,816	8.29%
Support Services	42,669,813	39,003,382	3,666,431	9.40%
Capital Outlay	3,494,190	2,746,263	747,927	27.23%
Debt Service:				
Principal	1,270,000	1,200,000	70,000	5.83%
Interest on Other Charges	170,562	302,560	(131,998)	-43.63%
Bond Issuance Costs	-	119,980	(119,980)	100.00%
Total Expenditures	<u>\$ 111,537,926</u>	<u>\$ 102,412,730</u>	<u>\$ 9,125,196</u>	8.91%

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

General Fund Budgeting Highlights

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

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

Capital Assets

At the end of fiscal years 2022 and 2021, the District had \$58,836,515 and \$59,168,819 invested in land, construction in progress, buildings, site improvements, furniture and equipment and vehicles net of depreciation. Overall capital assets net of accumulated depreciation decreased by \$332,304 from fiscal year 2021 to fiscal year 2022 as a result of depreciation exceeding capital additions. The schedule of capital assets net of depreciation at June 30, 2022 and 2021, is presented below.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 400,645	\$ 400,645			\$ 400,645	\$ 400,645
Buildings and Building Improvements	98,457,534	96,677,704	\$ 145,725	\$ 145,725	98,603,259	96,823,429
Machinery and Equipment	9,733,669	9,189,057	439,967	416,432	10,173,636	9,605,489
Site Improvements	5,378,322	4,846,715	-	-	5,378,322	4,846,715
	<u>113,970,170</u>	<u>111,114,121</u>	<u>585,692</u>	<u>562,157</u>	<u>114,555,862</u>	<u>111,676,278</u>
Less Accumulated Depreciation	<u>55,307,976</u>	<u>52,114,591</u>	<u>411,371</u>	<u>392,868</u>	<u>55,719,347</u>	<u>52,507,459</u>
Total	<u>\$ 58,662,194</u>	<u>\$ 58,999,530</u>	<u>\$ 174,321</u>	<u>\$ 169,289</u>	<u>\$ 58,836,515</u>	<u>\$ 59,168,819</u>

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

Long-Term Liabilities

At June 30, 2022 and 2021, the District had \$20,369,863 and \$26,807,355 of long-term liabilities, respectively. Of this amount, \$552,348 and \$491,868 is for compensated absences, \$8,086,912 and \$9,354,026 of bonds payable less the unamortized discount, \$11,730,603 and \$16,961,461 net pension liability for the fiscal years ended June 30, 2022 and 2021, respectively.

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

***PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022***

For the Future

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

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

Contacting the District's Financial Management

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

FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

PARAMUS BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 38,919,395	\$ 441,003	\$ 39,360,398
Receivables, net			
Intergovernmental	5,025,854	193,362	5,219,216
Other	8,075		8,075
Inventory		21,276	21,276
Capital Assets			
Not Being Depreciated	400,645		400,645
Being Depreciated, Net	58,261,549	174,321	58,435,870
Total Assets	102,615,518	829,962	103,445,480
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding of Debt	291,717		291,717
Deferred Amount on Net Pension Liability	395,232	-	395,232
Total Deferred Outflows of Resources	686,949	-	686,949
LIABILITIES			
Accounts Payable and Other Liabilities	588,273	121,515	709,788
Payable to State Government	499,611		499,611
Accrued Interest Payable	28,166		28,166
Unearned Revenue	331,345		331,345
Noncurrent Liabilities			
Due within one year	1,330,235		1,330,235
Due beyond one year	19,039,628	-	19,039,628
Total Liabilities	21,817,258	121,515	21,938,773
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	8,740,323	-	8,740,323
Total Deferred Inflows of Resources	8,740,323	-	8,740,323
NET POSITION			
Net Investment in Capital Assets	50,866,999	174,321	51,041,320
Restricted for			
Capital Projects	27,968,216		27,968,216
Other Purposes	4,570,973		4,570,973
Unrestricted	(10,661,302)	534,126	(10,127,176)
Total Net Position	\$ 72,744,886	\$ 708,447	\$ 73,453,333

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

PARAMUS BOARD OF EDUCATION
 STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 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
Governmental Activities							
Instruction							
Regular	\$ 41,072,919	\$ 556,429	\$ 9,700,875		\$ (30,815,615)		\$ (30,815,615)
Special Education	17,415,264	641,472	9,616,214		(7,157,578)		(7,157,578)
Other Instruction	2,717,193		433,553		(2,283,640)		(2,283,640)
School Sponsored Activities and Athletics	2,464,529	374,637	601,978		(1,487,914)		(1,487,914)
Support Services							
Student and Instruction Related Services	16,975,885		3,825,691		(13,150,194)		(13,150,194)
School Administration Services	5,784,392		1,169,724		(4,614,668)		(4,614,668)
General Administration Services	1,003,182		83,228		(919,954)		(919,954)
Plant Operations and Maintenance	11,289,292		1,227,182		(10,062,110)		(10,062,110)
Pupil Transportation	4,412,435		886,375		(3,526,060)		(3,526,060)
Central Services	1,916,892		254,253		(1,662,639)		(1,662,639)
Interest on Long-Term Debt	223,311	-	-		(223,311)		(223,311)
Total Governmental Activities	<u>105,275,294</u>	<u>1,572,538</u>	<u>27,799,073</u>	<u>-</u>	<u>(75,903,683)</u>	<u>-</u>	<u>(75,903,683)</u>
Business-Type Activities							
Food Service	1,650,999	238,870	1,830,408	-	-	\$ 418,279	418,279
Total Business-Type Activities	<u>1,650,999</u>	<u>238,870</u>	<u>1,830,408</u>	<u>-</u>	<u>-</u>	<u>418,279</u>	<u>418,279</u>
Total Primary Government	<u>\$ 106,926,293</u>	<u>\$ 1,811,408</u>	<u>\$ 29,629,481</u>	<u>\$ -</u>	<u>(75,903,683)</u>	<u>418,279</u>	<u>(75,485,404)</u>
General Revenues							
Property Taxes - General Purposes					83,206,000		83,206,000
Property Taxes - Debt Service					838,079		838,079
Miscellaneous Income					1,674,229		1,674,229
Total General Revenues					<u>85,718,308</u>	<u>-</u>	<u>85,718,308</u>
Change in Net Position					9,814,625	418,279	10,232,904
Net Position, Beginning of Year					<u>62,930,261</u>	<u>290,168</u>	<u>63,220,429</u>
Net Position, End of Year					<u>\$ 72,744,886</u>	<u>\$ 708,447</u>	<u>\$ 73,453,333</u>

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

FUND FINANCIAL STATEMENTS

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 38,549,626	\$ 359,652	\$ 10,117	\$ 38,919,395
Receivables, Net				
Other	8,075			8,075
Intergovernmental	4,077,788	948,066		5,025,854
Due from Other Funds	190,000	-	-	190,000
	<u>42,825,489</u>	<u>1,307,718</u>	<u>10,117</u>	<u>44,143,324</u>
Total Assets	<u>\$ 42,825,489</u>	<u>\$ 1,307,718</u>	<u>\$ 10,117</u>	<u>\$ 44,143,324</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 326,704	\$ 170,162		\$ 496,866
Due to Other Funds		190,000		190,000
Payable to State Government	169,433	330,178		499,611
Payroll Deductions and Withholdings Payable	91,407			91,407
Unearned Revenue	73,279	258,066	-	331,345
	<u>660,823</u>	<u>948,406</u>	<u>-</u>	<u>1,609,229</u>
Fund Balances				
Restricted				
Debt Service			\$ 10,117	10,117
Excess Surplus	600,000			600,000
Excess Surplus - Designated for				
Subsequent Year's Budget	600,000			600,000
Capital Reserve	17,443,216			17,443,216
Capital Reserve - Designated for				
Subsequent Year's Budget	10,525,000			10,525,000
Maintenance Reserve	3,934,953			3,934,953
Emergency Reserve	855,750			855,750
Student Activities		359,312		359,312
Unemployment Compensation Reserve	266,591			266,591
Committed				
Year End Encumbrances	3,681,709			3,681,709
Assigned				
Year End Encumbrances	1,098,587			1,098,587
Unassigned	3,158,860	-	-	3,158,860
	<u>42,164,666</u>	<u>359,312</u>	<u>10,117</u>	<u>42,534,095</u>
Total Fund Balances	<u>42,164,666</u>	<u>359,312</u>	<u>10,117</u>	<u>42,534,095</u>
Total Liabilities and Fund Balances	<u>\$ 42,825,489</u>	<u>\$ 1,307,718</u>	<u>\$ 10,117</u>	<u>\$ 44,143,324</u>

PARAMUS BOARD OF EDUCATION
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 AS OF JUNE 30, 2022

Total Fund Balance - Governmental Funds (Exhibit B-1) \$ 42,534,095

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$113,970,170 and the accumulated depreciation is \$55,307,976. 58,662,194

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (28,166)

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. 291,717

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

Deferred Outflows of Resources	\$ 395,232	
Deferred Inflows of Resources	(8,740,323)	
		(8,345,091)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. These Items are as follows:

Bonds Payable, Including Unamortized		
Discount	(8,086,912)	
Net Pension Liability	(11,730,603)	
Compensated Absences Payable	(552,348)	
		(20,369,863)

Net Position of Governmental Activities (Exhibit A-1) \$ 72,744,886

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

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUES				
Local Sources				
Property Taxes	\$ 83,206,000		\$ 838,079	\$ 84,044,079
Tuition	1,197,901			1,197,901
Interest Earned on Capital Reserve	36,790			36,790
Miscellaneous	<u>1,627,360</u>	<u>\$ 398,926</u>	<u>10,079</u>	<u>2,036,365</u>
Total - Local Sources	86,068,051	398,926	848,158	87,315,135
State Sources	22,717,601	3,271,985	-	25,989,586
Federal Sources	<u>514,915</u>	<u>3,538,700</u>	<u>-</u>	<u>4,053,615</u>
Total Revenues	<u>109,300,567</u>	<u>7,209,611</u>	<u>848,158</u>	<u>117,358,336</u>
EXPENDITURES				
Current				
Regular Instruction	38,456,159	1,752,493		40,208,652
Special Education Instruction	14,617,130	3,645,246		18,262,376
Other Instruction	2,837,385			2,837,385
School-Sponsored Activities and Athletics	2,257,532	367,416		2,624,948
Support Services				
Student and Instruction Related Services	16,313,089	1,257,195		17,570,284
School Administration Services	6,112,715			6,112,715
General Administration Services	1,013,434			1,013,434
Plant Operations and Maintenance	11,583,712			11,583,712
Pupil Transportation	4,290,931			4,290,931
Central Services	2,098,737			2,098,737
Debt Service				
Principal			1,270,000	1,270,000
Interest and Other Charges			170,562	170,562
Capital Outlay	<u>3,314,150</u>	<u>180,040</u>	<u>-</u>	<u>3,494,190</u>
Total Expenditures	<u>102,894,974</u>	<u>7,202,390</u>	<u>1,440,562</u>	<u>111,537,926</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,405,593</u>	<u>7,221</u>	<u>(592,404)</u>	<u>5,820,410</u>
Other Financing Sources (Uses)				
Transfers In			600,000	600,000
Transfers Out	<u>(600,000)</u>	<u>-</u>	<u>-</u>	<u>(600,000)</u>
Total Other Financing Sources (Uses)	<u>(600,000)</u>	<u>-</u>	<u>600,000</u>	<u>-</u>
Net Change in Fund Balances	5,805,593	7,221	7,596	5,820,410
Fund Balance, Beginning of Year	<u>36,359,073</u>	<u>352,091</u>	<u>2,521</u>	<u>36,713,685</u>
Fund Balance, End of Year	<u>\$ 42,164,666</u>	<u>\$ 359,312</u>	<u>\$ 10,117</u>	<u>\$ 42,534,095</u>

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

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

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 5,820,410

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

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

Capital Outlay	\$ 3,494,190	
Depreciation Expense	<u>(3,755,673)</u>	(261,483)

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

Loss on Disposal of Capital Assets		(75,853)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal Repayments Bonds Payable		1,270,000
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Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (Note 2)

3,061,551

Change in net position of governmental activities (Exhibit A-2) \$ 9,814,625

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

	Business- Type Activities Enterprise Fund <u>Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 441,003
Intergovernmental Receivable	
State	2,669
Federal	190,693
Inventory	<u>21,276</u>
Total Current Assets	<u>655,641</u>
Capital Assets	
Buildings and Buildings Improvements	145,725
Equipment	439,967
Less: Accumulated Depreciation	<u>(411,371)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>174,321</u>
Total Assets	<u>829,962</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	<u>121,515</u>
Total Current Liabilities	<u>121,515</u>
NET POSITION	
Investment in Capital Assets	174,321
Unrestricted	<u>534,126</u>
Total Net Position	<u>\$ 708,447</u>

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

**PARAMUS BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business- Type Activities Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales	
Reimbursable Programs	\$ 201,750
Non-Reimbursable Programs	32,119
Miscellaneous	<u>5,001</u>
Total Operating Revenues	<u>238,870</u>
OPERATING EXPENSES	
Cost of Sales	
Reimbursable Programs	681,119
Non-Reimbursable Programs	98,896
Salaries and Employee Benefits	594,486
Supplies and Materials	148,893
Management Fee	76,951
Other Purchased Services	12,449
Depreciation	18,503
Purchased Professional and Technical Services	14,929
Miscellaneous	<u>4,773</u>
Total Operating Expenses	<u>1,650,999</u>
Operating (Loss)	<u>(1,412,129)</u>
NONOPERATING REVENUES	
State Sources	
School Lunch Program	39,114
Federal Sources	
National School Lunch Program	1,662,107
Food Distribution Program	38,838
Supply Chain Assistance Funding Program	74,709
Emergency Operational Cost Program - Schools	14,398
P-EBT Administrative Program	<u>1,242</u>
Total Nonoperating Revenues	<u>1,830,408</u>
Changes in Net Position	418,279
Total Net Position, Beginning of Year	<u>290,168</u>
Total Net Position, End of Year	<u>\$ 708,447</u>

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

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

	Business- Type Activities Enterprise Fund <u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 238,870
Cash Payments for Employees' Salaries and Benefits	(594,486)
Cash Payments to Suppliers for Goods and Services	<u>(886,980)</u>
Net Cash (Used for) Operating Activities	<u>(1,242,596)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash Received from State and Federal Subsidy Reimbursements	<u>1,703,349</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,703,349</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	<u>(23,535)</u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(23,535)</u>
Net Change in Cash and Cash Equivalents	437,218
Cash and Cash Equivalents, Beginning of Year	<u>3,785</u>
Cash and Cash Equivalents, End of Year	<u>\$ 441,003</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH USED FOR OPERATING ACTIVITIES	
Operating (Loss)	<u>\$ (1,412,129)</u>
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities	
Depreciation	18,503
Non-Cash Federal Assistance	
Food Distribution Program- National School Lunch Program	38,838
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	106,503
(Increase)/Decrease in Inventory	<u>5,689</u>
Total Adjustments	<u>169,533</u>
Net Cash (Used for) Operating Activities	<u>\$ (1,242,596)</u>
Non-Cash Financing Activities	
National School Lunch (Food Distribution)	\$ 38,838

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Paramus Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent 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 twelve (12) school district.

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

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

B. New Accounting Standards

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.

**PARAMUS 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.

**PARAMUS 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. The District currently 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 and its enterprise fund to be major funds.

The District reports the following major governmental funds:

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

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.

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.

PARAMUS 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)

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

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

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

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

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

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

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

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

5. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to 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 which arises only under the accrual basis of accounting that qualifies for reporting in this category. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

**PARAMUS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 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. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. Pensions

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

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

8. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Differences resulting from debt refundings are reported as deferred outflows of resources. Bond premiums and discounts 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 or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, 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 while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

PARAMUS 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)

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 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 Budget - 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.

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

Capital Reserve - Designated for Subsequent Year's Budget – 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 3D).

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

PARAMUS 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)

9. *Net Position/Fund Balance (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.

Unemployment Compensation Reserves – 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 5).

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

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

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

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

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

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

10. *Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The 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 Trustees 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.

**PARAMUS 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. *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 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 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. Federal and State subsidies for the food service operation are considered nonoperating revenues.

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

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Compensated Absences	\$ (60,480)
Accrued Interest	14,475
Amortization of Deferred Amount on Refunding of Debt	(64,338)
Amortization of Bond Discount	(2,886)
PERS Net Pension Expense	<u>3,174,780</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u>\$ 3,061,551</u>

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. 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. 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 Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2021/2022. Also, during 2021/2022 the Board increased the original General Fund budget by \$2,676,483 and the original Special Revenues budget by \$5,841,537. The increases were funded by additional grant awards, student activity revenues and the reappropriation of prior year general fund encumbrances.

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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.

B. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The over expended appropriations resulted in unfavorable variances.

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
<u>General Fund</u>			
Custodial Services			
General Supplies	\$ 429,391	\$ 454,493	\$ (25,102)
Capital Outlay - Equipment			
Undistributed Expenditures - Custodial Services	6,542	29,344	(22,802)

The above variances were offset with other available resources.

C. 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.

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

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

Balance, July 1, 2021		\$ 25,688,299
Increased by:		
Interest earnings	\$ 36,790	
Deposits Approved by Board Resolution	7,501,943	
Return of Unexpended Budget Appropriations		
Funded from Capital Reserve	<u>341,184</u>	
		<u>7,879,917</u>
		33,568,216
Decreased by:		
Approved in District Budget		
Debt Service Fund	600,000	
Capital Projects	<u>5,000,000</u>	
		<u>5,600,000</u>
Balance, June 30, 2022		<u>\$ 27,968,216</u>

The June 30, 2022 LRF balance of local support costs of uncompleted capital projects is \$56,865,714. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan and for the payment of long-term debt. The District has appropriated \$10,525,000 of the capital reserve as a withdrawal in the 2022/23 budget of that amount \$9,925,000 will be utilized for capital projects and \$600,000 will be transferred to the Debt Service Fund.

D. 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	\$ 3,434,953
Increased by:	
Deposits Approved by Board Resolution	<u>500,000</u>
Balance, June 30, 2022	<u>\$ 3,934,953</u>

The June 30, 2022 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$4,353,206.

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. 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>855,750</u>
Balance, June 30, 2022	\$ <u>855,750</u>

F. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2022 is \$1,200,000. Of this amount, \$600,000 was designated and appropriated in the 2022/2023 original budget certified for taxes and the remaining amount of \$600,000 will be appropriated in the 2023/2034 original budget certified for taxes.

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

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 \$39,360,398 and bank and brokerage firm balances of the Board's deposits amounted to \$41,685,386. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 41,264,485
Uninsured and Collateralized	<u>420,901</u>
	<u>\$ 41,685,386</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 balances of \$420,901 were exposed to custodial credit risk.

Depository Account

Uninsured and Collateralized

Collateral held by pledging financial institution's trust department but not in the Board's name.

\$ 420,901

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.

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

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>Food Service</u>	<u>Total</u>
Receivables:				
Accounts	\$ 8,075			\$ 8,075
Intergovernmental				
Federal	12,987	\$ 852,236	\$ 190,693	1,055,916
State	194,739	94,673	2,669	292,081
Local - Property Taxes	3,466,918			3,466,918
Other	403,144	1,157	-	404,301
	<hr/>	<hr/>	<hr/>	<hr/>
Gross Receivables	4,085,863	948,066	193,362	5,227,291
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 4,085,863</u>	<u>\$ 948,066</u>	<u>\$ 193,362</u>	<u>\$ 5,227,291</u>

C. Unearned Revenue

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

General Fund	
Tuition Charges	\$ 73,279
Special Revenue Fund	
Unencumbered Grant Draw Downs	110,746
Grant Draw Downs Year-End Encumbrances	<hr/> 147,320
 Total Unearned Revenue for Governmental Funds	 <u>\$ 331,345</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

	Balance, <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2022</u>
Governmental activities:				
Capital Assets, not Being Depreciated:				
Land	\$ 400,645	-	-	\$ 400,645
Total Capital Assets, not Being Depreciated	<u>400,645</u>	<u>-</u>	<u>-</u>	<u>400,645</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	96,677,704	\$ 1,779,830		98,457,534
Site Improvements	4,846,715	531,607		5,378,322
Machinery and Equipment	<u>9,189,057</u>	<u>1,182,753</u>	\$ 638,141	<u>9,733,669</u>
Total Capital Assets Being Depreciated	<u>110,713,476</u>	<u>3,494,190</u>	<u>638,141</u>	<u>113,569,525</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(43,757,052)	(2,771,498)		(46,528,550)
Site Improvements	(1,761,129)	(259,476)		(2,020,605)
Machinery and Equipment	<u>(6,596,410)</u>	<u>(724,699)</u>	562,288	<u>(6,758,821)</u>
Total Accumulated Depreciation	<u>(52,114,591)</u>	<u>(3,755,673)</u>	<u>562,288</u>	<u>(55,307,976)</u>
Total Capital Assets, Being Depreciated, Net	<u>58,598,885</u>	<u>(261,483)</u>	<u>75,853</u>	<u>58,261,549</u>
Government Activities Capital Assets, Net	<u>\$ 58,999,530</u>	<u>\$ (261,483)</u>	<u>\$ 75,853</u>	<u>\$ 58,662,194</u>
	Balance, <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2022</u>
Business-Type activities:				
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	\$ 145,725			\$ 145,725
Machinery and Equipment	<u>416,432</u>	\$ 23,535	-	<u>439,967</u>
Total Capital Assets Being Depreciated	<u>562,157</u>	<u>23,535</u>	<u>-</u>	<u>585,692</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(53,042)	(3,583)		(56,625)
Machinery and Equipment	<u>(339,826)</u>	<u>(14,920)</u>	-	<u>(354,746)</u>
Total Accumulated Depreciation	<u>(392,868)</u>	<u>(18,503)</u>	<u>-</u>	<u>(411,371)</u>
Total Capital Assets, Being Depreciated, Net	<u>169,289</u>	<u>5,032</u>	<u>-</u>	<u>174,321</u>
Business-Type Activities Capital Assets, Net	<u>\$ 169,289</u>	<u>\$ 5,032</u>	<u>\$ -</u>	<u>\$ 174,321</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental activities:

Instruction		
Regular	\$	2,916,987
Special Education		<u>6,014</u>
Total Instruction		<u>2,923,001</u>
Support Services		
Student and Instruction Related Services		226,019
General Administrative Services		16,450
School Administrative Services		39,305
Plant Operations and Maintenance		397,617
Pupil Transportation		<u>153,281</u>
Total Support Services		<u>832,672</u>
Total Government Funds	\$	<u>3,755,673</u>
Business-Type Activities:		
Food Service Fund	\$	<u>18,503</u>
Total Depreciation Expense-Business-Type Activities	\$	<u>18,503</u>

Construction and Other Significant Commitments

The District has the following active construction and other significant commitments at June 30, 2022 as follows:

<u>Project/Purpose</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Replacement of Unit Ventilators at Ridge Ranch	\$ 290,201	\$ 102,593
Security Cameras at Paramus High School	-	334,397
Acquisition of Custodial Equipment	-	104,936
Repairs and Remediation at West Brook Middle School	-	1,337,490
Security Cameras at West Brook and East Brook Middle Schools	-	328,645
Repairs to Paramus High School Auditorium	-	157,080
Acquisition of (2) 50 Passenger Buses	-	246,325
Acquisition of Interactive Flat Panels for Elementary Schools	-	202,280
Acquisition of Computer Equipment	-	251,790
Removal of Underground Storage Tank at Paramus High School	-	132,587

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	<u>\$ 190,000</u>

Interfund transfers

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

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

F. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2022 is comprised of the following issue:

\$8,335,000, 2020 Refunding Bonds, due in annual installments of \$1,040,000 to \$1,275,000 through April 1, 2029, interest at 1.00% to 1.875%	<u>\$8,100,000</u>
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The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

<u>Year Ending</u> <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 1,275,000	\$ 112,662	\$ 1,387,662
2024	1,235,000	99,913	1,334,913
2025	1,195,000	86,019	1,281,019
2026	1,155,000	71,081	1,226,081
2027	1,120,000	55,200	1,175,200
2028-2029	<u>2,120,000</u>	<u>55,900</u>	<u>2,175,900</u>
Total	<u>\$ 8,100,000</u>	<u>\$ 480,775</u>	<u>\$ 8,580,775</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

Statutory Borrowing Power

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

4% of Equalized Valuation Basis (Municipal)	\$ 414,175,899
Less: Net Debt	<u>8,100,000</u>
Remaining Borrowing Power	<u>\$ 406,075,899</u>

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:

	<u>Balance, July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2022</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable	\$ 9,370,000		\$ 1,270,000	\$ 8,100,000	\$ 1,275,000
Less:					
Unamortized Discount	<u>15,974</u>	<u>-</u>	<u>2,886</u>	<u>13,088</u>	<u>-</u>
	9,354,026	-	1,272,886	8,086,912	1,275,000
Net Pension Liability	16,961,461		5,230,858	11,730,603	
Compensated Absences	<u>491,868</u>	<u>\$ 60,480</u>	<u>-</u>	<u>552,348</u>	<u>55,235</u>
Governmental Activity Long-Term Liabilities	<u>\$ 26,807,355</u>	<u>\$ 60,480</u>	<u>\$ 6,503,744</u>	<u>\$ 20,369,863</u>	<u>\$ 1,330,235</u>

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

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

NOTE 5 OTHER INFORMATION

A. Risk Management

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

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

NESBIG 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 funds are on file with the School's Business Administrator.

The District provides health insurance coverage with the New Jersey State Employees Health Benefits Program.

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

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

Year Ended <u>June 30,</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ 226,913	\$ 186,901	\$ 266,591
2021	220,910	140,950	266,591
2020	158,575	201,162	266,591

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

NOTE 5 OTHER INFORMATION (Continued)

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation except for the school bus accident that occurred on May 17, 2018. Currently, there are thirty-one (31) tort claims and/or complaints that have been filed by parents on behalf of their children, employees, and employee of the company that owns the truck that collided with the bus. These pending claims, some of which are material, are being defended by the Board's general liability insurance carrier. At the present time, the amount of potential losses cannot be determined, nor can the potential damages not covered by insurance be estimated.

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.

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

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

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

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

The following represent the membership tiers for TPAF:

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required 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.

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

NOTE 5 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.

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

NOTE 5 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:

Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2022	\$ 1,159,659	\$ 12,732,359	\$ 127,579
2021	1,137,827	8,990,575	124,976
2020	1,007,873	6,843,993	141,337

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

NOTE 5 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 \$3,725, respectively for PERS and the State contributed \$3,783, \$4,239 and \$4,201, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,574,468 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 \$11,730,603 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 .09902 percent, which was a decrease of .00499 percent from its proportionate share measured as of June 30, 2020 of .10401 percent.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$2,015,121 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 185,007	\$ 83,977
Changes of Assumptions	61,093	4,176,171
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		3,090,149
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>149,132</u>	<u>1,390,026</u>
Total	<u>\$ 395,232</u>	<u>\$ 8,740,323</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 expense/(benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2023	\$ (3,193,269)
2024	(2,361,002)
2025	(1,521,136)
2026	(1,217,122)
2027	(52,562)
Thereafter	<u>-</u>
	<u>\$ (8,345,091)</u>

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

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.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 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%

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.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Sensitivity of Net Pension Liability

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 15,974,702</u>	<u>\$ 11,730,603</u>	<u>\$ 8,128,883</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.

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.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

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 \$3,433,414 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 \$145,913,725. 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 .30351 percent, which was a decrease of .00302 percent from its proportionate share measured as of June 30, 2020 of .30653 percent.

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%

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

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.

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%

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension 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.

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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ 172,640,310	\$ 145,913,725	\$ 123,465,073

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.

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.

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Plan Description and Benefits Provided

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member’s employer does not provide this coverage. 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.

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 is 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.

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Investment Valuation

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

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 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 \$2,974,794, \$2,817,506 and \$2,538,996, 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.

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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.

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$10,005,322. 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 \$177,380,525. 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 .29560 percent, which was an increase of .00331 percent from its proportionate share measured as of June 30, 2020 of .29229 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.

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Assumptions (Continued)

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 disabled 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.

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.

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Changes in the Total OPEB Liability

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

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2020 Measurement Date	\$ <u>198,198,766</u>
Changes Recognized for the Fiscal Year:	
Service Cost	9,231,033
Interest on the Total OPEB Liability	4,601,438
Changes of Benefit Terms	(188,800)
Differences Between Expected and Actual Experience	(31,129,903)
Changes of Assumptions	174,999
Gross Benefit Payments	(3,624,644)
Contributions from the Member	117,636
Net Changes	\$ <u>(20,818,241)</u>
Balance, June 30, 2021 Measurement Date	\$ <u>177,380,525</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.

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 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:

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 212,474,023</u>	<u>\$ 177,380,525</u>	<u>\$ 149,746,502</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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 143,590,111</u>	<u>\$ 177,380,525</u>	<u>\$ 222,758,553</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. Tax Abatements

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

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

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

NOTE 6 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.

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. 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

BUDGETARY COMPARISON SCHEDULES

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Property Taxes	\$ 83,206,000		\$ 83,206,000	\$ 83,206,000	
Tuition from Individuals	165,900		165,900	556,429	\$ 390,529
Tuition from Other LEAs Within State	474,998		474,998	614,422	139,424
Tuition from Summer School	15,000		15,000	27,050	12,050
Interest Earned on Capital Reserve Funds	30,000		30,000	36,790	6,790
Rents and Royalties	158,500		158,500	267,499	108,999
Unrestricted Miscellaneous Revenues	442,000	-	442,000	1,359,861	917,861
Total Local Sources	84,492,398	-	84,492,398	86,068,051	1,575,653
State Sources					
Special Education Aid	2,865,514		2,865,514	2,865,514	-
Security Aid	69,352		69,352	69,352	-
Transportation Aid	727,057		727,057	727,057	-
NonPublic Transportation Aid				67,280	67,280
Extraordinary Aid				630,521	630,521
On-Behalf TPAF (Non-Budget)					
Social Security Contribution				2,574,468	2,574,468
Pension Contribution				12,555,222	12,555,222
NCGI Premium				177,137	177,137
Long Term Disability Insurance				3,783	3,783
Post Retirement Medical Contribution	-	-	-	2,974,794	2,974,794
Total State Sources	3,661,923	-	3,661,923	22,645,128	18,983,205
Federal Sources					
FEMA - Public Assistance - Coronavirus Pandemic				431,332	431,332
FEMA - Public Assistance - Hurricane IDA				37,913	37,913
Medicaid Reimbursement	58,679	-	58,679	45,670	(13,009)
Total Federal Sources	58,679	-	58,679	514,915	456,236
Total Revenues	88,213,000	-	88,213,000	109,228,094	21,015,094
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	444,507	\$ 125,850	570,357	570,338	19
Kindergarten	874,815	249,150	1,123,965	1,123,297	668
Grades 1-5	7,097,003	(74,844)	7,022,159	7,022,158	1
Grades 6-8	5,330,330	(352,468)	4,977,862	4,969,905	7,957
Grades 9-12	7,673,208	(372,223)	7,300,985	7,214,691	86,294
Regular Programs - Home Instruction					
Salaries of Teachers	30,000	(5,000)	25,000	17,185	7,815
Purchased Professional-Educational Services	5,000	5,000	10,000	5,650	4,350
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	383,356	121,460	504,816	481,198	23,618
Purchased Professional-Educational Services	8,100	(3,675)	4,425	4,027	398
Purchased Technical Services	33,100	5,404	38,504	36,761	1,743
Other Purchased Services	3,000	-	3,000	1,673	1,327
General Supplies	2,044,886	614,012	2,658,898	1,864,541	794,357
Textbooks	270,715	(46,698)	224,017	178,897	45,120
Other Objects	5,000	13,095	18,095	15,712	2,383
Total Regular Programs	24,203,020	279,063	24,482,083	23,506,033	976,050
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	558,400	(59,000)	499,400	472,273	27,127
Other Salaries for Instruction	373,160	59,000	432,160	428,965	3,195
General Supplies	9,400	26,000	35,400	4,366	31,034
Total Learning and/or Language Disabilities	940,960	26,000	966,960	905,604	61,356

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT					
Special Education (Continued)					
Behavioral Disabilities					
Salaries of Teachers	\$ 134,530	\$ (134,530)			
Other Salaries for Instruction	100,304	(100,304)			
General Supplies	3,000	(3,000)	-	-	-
Total Behavioral Disabilities	237,834	(237,834)	-	-	-
Multiple Disabilities					
Salaries of Teachers	312,595	524,530	\$ 837,125	\$ 731,074	\$ 106,051
Other Salaries for Instruction	311,347	262,860	574,207	564,852	9,355
Purchased Professional-Educational Services		53,419	53,419	53,419	
General Supplies	18,000	90,926	108,926	74,069	34,857
Total Multiple Disabilities	641,942	931,735	1,573,677	1,423,414	150,263
Resource Room/Resource Center					
Salaries of Teachers	4,162,856	(381,795)	3,781,061	3,781,057	4
Other Salaries for Instruction	738,861	(20,420)	718,441	718,441	-
General Supplies	17,750	(2,170)	15,580	8,423	7,157
Total Resource Room	4,919,467	(404,385)	4,515,082	4,507,921	7,161
Autism					
Salaries of Teachers	407,710	(44,000)	363,710	197,309	166,401
Other Salaries for Instruction	846,338	(194,743)	651,595	467,993	183,602
Purchased Professional-Educational Services	-	20,774	20,774	19,314	1,460
General Supplies	7,900	1,280	9,180	9,161	19
Other Objects	2,500	-	2,500	150	2,350
Total Autism	1,264,448	(216,689)	1,047,759	693,927	353,832
Preschool Disabilities - Part - Time					
Salaries of Teachers	30,900	(30,900)			-
Other Salaries for Instruction	290,755	(290,755)			-
General Supplies	6,800	(6,800)	-	-	-
Total Preschool Disabilities - Part - Time	328,455	(328,455)	-	-	-
Preschool Disabilities - Full - Time					
Salaries of Teachers	325,215	30,900	356,115	310,633	45,482
Other Salaries for Instruction		326,360	326,360	280,851	45,509
Purchased Professional-Educational Services		63,807	63,807	59,517	4,290
General Supplies	-	6,800	6,800	6,297	503
Total Preschool Disabilities - Full - Time	325,215	427,867	753,082	657,298	95,784
Home Instruction					
Salaries of Teachers	50,000	(1,811)	48,189	47,300	889
Purchased Professional-Educational Services	18,000	-	18,000	9,582	8,418
Total Home Instruction	68,000	(1,811)	66,189	56,882	9,307
Total Special Education	8,726,321	196,428	8,922,749	8,245,046	677,703
Basic Skills/Remedial					
Salaries of Teachers	387,850	-	387,850	385,827	2,023
Total Basic Skills/Remedial	387,850	-	387,850	385,827	2,023
Bilingual Education					
Salaries of Teachers	824,190	(95,331)	728,859	728,859	-
Other Salaries for Instruction	44,749	940	45,689	45,686	3
Purchased Professional-Educational Services	3,000	7,200	10,200	8,132	2,068
General Supplies	3,225	-	3,225	1,789	1,436
Total Bilingual Education	875,164	(87,191)	787,973	784,466	3,507

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
School Sponsored Co-Curricular Activities					
Salaries	\$ 267,010	\$ (653)	\$ 266,357	\$ 266,356	\$ 1
Supplies and Materials	40,178	(23,340)	16,838	16,421	417
Other Objects	4,600	22,660	27,260	27,075	185
Total School Sponsored Co-Curricular Activities	311,788	(1,333)	310,455	309,852	603
School Sponsored Athletics - Instruction					
Salaries	647,246	(52,213)	595,033	595,033	-
Purchased Services	93,600	94,827	188,427	182,139	6,288
Supplies and Materials	81,500	(3,333)	78,167	64,168	13,999
Other Objects	43,250	(6,968)	36,282	31,686	4,596
Total School Sponsored Athletics - Instruction	865,596	32,313	897,909	873,026	24,883
Other Supplemental/At-Risk Programs - Instruction					
Salaries of Reading Specialists	643,940	155,000	798,940	797,803	1,137
General Supplies	3,300	-	3,300	-	3,300
Total Other Supplemental/At-Risk Programs - Instruction	647,240	155,000	802,240	797,803	4,437
Total - Instruction	36,016,979	574,280	36,591,259	34,902,053	1,689,206
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Regular	82,975	-	82,975	17,600	65,375
Tuition to Other LEAs Within the State - Special	222,624	87,000	309,624	275,438	34,186
Tuition to County Voc. School Dist.-Regular	835,767	120,000	955,767	773,938	181,829
Tuition to County Voc. School Dist.-Special	164,439	-	164,439	98,709	65,730
Tuition to CSSD & Reg. Day Schools	1,321,770	(100,000)	1,221,770	700,267	521,503
Tuition to Private Schools - Disabled W/ State	1,495,000	(188,834)	1,306,166	672,770	633,396
Tuition to Private Schools - Disabled Outside of State	50,000	-	50,000	-	50,000
Tuition - State Facilities	4,500	-	4,500	4,500	-
Total Undistributed Expenditures - Instruction (Tuition)	4,177,075	(81,834)	4,095,241	2,543,222	1,552,019
Attendance and Social Work Services					
Salaries	55,000	-	55,000	51,084	3,916
Total Attendance and Social Work Services	55,000	-	55,000	51,084	3,916
Health Services					
Salaries	824,090	94,000	918,090	917,153	937
Purchased Professional and Technical Services	267,535	352,085	619,620	601,939	17,681
Supplies and Materials	253,120	(164,099)	89,021	85,458	3,563
Other Objects	2,500	(2,500)	-	-	-
Total Health Services	1,347,245	279,486	1,626,731	1,604,550	22,181
Speech, OT, PT and Related Services					
Salaries	1,892,910	(186,890)	1,706,020	1,706,020	-
Purchased Professional - Educational Services	1,200,000	282,224	1,482,224	1,327,604	154,620
Supplies and Materials	6,550	(742)	5,808	5,796	12
Total Speech, OT, PT and Related Services	3,099,460	94,592	3,194,052	3,039,420	154,632
Other Supp. Serv. Students - Extra Services					
Purchased Professional - Educational Services	368,053	428,000	796,053	686,011	110,042
Total Other Supp. Serv. Students - Extra Services	368,053	428,000	796,053	686,011	110,042
Other Support Services - Students - Guidance					
Salaries of Other Professional Staff	1,320,574	(32,600)	1,287,974	1,282,310	5,664
Salaries of Secretarial and Clerical Assistants	256,034	8,450	264,484	263,624	860
Other Purchased Professional and Technical Services	12,715	-	12,715	12,507	208
Supplies and Materials	8,050	950	9,000	6,222	2,778
Other Objects	2,785	(950)	1,835	1,470	365
Total Other Support Services - Students - Guidance	1,600,158	(24,150)	1,576,008	1,566,133	9,875

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Other Support Services - Students - Child Study Teams					
Salaries of Other Professional Staff	\$ 1,580,033	\$ 30,000	\$ 1,610,033	\$ 1,582,488	\$ 27,545
Salaries of Secretarial and Clerical Assistants	178,099	-	178,099	176,845	1,254
Purchased Professional/Educational Services	495,000	140,000	635,000	609,086	25,914
Supplies and Materials	8,000	18,500	26,500	22,251	4,249
	<u>2,261,132</u>	<u>188,500</u>	<u>2,449,632</u>	<u>2,390,670</u>	<u>58,962</u>
Total Other Support Services - Students - Child Study Teams					
Improvement of Instruction Services/ Other Support Services-Instructional Staff					
Salaries of Supervisors of Instruction	543,895	(26,200)	517,695	517,672	23
Salaries of Other Professional Staff	4,500	-	4,500	4,500	-
Salaries of Secretarial and Clerical	143,898	19,837	163,735	162,515	1,220
Salaries of Facilitators, Math/Literacy Coaches and Masters	69,000	3,790	72,790	72,790	-
Unused Vacation Payments to Terminated/Retired Staff	-	-	-	-	-
Other Purchased Professional and Technical Services	53,389	(7,590)	45,799	40,540	5,259
Other Purchased Services	735	-	735	26	709
Supplies and Materials	3,190	-	3,190	1,237	1,953
Other Objects	4,566	(380)	4,186	773	3,413
	<u>823,173</u>	<u>(10,543)</u>	<u>812,630</u>	<u>800,053</u>	<u>12,577</u>
Total Improvement of Instruction Services/ Other Support Services-Instructional Staff					
Educational Media Services/School Library					
Salaries	708,540	25,000	733,540	713,484	20,056
Salaries of Technology Coordinators	-	459,597	459,597	459,069	528
Supplies and Materials	105,511	12,660	118,171	106,583	11,588
	<u>814,051</u>	<u>497,257</u>	<u>1,311,308</u>	<u>1,279,136</u>	<u>32,172</u>
Total Educational Media Services/School Library					
Instructional Staff Training Services					
Salaries of Other Professional Staff	20,000	(9,000)	11,000	1,960	9,040
Purchased Professional- Educational Services	52,000	20,500	72,500	68,679	3,821
Other Purchased Services	50,800	(11,186)	39,614	10,619	28,995
Supplies and Materials	12,500	1,158	13,658	9,709	3,949
	<u>135,300</u>	<u>1,472</u>	<u>136,772</u>	<u>90,967</u>	<u>45,805</u>
Total Instructional Staff Training Services					
Support Services General Administration					
Salaries	255,983	1,034	257,017	257,017	-
Legal Services	130,000	50,000	180,000	103,013	76,987
Audit Fees	45,000	-	45,000	44,811	189
Architectural/Engineering Services	65,897	32,409	98,306	8,723	89,583
Other Purchased Professional Services	12,100	47,206	59,306	49,138	10,168
Communications/Telephone	171,050	35,224	206,274	179,499	26,775
BOE Other Purchased Services	10,688	(10,688)	-	-	-
Miscellaneous Purchased Services	174,124	(4,124)	170,000	169,987	13
General Supplies	19,847	(14,190)	5,657	2,844	2,813
Judgements Against the School District	25,000	(25,000)	-	-	-
Miscellaneous Expenditures	11,400	1,500	12,900	12,283	617
BOE Membership Dues and Fees	41,590	(500)	41,090	30,228	10,862
	<u>962,679</u>	<u>112,871</u>	<u>1,075,550</u>	<u>857,543</u>	<u>218,007</u>
Total Support Services General Administration					
Support Services School Administration					
Salaries of Principals/Asst. Principals	1,964,815	38,294	2,003,109	1,992,228	10,881
Salaries of Other Professional Staff	987,670	(91,000)	896,670	877,987	18,683
Salaries of Secretarial and Clerical Assistants	900,846	36,220	937,066	937,062	4
Unused Vacation Payments to Terminated/Retired Staff	15,000	6,486	21,486	21,486	-
Other Purchased Services	11,500	-	11,500	2,842	8,658
Supplies and Materials	43,605	3,550	47,155	38,510	8,645
	<u>3,923,436</u>	<u>(6,450)</u>	<u>3,916,986</u>	<u>3,870,115</u>	<u>46,871</u>
Total Support Services School Administration					

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures - Central Services					
Salaries	\$ 1,141,747	\$ (15,000)	\$ 1,126,747	\$ 1,062,046	\$ 64,701
Unused Vacation Payments to Terminated/Retired Staff		29,900	29,900	3,447	26,453
Purchased Professional Services	7,500	-	7,500	7,500	-
Purchased Technical Services	41,100	165,800	206,900	59,051	147,849
Misc. Purchased Services	13,000	7,800	20,800	15,982	4,818
Supplies and Materials	21,700	(3,800)	17,900	7,457	10,443
Miscellaneous Expenditures	6,599	-	6,599	3,209	3,390
Total Undistributed Expenditures - Central Services	1,231,646	184,700	1,416,346	1,158,692	257,654
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	682,990	(349,802)	333,188	239,728	93,460
Purchased Professional Services	11,000	5,034	16,034	16,034	-
Purchased Technical Services	108,400	(19,911)	88,489	71,285	17,204
Total Undistributed Expenditures - Admin. Info. Tech.	802,390	(364,679)	437,711	327,047	110,664
Required Maintenance For School Facilities					
Salaries	755,736	-	755,736	590,062	165,674
Cleaning, Repair, and Maintenance Services	932,875	(119,127)	813,748	495,263	318,485
Lead Testing of Drinking Water		6,700	6,700	6,613	87
General Supplies	348,750	124,556	473,306	393,483	79,823
Total Required Maintenance For School Facilities	2,037,361	12,129	2,049,490	1,485,421	564,069
Custodial Services					
Salaries	3,189,229	(50,493)	3,138,736	3,138,695	41
Salaries of Non-Instructional Aides	338,404	54,655	393,059	393,059	-
Unused Vacation Payments to Terminated/Retired Staff	100,000	(69,639)	30,361	26,952	3,409
Purchased Professional and Technical Services	318,640	(52,922)	265,718	253,058	12,660
Cleaning, Repair, and Maintenance Services	424,860	128,000	552,860	425,720	127,140
Other Purchased Property Services	120,000	(26,826)	93,174	82,545	10,629
Insurance	367,950	44,100	412,050	411,976	74
Miscellaneous Purchased Services	2,000	-	2,000	887	1,113
General Supplies	232,000	197,391	429,391	454,493	(25,102)
Energy (Natural Gas)	769,000	(207,028)	561,972	561,971	1
Energy (Electricity)	1,162,000	(113,168)	1,048,832	908,824	140,008
Energy (Gasoline)	50,000	(43,230)	6,770	6,770	-
Other Objects	1,500	9,699	11,199	9,519	1,680
Total Custodial Services	7,075,583	(129,461)	6,946,122	6,674,469	271,653
Care & Upkeep of Grounds					
Salaries	280,200	(2,000)	278,200	278,200	-
Cleaning, Repair, and Maintenance Services	24,000	15,256	39,256	30,156	9,100
General Supplies	58,000	2,766	60,766	55,980	4,786
Total Care & Upkeep of Grounds	362,200	16,022	378,222	364,336	13,886
Security					
Salaries	548,273	80,455	628,728	628,727	1
Purchased Professional and Technical Services	45,000	44,500	89,500	76,834	12,666
General Supplies	60,000	239,079	299,079	295,347	3,732
Other Objects	300	-	300	150	150
Total Security	653,573	364,034	1,017,607	1,001,058	16,549

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Student Transportation Services					
Salaries for Pupil Transportation					
(Non-Instructional Aides)	\$ 51,764	\$ 3,371	\$ 55,135	\$ 55,135	
(Between Home and School) - Regular	467,379	(3,371)	464,008	446,813	\$ 17,195
(Between Home and School) - Spec Ed	197,910	(4,796)	193,114	125,973	67,141
(Other than Between Home and School)	90,000	-	90,000	67,549	22,451
Management Fee - ESC & CTSA Trans Program	48,175	-	48,175	37,623	10,552
Other Purchased Professional and Technical Services	32,280	-	32,280	21,117	11,163
Cleaning, Repair and Maintenance Services	48,690	-	48,690	16,792	31,898
Lease Purchase Payments - School Buses	-	-	-	-	-
Contracted Services - Aid in Lieu of Payments	235,750	46,692	282,442	231,270	51,172
Contracted Services (Between Home and School)	1,011,874	(214,685)	797,189	797,185	4
Contracted Services (Other Than Between Home and School)	55,000	(32,000)	23,000	14,948	8,052
Contracted Services (Between Home and School) - Joint Agreements	15,000	(15,000)	-	-	-
Contracted Services (Special Ed Students)	819,823	160,000	979,823	916,715	63,108
Contracted Services (Regular Ed Students)-ESCs & CTSA	115,598	208,188	323,786	321,904	1,882
Contracted Services (Special Ed Students)-ESCs & CTSA	1,102,751	(49,088)	1,053,663	828,247	225,416
Miscellaneous Purchased Services - Transportation	13,500	-	13,500	3,206	10,294
General Supplies	3,000	(20)	2,980	2,116	864
Transportation Supplies	134,000	(405)	133,595	119,647	13,948
Other Objects	1,950	-	1,950	12	1,938
Total Student Transportation Services	4,444,444	98,886	4,543,330	4,006,252	537,078
Unallocated Benefits					
Social Security Contributions	1,401,000	-	1,401,000	1,254,463	146,537
Other Retirement Contributions - PERS	1,311,828	(2,033)	1,309,795	1,166,947	142,848
Other Retirement Contributions - Regular	186,864	-	186,864	127,579	59,285
Workmen's Compensation	708,560	(87,355)	621,205	599,577	21,628
Health Benefits	11,372,765	(601,851)	10,770,914	8,701,454	2,069,460
Tuition Reimbursement	81,000	-	81,000	52,953	28,047
Other Employee Benefits	470,157	(76,000)	394,157	301,020	93,137
Unused Sick Payment to Terminated/Retired Staff	-	100,000	100,000	56,481	43,519
Total Employee Benefits	15,532,174	(667,239)	14,864,935	12,260,474	2,604,461
On Behalf TPAF (Non-Budget)					
Pension Contribution	-	-	-	12,555,222	(12,555,222)
NCGI Premium	-	-	-	177,137	(177,137)
Post Retirement Medical Contribution	-	-	-	2,974,794	(2,974,794)
Long Term Disability Insurance(Non Budgeted)	-	-	-	3,783	(3,783)
Social Security Contribution	-	-	-	2,574,468	(2,574,468)
Total On Behalf	-	-	-	18,285,404	(18,285,404)
Total Undistributed Expenditures	51,706,133	993,593	52,699,726	64,342,057	(11,642,331)
Total Current Expenditures	87,723,112	1,567,873	89,290,985	99,244,110	(9,953,125)

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
EXPENDITURES					
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction					
Grades 9-12	\$ 9,500	\$ 51,865	\$ 61,365	\$ 32,257	\$ 29,108
Multiple Disabilities		3,612	3,612	3,612	-
School Sponsored Athletics		33,746	33,746	2,746	31,000
Undistributed Expenditures					
Instruction	390,000	(208,942)	181,058	97,974	83,084
Non-Instructional		72,073	72,073	13,298	58,775
Central Services	35,000	(35,000)			-
Required Maint for School Facilities	143,975	128,792	272,767	234,721	38,046
Custodial Services		6,542	6,542	29,344	(22,802)
Care and Upkeep of Grounds		108,800	108,800		108,800
Security		548,308	548,308	213,911	334,397
School Buses - Regular	-	65,425	65,425	-	65,425
Total Equipment	578,475	775,221	1,353,696	627,863	725,833
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	20,000	361,513	381,513	187,138	194,375
Construction Services		4,969,353	4,969,353	2,658,921	2,310,432
Assessment for Debt Service on SDA Funding	51,813	-	51,813	51,813	-
Total Facilities Acquis. and Const. Services	71,813	5,330,866	5,402,679	2,897,872	2,504,807
Interest Deposit to Capital Reserve	30,000	-	30,000	-	30,000
Total Capital Outlay	680,288	6,106,087	6,786,375	3,525,735	3,260,640
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	25,000	360	25,360	23,440	1,920
Other Purchased Services	15,000	(1,290)	13,710		13,710
General Supplies	5,500	2,523	8,023	961	7,062
Total Summer School - Instruction	45,500	1,593	47,093	24,401	22,692
Summer School - Support Services					
Salaries	15,000	930	15,930	15,059	871
Total Summer School - Support Services	15,000	930	15,930	15,059	871
Total Summer School	60,500	2,523	63,023	39,460	23,563
Adult Education -Local - Instruction					
Other Purchased Services	106,000	-	106,000	200	105,800
General Supplies	33,000	-	33,000	12,534	20,466
Total Adult Education -Local - Instruction	139,000	-	139,000	12,734	126,266
Adult Education In-Local - Support Services					
Salaries	88,100	-	88,100	63,035	25,065
Other Purchased Services	118,500	-	118,500	9,900	108,600
Supplies and Materials	3,500	-	3,500	-	3,500
Total Adult Education-In-Local - Support Services	210,100	-	210,100	72,935	137,165
Total Adult Education	349,100	-	349,100	85,669	263,431
Total Special Schools	409,600	2,523	412,123	125,129	286,994
Transfer of Funds to Charter Schools	-	-	-	-	-
Total Expenditures	88,813,000	7,676,483	96,489,483	102,894,974	(6,405,491)

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (600,000)	\$ (7,676,483)	\$ (8,276,483)	\$ 6,333,120	\$ 14,609,603
Other Financing Sources (Uses)					
Capital Reserve Transfer to Capital Projects	(5,000,000)	5,000,000			-
Capital Reserve Transfer to Debt Service	(600,000)	-	(600,000)	(600,000)	-
Total Other Financing Sources/(Uses)	(5,600,000)	5,000,000	(600,000)	(600,000)	-
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Sources	(6,200,000)	(2,676,483)	(8,876,483)	5,733,120	14,609,603
Fund Balances, Beginning of Year	37,354,870	-	37,354,870	37,354,870	-
Fund Balances, End of Year	\$ 31,154,870	\$ (2,676,483)	\$ 28,478,387	\$ 43,087,990	\$ 14,609,603
Reconciliation of Fund Balance					
Restricted Fund Balance:					
Excess Surplus - Designated for Subsequent Year's Budget				\$ 600,000	
Excess Surplus				600,000	
Capital Reserve				17,443,216	
Capital Reserve - Designated for Subsequent Year's Budget				10,525,000	
Maintenance Reserve				3,934,953	
Emergency Reserve				855,750	
Unemployment Compensation Reserve				266,591	
Committed Fund Balance					
Year End Encumbrances				3,681,709	
Assigned Fund Balance					
Year End Encumbrances				1,098,587	
Unassigned Fund Balance				4,082,184	
				43,087,990	
Less: State Aid Payments not Recognized on GAAP Basis				(923,324)	
Fund Balance, GAAP Basis				\$ 42,164,666	

**PARAMUS BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustment	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Intergovernmental					
State	\$ 2,950,000	\$ 744,765	\$ 3,694,765	\$ 3,269,014	\$ (425,751)
Federal	1,595,000	4,716,917	6,311,917	3,458,241	(2,853,676)
Local Sources					
Miscellaneous	45,000	379,855	424,855	409,152	(15,703)
Total Revenues	<u>4,590,000</u>	<u>5,841,537</u>	<u>10,431,537</u>	<u>7,136,407</u>	<u>(3,295,130)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	211,800	2,472,451	2,684,251	1,059,836	1,624,415
Purchased Prof. and Technical Services	507,000	(502,524)	4,476	3,339	1,137
Tuition	700,000	161,917	861,917	861,917	-
Other Purchased Services		400	400	400	-
General Supplies	187,000	198,922	385,922	271,056	114,866
Co-Curricular - Student Activities		367,416	367,416	367,416	-
Textbooks	181,000	45,429	226,429	206,975	19,454
Total Instruction	<u>1,786,800</u>	<u>2,744,011</u>	<u>4,530,811</u>	<u>2,770,939</u>	<u>1,759,872</u>
Support Services					
Salaries of Teachers	23,000	234,815	257,815	81,383	176,432
Personal Services-Employee Benefits	55,000	123,347	178,347	119,132	59,215
Purchased Prof. and Technical Services	2,147,000	156,935	2,303,935	1,470,115	833,820
Purchased Professional/Educational Services		-	-	-	-
Other Purchased Professional Services		2,545,771	2,545,771	2,229,893	315,878
Other Purchased Services		206,702	206,702	195,653	11,049
General Supplies	570,000	(452,843)	117,157	73,831	43,326
Other Objects	8,200	-	8,200	8,200	-
Total Support Services	<u>2,803,200</u>	<u>2,814,727</u>	<u>5,617,927</u>	<u>4,178,207</u>	<u>1,439,720</u>
Facilities Acquisition and Construction					
Buildings		90,123	90,123	-	90,123
Instructional Equipment	-	192,676	192,676	180,040	12,636
Total Facilities Acq. & Construction	<u>-</u>	<u>282,799</u>	<u>282,799</u>	<u>180,040</u>	<u>102,759</u>
Total Expenditures	<u>4,590,000</u>	<u>5,841,537</u>	<u>10,431,537</u>	<u>7,129,186</u>	<u>3,302,351</u>
Net Changes in Fund Balances	-	-	-	7,221	7,221
Fund Balances, Beginning of Year	352,091	-	352,091	352,091	-
Fund Balances, End of Year	<u>\$ 352,091</u>	<u>\$ -</u>	<u>\$ 352,091</u>	<u>\$ 359,312</u>	<u>\$ 7,221</u>
Recapitulation of Restricted Fund Balances					
Student Activities				<u>\$ 359,312</u>	

**PARAMUS BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 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 Fund from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual revenues (budgetary basis)	\$ 109,228,094	\$ 7,136,407
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
June 30, 2022 Encumbrances		(156,778)
June 30, 2021 Encumbrances		229,982
State Aid payments recognized for GAAP statements purposes, not recognized for budgetary purposes - prior year	995,797	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. Current Year	<u>(923,324)</u>	<u>-</u>
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	 <u>\$ 109,300,567</u>	 <u>\$ 7,209,611</u>
 Uses/outflows of resources		
Actual expenditures (budgetary basis)	\$ 102,894,974	\$ 7,129,186
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
June 30, 2022 Encumbrances		(156,778)
June 30, 2021 Encumbrances	<u>-</u>	<u>229,982</u>
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>\$ 102,894,974</u>	 <u>\$ 7,202,390</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III
PENSION AND OTHER-POST EMPLOYMENT BENEFITS INFORMATION

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

**PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Nine Fiscal Years ***

	<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)	0.09902%	0.10401%	0.10362%	0.10536%	0.11067%	0.10572%	0.11196%	0.12424%	0.11994%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 11,730,603</u>	<u>\$ 16,961,461</u>	<u>\$ 18,669,856</u>	<u>\$ 20,743,897</u>	<u>\$ 25,761,293</u>	<u>\$ 31,309,752</u>	<u>\$ 25,132,522</u>	<u>\$ 23,261,089</u>	<u>\$ 22,921,968</u>
District's Covered Employee Payroll	<u>\$ 6,820,467</u>	<u>\$ 7,246,038</u>	<u>\$ 7,366,080</u>	<u>\$ 7,275,488</u>	<u>\$ 7,327,343</u>	<u>\$ 7,497,718</u>	<u>\$ 7,318,066</u>	<u>\$ 7,692,702</u>	<u>\$ 8,238,802</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	172%	234%	253%	285%	352%	418%	343%	302%	278%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.92%	52.08%	48.72%

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

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

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

PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Last Nine Fiscal Years

	<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	\$ 1,159,659	\$ 1,137,827	\$ 1,007,873	\$ 1,047,943	\$ 1,025,203	\$ 939,157	\$ 962,546	\$ 1,024,215	\$ 903,686
Contributions in Relation to the Contractually Required Contributions	<u>1,159,659</u>	<u>1,137,827</u>	<u>1,007,873</u>	<u>1,047,943</u>	<u>1,025,203</u>	<u>939,157</u>	<u>962,546</u>	<u>1,024,215</u>	<u>903,686</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll	<u>\$ 7,270,072</u>	<u>\$ 6,820,467</u>	<u>\$ 7,246,038</u>	<u>\$ 7,366,080</u>	<u>\$ 7,275,488</u>	<u>\$ 7,327,343</u>	<u>\$ 7,497,712</u>	<u>\$ 7,318,066</u>	<u>\$ 7,692,702</u>
Contributions as a Percentage of Covered Employee Payroll	15.95%	16.68%	13.91%	14.23%	14.09%	12.82%	12.84%	14.00%	11.75%

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

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

**TEACHERS PENSION AND ANNUITY FUND
Last Nine Fiscal Years ***

	<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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>145,913,725</u>	<u>201,849,480</u>	<u>185,885,867</u>	<u>187,876,418</u>	<u>197,068,702</u>	<u>233,807,483</u>	<u>183,628,826</u>	<u>158,957,607</u>	<u>146,804,041</u>
Total	<u>\$ 145,913,725</u>	<u>\$ 201,849,480</u>	<u>\$ 185,885,867</u>	<u>\$ 187,876,418</u>	<u>\$ 197,068,702</u>	<u>\$ 233,807,483</u>	<u>\$ 183,628,826</u>	<u>\$ 158,957,607</u>	<u>\$ 146,804,041</u>
District's Covered Employee Payroll	<u>\$ 35,906,841</u>	<u>\$ 33,279,960</u>	<u>\$ 33,094,769</u>	<u>\$ 32,768,289</u>	<u>\$ 31,539,543</u>	<u>\$ 30,515,234</u>	<u>\$ 29,997,401</u>	<u>\$ 29,582,096</u>	<u>\$ 28,604,775</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered 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.

PARAMUS BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 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 5D.

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

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Five Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 9,231,033	\$ 5,140,153	\$ 4,999,101	\$ 5,565,352	\$ 6,694,348
Interest on the Total OPEB Liability	4,601,438	4,422,963	5,401,789	5,743,009	4,966,771
Changes of Benefit Terms	(188,800)				
Differences Between Expected and Actual Experience	(31,129,903)	32,888,666	(22,078,785)	(12,339,339)	
Changes of Assumptions	174,999	36,204,104	1,832,282	(15,651,995)	(20,688,988)
Gross Benefit Payments	(3,624,644)	(3,450,477)	(3,772,319)	(3,647,151)	(3,521,424)
Contribution from the Member	<u>117,636</u>	<u>104,584</u>	<u>111,822</u>	<u>126,051</u>	<u>129,668</u>
Net Change in Total OPEB Liability	(20,818,241)	75,309,993	(13,506,110)	(20,204,073)	(12,419,625)
Total OPEB Liability - Beginning	<u>198,198,766</u>	<u>122,888,773</u>	<u>136,394,883</u>	<u>156,598,956</u>	<u>169,018,581</u>
Total OPEB Liability - End of Year	<u>\$ 177,380,525</u>	<u>\$ 198,198,766</u>	<u>\$ 122,888,773</u>	<u>\$ 136,394,883</u>	<u>\$ 156,598,956</u>
District's Proportionate Share	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share	<u>177,380,525</u>	<u>198,198,766</u>	<u>122,888,773</u>	<u>136,394,883</u>	<u>156,598,956</u>
Total OPEB Liability - Ending	<u>\$ 177,380,525</u>	<u>\$ 198,198,766</u>	<u>\$ 122,888,773</u>	<u>\$ 136,394,883</u>	<u>\$ 156,598,956</u>
Covered Employee Payroll	<u>\$ -</u>	<u>\$ 40,525,998</u>	<u>\$ 40,460,849</u>	<u>\$ 40,043,777</u>	<u>\$ 38,866,886</u>
District's Proportionate Share of the OPEB Liability as a Percentage of Covered Employee Payroll:	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

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

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

SPECIAL REVENUE FUND

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

	Nonpublic Textbooks	Nonpublic Nursing Services	Nonpublic Technology	Nonpublic Security	Nonpublic Compensatory Education	Nonpublic ESL	Nonpublic Suppl. Inst.	Nonpublic Exam. and Class.	Nonpublic Home Instruction	Nonpublic Corrective Speech	Student Activities	Other Local Grants	Total Exhibit E-1A	Total Exhibit E-1B	Total 2022
REVENUES															
Intergovernmental															
State	\$ 206,975	\$ 441,056	\$ 152,208	\$ 679,938	\$ 313,172	\$ 23,904	\$ 479,014	\$ 616,657	\$ 4,550	\$ 351,540					\$ 3,269,014
Federal													\$ 2,145,305	\$ 1,312,936	3,458,241
Other	-	-	-	-	-	-	-	-	-	-	\$ 374,637	\$ 34,515	-	-	409,152
Total Revenues	\$ 206,975	\$ 441,056	\$ 152,208	\$ 679,938	\$ 313,172	\$ 23,904	\$ 479,014	\$ 616,657	\$ 4,550	\$ 351,540	\$ 374,637	\$ 34,515	\$ 2,145,305	\$ 1,312,936	\$ 7,136,407
EXPENDITURES															
Instruction															
Salaries of Teachers													\$ 232,899	\$ 826,937	\$ 1,059,836
Purchased Prof. and Tech. Services			\$ 839										2,500	-	3,339
Tuition													700,000	161,917	861,917
Other Purchased Services												\$ 400	-	-	400
General Supplies			127,444									33,767	78,079	31,766	271,056
Co-Curricular - Student Activities											\$ 367,416				367,416
Textbooks	\$ 206,975	-	-	-	-	-	-	-	-	-	-	-	-	-	206,975
Total Instruction	206,975	-	128,283	-	-	-	-	-	-	-	367,416	34,167	1,013,478	1,020,620	2,770,939
Support Services															
Salaries of Teachers													19,984	61,399	81,383
Personal Services Employee-Benefits													97,899	21,233	119,132
Purchased Prof. & Tech. Services				\$ 466,914									961,126	42,075	1,470,115
Purchased Prof. Ed. Services													-	-	-
Other Purchased Professional Services		\$ 441,056			\$ 313,172	\$ 23,904	\$ 479,014	\$ 616,657	\$ 4,550	\$ 351,540			-	-	2,229,893
Other Purchased Services												52	44,008	151,593	195,653
General Supplies				56,909								296	610	16,016	73,831
Other Objects												-	8,200	-	8,200
Total Support Services	-	441,056	-	523,823	313,172	23,904	479,014	616,657	4,550	351,540	-	348	1,131,827	292,316	4,178,207
Facilities Acquisition & Construction															
Instructional Equipment			23,925	156,115											180,040
Total Facilities Acquisition & Construction	-	-	23,925	156,115	-	-	-	-	-	-	-	-	-	-	180,040
Total Expenditures	\$ 206,975	\$ 441,056	\$ 152,208	\$ 679,938	\$ 313,172	\$ 23,904	\$ 479,014	\$ 616,657	\$ 4,550	\$ 351,540	\$ 367,416	\$ 34,515	\$ 2,145,305	\$ 1,312,936	\$ 7,129,186
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-	-	-	-	-	-	-	7,221	-	-	-	7,221
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-	-	352,091	-	-	-	352,091
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 359,312	\$ -	\$ -	\$ -	\$ 359,312

PARAMUS BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ESEA				IDEA Basic	IDEA Preschool	ARP IDEA Basic	ARP IDEA Preschool	CARES Emergency Relief Grant	Total Exhibit E-1A	
	Title I	Title II Part - A	Title III	Title III Immigrant							Title IV
REVENUES											
Intergovernmental											
Federal	\$ 318,803	\$ 64,667	\$ 25,570	\$ 4,008	\$ 29,869	\$ 1,443,611	\$ 35,691	\$ 195,186	\$ 27,494	\$ 406	\$ 2,145,305
Total Revenues	\$ 318,803	\$ 64,667	\$ 25,570	\$ 4,008	\$ 29,869	\$ 1,443,611	\$ 35,691	\$ 195,186	\$ 27,494	\$ 406	\$ 2,145,305
EXPENDITURES											
Instruction											
Salaries of Teachers	\$ 212,344			\$ 3,555	\$ 17,000						\$ 232,899
Purchased Prof. & Tech. Services					2,500						2,500
Other Purchased Services											-
Tuition						\$ 700,000					700,000
General Supplies	-	-	\$ 5,586	453	1,369	51,339	\$ 19,176	-	-	\$ 156	78,079
Total Instruction	212,344	-	5,586	4,008	20,869	751,339	19,176	-	-	156	1,013,478
Support Services											
Salaries of Teachers			19,984								19,984
Personal Services-Employee Benefits	97,899										97,899
Purchased Prof. & Tech. Services		\$ 57,508			9,000	655,423	16,515	\$ 195,186	\$ 27,494		961,126
Purchased Prof. Ed. Services											-
Other Purchased Services		7,159				36,849					44,008
General Supplies	360									250	610
Other Objects	8,200										8,200
Total Support Services	106,459	64,667	19,984	-	9,000	692,272	16,515	195,186	27,494	250	1,131,827
Facilities Acquisition & Construction											
Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition & Construction	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 318,803	\$ 64,667	\$ 25,570	\$ 4,008	\$ 29,869	\$ 1,443,611	\$ 35,691	\$ 195,186	\$ 27,494	\$ 406	\$ 2,145,305
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PARAMUS BOARD OF EDUCATION
 SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	CRRSA - ESSER II			AMERICAN RESCUE PLAN			Total Exhibit E-1B
	ESSER II	Learning Acceleration	Mental Health	ESSER	Accelerated Learning Coach and Educator Support	ACSERS Aid	
REVENUES							
Intergovernmental							
Federal	\$ 912,723	\$ 34,335	\$ 29,516	\$ 167,870	\$ 6,575	\$ 161,917	\$ 1,312,936
Total Revenues	\$ 912,723	\$ 34,335	\$ 29,516	\$ 167,870	\$ 6,575	\$ 161,917	\$ 1,312,936
EXPENDITURES							
Instruction							
Salaries of Teachers	\$ 668,252	\$ 34,335		\$ 124,350			\$ 826,937
Purchased Prof. & Tech. Services							-
Other Purchased Services							-
Tuition						\$ 161,917	161,917
General Supplies	9,746	-	\$ 13,500	8,520	-	-	31,766
Total Instruction	677,998	34,335	13,500	132,870	-	161,917	1,020,620
Support Services							
Salaries of Teachers	61,399						61,399
Personal Services-Employee Benefits	21,233						21,233
Purchased Prof. & Tech. Services	500			35,000	\$ 6,575		42,075
Purchased Prof. Ed. Services							-
Other Purchased Services	151,593						151,593
General Supplies			16,016				16,016
Other Objects	-	-	-	-	-	-	-
Total Support Services	234,725	-	16,016	35,000	6,575	-	292,316
Facilities Acquisition & Construction							
Instructional Equipment	-	-	-	-	-	-	-
Total Facilities Acquisition & Construction	-	-	-	-	-	-	-
Total Expenditures	\$ 912,723	\$ 34,335	\$ 29,516	\$ 167,870	\$ 6,575	\$ 161,917	\$ 1,312,936
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

NOT APPLICABLE

SPECIAL REVENUE FUND
 SCHEDULE OF STUDENT ACTIVITIES RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Balance, July 1, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2022</u>
ELEMENTARY & MIDDLE SCHOOL				
Eastbrook	\$ 42,810	\$ 11,664	\$ 9,067	\$ 45,407
Westbrook	22,445	11,102	17,539	16,008
Elementary	35,436	15,632	16,929	34,139
HIGH SCHOOL				
Student Activity	251,307	260,097	247,646	263,758
Student Athletic	93	76,142	76,235	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 352,091</u>	<u>\$ 374,637</u>	<u>\$ 367,416</u>	<u>\$ 359,312</u>

CAPITAL PROJECTS FUND

NOT APPLICABLE

ENTERPRISE FUNDS

NOT APPLICABLE

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

PARAMUS BOARD OF EDUCATION
 SCHEDULE OF SERIAL BONDS PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2022</u>
Refunding Bonds	2/14/2012	\$ 16,460,000				\$ 1,130,000		\$ 1,130,000	
Refunding Bonds	11/5/2020	8,335,000	4/1/2023	\$ 1,275,000	1.000%				
			4/1/2024	1,235,000	1.125%				
			4/1/2025	1,195,000	1.250%				
			4/1/2026	1,155,000	1.375%				
			4/1/2027	1,120,000	1.500%				
			4/1/2028	1,080,000	1.750%				
			4/1/2029	1,040,000	1.875%				
						<u>8,240,000</u>	<u>-</u>	<u>140,000</u>	<u>\$ 8,100,000</u>
						<u>\$ 9,370,000</u>	<u>\$ -</u>	<u>\$ 1,270,000</u>	<u>\$ 8,100,000</u>

**PARAMUS BOARD OF EDUCATION
SCHEDULE OF CAPITAL & OTHER FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Not Applicable

**PARAMUS BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 838,079	-	\$ 838,079	\$ 838,079	
Miscellaneous	-	-	-	10,079	\$ 10,079
Total Revenues	<u>838,079</u>	<u>-</u>	<u>838,079</u>	<u>848,158</u>	<u>10,079</u>
EXPENDITURES					
Debt Service					
Principal	1,270,000	-	1,270,000	1,270,000	-
Interest	170,600	-	170,600	170,562	38
Total Expenditures	<u>1,440,600</u>	<u>-</u>	<u>1,440,600</u>	<u>1,440,562</u>	<u>38</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>(602,521)</u>	<u>-</u>	<u>(602,521)</u>	<u>(592,404)</u>	<u>10,117</u>
Other Financing Sources (Uses)					
Operating Transfers In-Capital Reserve	600,000	-	600,000	600,000	-
Total Other Financing Sources	<u>600,000</u>	<u>-</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures and Other Financing Sources	<u>(2,521)</u>	<u>-</u>	<u>(2,521)</u>	<u>7,596</u>	<u>10,117</u>
Fund Balance, Beginning of Year	<u>2,521</u>	<u>-</u>	<u>2,521</u>	<u>2,521</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,117</u>	<u>\$ 10,117</u>
Restricted for Debt Service:					
Designated for Subsequent Year's Budget				\$ 10,097	
Available for Debt Service				<u>20</u>	
				<u>\$ 10,117</u>	

STATISTICAL SECTION

This part of the Paramus 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 comprehensive annual financial reports for the relevant year.

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

	Fiscal Year Ended June 30									
	2013	2014 (Restated)	2015	2016	2017	2018	2019	2020 (Restated)	2021	2021
Governmental Activities										
Net Investment in Capital Assets	\$ 31,802,380	\$ 35,209,488	\$ 39,957,382	\$ 41,735,254	\$ 43,973,893	\$ 46,480,657	\$ 48,743,148	\$ 49,755,257	\$ 50,001,559	\$ 50,866,999
Restricted	9,371,004	12,674,591	14,660,403	17,097,317	19,585,301	19,871,637	20,848,890	26,261,714	29,744,455	32,539,189
Unrestricted	2,487,970	(20,932,272)	(20,314,957)	(20,324,594)	(21,758,843)	(21,857,653)	(21,252,867)	(20,833,101)	(16,815,753)	(10,661,302)
Total governmental activities net position	<u>\$ 43,661,354</u>	<u>\$ 26,951,807</u>	<u>\$ 34,302,828</u>	<u>\$ 38,507,977</u>	<u>\$ 41,800,351</u>	<u>\$ 44,494,641</u>	<u>\$ 48,339,171</u>	<u>\$ 55,183,870</u>	<u>\$ 62,930,261</u>	<u>\$ 72,744,886</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 167,670	\$ 164,909	\$ 172,989	\$ 170,386	\$ 168,991	\$ 169,056	\$ 163,885	\$ 185,463	\$ 169,289	\$ 174,321
Restricted										
Unrestricted	258,441	270,522	230,000	175,679	118,939	123,501	135,699	111,406	120,879	534,126
Total Business-Type Activities Net Position	<u>\$ 426,111</u>	<u>\$ 435,431</u>	<u>\$ 402,989</u>	<u>\$ 346,065</u>	<u>\$ 287,930</u>	<u>\$ 292,557</u>	<u>\$ 299,584</u>	<u>\$ 296,869</u>	<u>\$ 290,168</u>	<u>\$ 708,447</u>
District-Wide										
Net Investment in Capital Assets	31,970,050	\$ 35,374,397	\$ 40,130,371	\$ 41,905,640	\$ 44,142,884	\$ 46,649,713	\$ 48,907,033	\$ 49,940,720	\$ 50,170,848	\$ 51,041,320
Restricted	9,371,004	12,674,591	14,660,403	17,097,317	19,585,301	19,871,637	20,848,890	26,261,714	29,744,455	32,539,189
Unrestricted	2,746,411	(20,661,750)	(20,084,957)	(20,148,915)	(21,639,904)	(21,734,152)	(21,117,168)	(20,721,695)	(16,694,874)	(10,127,176)
Total District Net Position	<u>\$ 44,087,465</u>	<u>\$ 27,387,238</u>	<u>\$ 34,705,817</u>	<u>\$ 38,854,042</u>	<u>\$ 42,088,281</u>	<u>\$ 44,787,198</u>	<u>\$ 48,638,755</u>	<u>\$ 55,480,739</u>	<u>\$ 63,220,429</u>	<u>\$ 73,453,333</u>

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

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

PARAMUS 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
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 31,674,424		\$ 35,405,836	\$ 37,580,253	\$ 41,188,789	\$ 43,695,052	\$ 39,759,002	\$ 39,336,658	\$ 44,132,065	\$ 41,072,919
Special Education	13,941,263	14,342,356	15,896,202	17,011,501	18,113,912	19,168,385	19,037,559	17,830,513	19,097,391	17,415,264
Other Instruction	2,235,557	2,401,823	2,853,123	3,026,442	3,530,919	2,976,844	2,794,724	2,685,417	2,895,590	2,717,193
School Sponsored Activities and Athletics	1,671,482	1,769,801	1,991,962	2,175,830	2,392,640	2,518,879	2,318,185	2,189,465	2,543,446	2,464,529
Support Services:										
Student and Instruction Related Services	10,236,801	10,488,907	12,091,605	12,918,305	14,318,550	15,254,439	15,576,419	15,399,675	16,805,183	16,975,885
School Administration Services	4,835,004	4,977,054	5,947,989	6,073,147	6,696,125	6,706,583	6,238,192	6,039,070	6,776,335	5,784,392
General Administration Services	961,047	975,612	1,055,628	919,677	1,149,132	1,168,841	1,196,287	1,285,274	1,060,527	1,003,182
Plant Operations and Maintenance	10,819,771	10,992,476	11,066,092	11,631,973	12,263,703	12,058,625	12,150,036	10,591,090	10,732,116	11,289,292
Pupil Transportation	3,193,615	3,203,080	3,250,926	3,426,661	3,546,666	3,716,755	4,127,509	3,666,992	4,063,281	4,412,435
Central Services	2,058,385	1,893,852	2,071,816	2,195,762	2,427,720	2,778,712	2,627,995	2,507,800	2,812,672	1,916,892
Interest on Long-Term Debt	852,919	721,476	765,720	599,248	563,082	524,055	479,631	434,095	272,742	223,311
Total Governmental Activities Expenses	82,480,268	51,766,437	92,396,899	97,558,799	106,191,238	110,567,170	106,305,539	101,966,049	111,191,348	105,275,294
Business-Type Activities:										
Food Service	1,028,038	1,090,992	1,247,618	1,317,291	1,333,494	1,236,660	1,261,418	896,609	365,742	1,650,999
Total Business-Type Activities Expense	1,028,038	1,090,992	1,247,618	1,317,291	1,333,494	1,236,660	1,261,418	896,609	365,742	1,650,999
Total District Expenses	\$ 83,508,306	\$ 52,857,429	\$ 93,644,517	\$ 98,876,090	\$ 107,524,732	\$ 111,803,830	\$ 107,566,957	\$ 102,862,658	\$ 111,557,090	\$ 106,926,293
Program Revenues										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 362,514	\$ 529,896	\$ 516,473	\$ 355,685	\$ 251,265	\$ 440,494	\$ 464,978	\$ 530,613	\$ 220,274	\$ 556,429
Special Education	344,032	336,063	818,739	673,683	747,278	1,075,711	712,656	526,778	666,374	641,472
Transportation	19,135	-	-	-	-	-	-	-	-	-
School Sponsored Activities and Athletics									217,071	374,637
Operating Grants and Contributions	11,991,443	11,755,186	19,985,595	22,884,855	29,558,192	32,730,075	27,572,398	25,106,044	34,090,678	27,799,073
Capital Grants and Contributions	408,915	601,080	286,180	4,080	-	-	-	-	-	-
Total Governmental Activities Program Revenues	13,126,039	13,222,225	21,606,987	23,918,303	30,556,735	34,246,280	28,750,032	26,163,435	35,194,397	29,371,611
Business-Type Activities:										
Food Service										
Charges for Services	\$ 933,070	\$ 958,036	\$ 1,069,902	\$ 1,101,865	\$ 1,123,628	\$ 1,088,699	\$ 1,105,686	\$ 778,094	\$ 7,164	\$ 238,870
Operating Grants and Contributions	139,002	140,492	145,014	158,502	151,731	152,588	162,759	115,800	351,877	1,830,408
Total Business-Type Activities Program Revenues	1,072,072	1,098,528	1,214,916	1,260,367	1,275,359	1,241,287	1,268,445	893,894	359,041	2,069,278
Total District Program Revenues	\$ 14,198,111	\$ 14,320,753	\$ 22,821,903	\$ 25,178,670	\$ 31,832,094	\$ 35,487,567	\$ 30,018,477	\$ 27,057,329	\$ 35,553,438	\$ 31,440,889
Net (Expense)/Revenue										
Governmental Activities	\$ (69,354,229)	\$ (38,544,212)	\$ (70,789,912)	\$ (73,640,496)	\$ (75,634,503)	\$ (76,320,890)	\$ (77,555,507)	\$ (75,802,614)	\$ (75,996,951)	\$ (75,903,683)
Business-Type Activities	44,034	7,536	(32,702)	(56,924)	(58,135)	4,627	7,027	(2,715)	(6,701)	418,279
Total District-Wide Net Expense	\$ (69,310,195)	\$ (38,536,676)	\$ (70,822,614)	\$ (73,697,420)	\$ (75,692,638)	\$ (76,316,263)	\$ (77,548,480)	\$ (75,805,329)	\$ (76,003,652)	\$ (75,485,404)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes General Purposes	\$ 69,958,474	\$ 71,357,641	\$ 72,774,791	\$ 74,230,284	\$ 75,704,884	\$ 77,040,097	\$ 78,406,873	\$ 79,975,010	\$ 81,574,510	\$ 83,206,000
Property Taxes Debt Service	2,124,307	2,269,316	2,240,359	1,664,672	1,186,267	950,492	987,682	934,081	905,080	838,079
Unrestricted Grants and Contributions			71,146	77,127	110,143	114,530	8,094			
Debt Service Aid	394,963	248,324	238,735	234,467	248,000					
Investment Earnings	72,212	75,013	56,015	62,181						
Miscellaneous Income	1,487,737	1,676,745	2,759,887	1,576,914	1,677,583	910,061	1,997,388	1,085,152	1,263,752	1,674,229
Total Governmental Activities	74,037,693	75,627,039	78,140,933	77,845,645	78,926,877	79,015,180	81,400,037	81,994,243	83,743,342	85,718,308
Business-Type Activities:										
Investment Earnings	1,533	1,784	260	-	-	-	-	-	-	-
Total Business-Type Activities	1,533	1,784	260	-	-	-	-	-	-	-
Total District-Wide	\$ 74,039,226	\$ 75,628,823	\$ 78,141,193	\$ 77,845,645	\$ 78,926,877	\$ 79,015,180	\$ 81,400,037	\$ 81,994,243	\$ 83,743,342	\$ 85,718,308
Change in Net Position										
Governmental Activities	\$ 4,683,464	\$ 37,082,827	\$ 7,351,021	\$ 4,205,149	\$ 3,292,374	\$ 2,694,290	\$ 3,844,530	\$ 6,191,629	\$ 7,746,391	\$ 9,814,625
Business-Type Activities	45,567	9,320	(32,442)	(56,924)	(58,135)	4,627	7,027	(2,715)	(6,701)	418,279
Total District	\$ 4,729,031	\$ 37,092,147	\$ 7,318,579	\$ 4,148,225	\$ 3,234,239	\$ 2,698,917	\$ 3,851,557	\$ 6,188,914	\$ 7,739,690	\$ 10,232,904

PARAMUS 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 (Restated)	2021	2022
General Fund										
Restricted	\$ 10,342,765	\$ 11,362,486	\$ 15,658,856	\$ 18,866,176	\$ 20,985,876	\$ 21,853,343	\$ 22,904,640	\$ 27,930,985	\$ 31,445,593	\$ 34,225,510
Committed						536,676	296,927	283,889	759,315	3,681,709
Assigned	752,553	764,796	423,089	450,098	681,114	404,826	773,862	437,611	1,087,700	1,098,587
Unassigned	1,352,937	1,411,670	1,375,542	1,449,856	1,462,799	1,529,274	1,521,456	1,431,107	3,066,465	3,158,860
Total General Fund	<u>\$ 12,448,255</u>	<u>\$ 13,538,952</u>	<u>\$ 17,457,487</u>	<u>\$ 20,766,130</u>	<u>\$ 23,129,789</u>	<u>\$ 24,324,119</u>	<u>\$ 25,496,885</u>	<u>\$ 30,083,592</u>	<u>\$ 36,359,073</u>	<u>\$ 42,164,666</u>
All Other Governmental Funds										
Reserved										
Unreserved										
Restricted	\$ 338,239	\$ 1,912,105	\$ 895,547	\$ 425,141	\$ 593,425	\$ 74,044	\$ 1	\$ 386,480	\$ 354,612	\$ 369,429
Total all Other Governmental Funds	<u>\$ 338,239</u>	<u>\$ 1,912,105</u>	<u>\$ 895,547</u>	<u>\$ 425,141</u>	<u>\$ 593,425</u>	<u>\$ 74,044</u>	<u>\$ 1</u>	<u>\$ 386,480</u>	<u>\$ 354,612</u>	<u>\$ 369,429</u>

Note 1 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

PARAMUS 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
Revenues										
Property Taxes	\$ 72,082,781	\$ 73,626,957	\$ 75,015,150	\$ 75,894,956	\$ 76,891,151	\$ 77,990,589	\$ 79,394,555	\$ 80,909,091	\$ 82,479,590	\$ 84,044,079
Tuition Charges	706,546	865,959	1,335,212	1,029,368	998,543	1,516,205	1,177,634	1,057,391	886,648	1,197,901
Transportation Fees from Other LEAs	19,135									
Interest Earnings	72,212	75,013	56,015	62,181	41,027	79,800	186,324	52,553	28,250	36,790
Miscellaneous	1,564,184	1,727,512	2,850,999	1,644,345	1,739,805	954,272	1,901,382	1,077,079	1,492,200	2,036,365
State Sources	10,868,673	10,831,079	11,569,634	12,367,663	13,498,297	15,059,320	17,087,294	18,553,309	21,032,772	25,989,586
Federal Sources	1,850,201	1,722,744	1,938,222	1,932,853	2,035,034	1,848,564	2,070,297	1,904,159	2,616,903	4,053,615
Total Revenue	87,163,732	88,849,264	92,765,232	92,931,366	95,203,857	97,448,750	101,817,486	103,553,582	108,536,363	117,358,336
Expenditures										
Instruction										
Regular Instruction	29,937,817	29,069,631	29,668,702	30,729,149	31,369,479	33,520,028	33,065,439	34,262,199	36,500,297	40,208,652
Special Education Instruction	13,955,301	14,372,065	14,812,182	15,625,057	15,728,815	16,712,908	17,950,710	17,362,610	17,726,427	18,262,376
Other Instruction	2,235,557	2,401,823	2,603,483	2,710,245	2,979,333	2,552,759	2,572,177	2,558,782	2,627,921	2,837,385
School Sponsored Activities and Athletics	1,671,482	1,769,801	1,695,789	1,804,093	1,792,302	1,915,177	2,007,825	1,996,581	2,185,900	2,624,948
Community Services										
Support Services:										
Student and Inst. Related Services	10,164,191	10,417,119	10,954,311	11,471,646	11,936,892	12,727,655	14,235,992	14,543,877	15,216,281	17,570,284
General Administration	985,899	963,246	1,028,507	872,675	1,062,754	1,061,911	1,154,733	1,273,493	898,153	1,013,434
School Administration Services	4,833,814	4,945,173	5,284,232	5,320,345	5,435,025	5,469,498	5,628,909	5,759,463	6,050,912	6,112,715
Plant Operations and Maintenance	10,612,696	10,800,079	10,735,054	11,250,614	11,341,176	10,937,350	11,728,980	10,552,677	10,263,520	11,583,712
Pupil Transportation	2,983,951	2,993,422	3,155,756	3,312,186	3,394,786	3,533,245	3,901,318	3,516,745	3,879,863	4,290,931
Central Services	2,070,404	1,899,277	2,001,690	2,095,043	2,182,442	2,411,548	2,538,398	2,539,542	2,694,653	2,098,737
Capital Outlay	2,615,869	3,931,168	2,591,737	3,284,295	3,871,428	4,399,240	4,346,601	3,333,416	2,746,263	3,494,190
Debt Service:										
Principal	1,701,874	1,770,051	4,540,180	1,010,000	1,000,000	995,000	1,090,000	1,080,000	1,200,000	1,270,000
Advance Refunding Escrow										
Bond Issuance Costs									119,980	-
Interest and Other Charges	921,648	851,846	791,632	607,781	577,482	537,482	497,681	454,081	302,560	170,562
Total Expenditures	84,690,503	86,184,701	89,863,255	90,093,129	92,671,914	96,773,801	100,718,763	99,233,466	102,412,730	111,537,926
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	2,473,229	2,664,563	2,901,977	2,838,237	2,531,943	674,949	1,098,723	4,320,116	6,123,633	5,820,410
Other Financing Sources (Uses)										
Original Issue Discount									(17,157)	-
Refunding Bonds Issued									8,335,000	-
Payment to Refunded Bond Escrow Agent									(8,197,863)	-
Transfers In	1,930,368	4,257,176	3,132,696	2,000,000	387,998	770,142	636,691	600,000	600,000	600,000
Transfers Out	(1,930,368)	(4,257,176)	(3,132,696)	(2,000,000)	(387,998)	(770,142)	(636,691)	(600,000)	(600,000)	(600,000)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	119,980	-
Net Change in Fund Balances	\$ 2,473,229	\$ 2,664,563	\$ 2,901,977	\$ 2,838,237	\$ 2,531,943	\$ 674,949	\$ 1,098,723	\$ 4,320,116	\$ 6,243,613	\$ 5,820,410
Debt Service as a Percentage of										
Noncapital Expenditures	3.20%	3.19%	6.11%	1.86%	1.78%	1.66%	1.65%	1.60%	1.63%	1.33%

* Noncapital expenditures are total expenditures less capital outlay.

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

	<u>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>
Tuition	\$ 706,546	\$ 865,959	\$ 1,335,212	\$ 1,029,368	\$ 998,543	\$ 1,516,205	\$ 1,177,634	\$ 1,057,391	\$ 886,648	\$ 1,197,951
Transportation Fees	19,135									
Interest Income	69,701	72,837	54,231	62,181	85,057	145,580	351,225	347,598	77,202	66,891
Bldg. Rental	134,703	81,853	43,482	37,553	152,471	187,463	164,999	249,846	109,291	267,499
Borough of Paramus - Shared Services									497,818	
Refunds			1,637,975	1,428	11,242	13,443	45,410	16,273	53,150	
Miscellaneous	340,081	573,571	125,355	170,287	310,960	195,411	606,197	88,656	12,686	518,393
Special Schools Fees	1,012,705	1,021,321	953,075	1,031,179	1,117,853	368,164	307,729	382,779	513,605	811,317
Cancellation of Prior Year										
Accounts Payable	248			25,528						
Cancellation of Accrued Liability of Claims							521,828			
Health Claim Reimbursements	-	-	-	310,939	-	-	-	-	-	-
	<u>\$ 2,283,119</u>	<u>\$ 2,615,541</u>	<u>\$ 4,149,330</u>	<u>\$ 2,668,463</u>	<u>\$ 2,676,126</u>	<u>\$ 2,426,266</u>	<u>\$ 3,175,022</u>	<u>\$ 2,142,543</u>	<u>\$ 2,150,400</u>	<u>\$ 2,862,051</u>

Source: School District's Financial Statements

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2013	\$ 143,045,700	\$ 4,154,425,400	\$ 1,479,800	\$ 22,400	\$ 3,462,384,900	\$ 113,136,400	\$ 18,642,800	\$ 7,893,137,400	\$ 6,222,785	\$ 7,899,360,185	\$ 8,545,391,805	\$ 0.922
2014	142,215,000	4,171,077,547	1,479,800	22,400	3,542,561,600	111,783,600	18,642,800	7,987,782,747	4,987,188	7,992,769,935	8,834,630,995	0.930
2015	137,950,900	4,203,955,147	1,479,800	22,400	3,532,924,100	109,198,200	16,964,600	8,002,495,147	5,235,279	8,007,730,426	8,758,087,401	0.944
2016	137,301,800	4,225,646,147	1,479,800	22,400	3,513,162,400	108,289,700	16,964,600	8,002,866,847	5,153,630	8,008,020,477	8,810,817,359	0.954
2017	137,252,400	4,265,444,247	1,479,800	22,400	3,500,165,000	101,312,100	16,964,600	8,022,640,547	4,687,668	8,027,328,215	9,669,326,922	0.965
2018	142,303,300	4,274,723,247	1,479,800	22,400	3,492,492,700	99,013,200	16,964,600	8,026,999,247	4,357,977	8,031,357,224	10,511,862,247	0.980
2019	144,594,500	4,333,905,447	1,421,900	22,400	3,443,882,320	99,158,800	16,964,600	8,039,949,967	4,628,293	8,044,578,260	10,018,186,246	0.997
2020 (A)	162,521,500	5,071,690,600	2,162,700	11,200	4,592,844,620	139,530,000	63,885,300	10,032,645,920	5,729,604	10,038,375,524	10,344,291,557	0.814
2021	161,665,500	5,188,308,600	2,187,600	10,900	4,424,639,220	139,140,900	65,881,700	9,981,834,420	5,845,246	9,987,679,666	9,988,770,574	0.834
2022	155,924,000	5,710,269,200	2,398,800	10,900	4,887,951,420	157,219,800	67,226,600	10,981,000,720	6,007,091	10,987,007,811	10,995,760,089	0.772

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

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

<u>Year Ended December 31,</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County</u>
2013	\$ 1.726	\$ 0.922	\$ 0.555	\$ 0.249
2014	1.719	0.930	0.535	0.254
2015	1.734	0.944	0.530	0.260
2016	1.752	0.954	0.529	0.269
2017	1.801	0.965	0.533	0.303
2018	1.833	0.980	0.534	0.319
2019	1.856	0.997	0.558	0.301
2020	1.595	0.814	0.526	0.255
2021	1.654	0.834	0.567	0.253
2022	1.552	0.772	0.539	0.241

Source: Tax Duplicates, Borough of Paramus

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

Taxpayer	2022		Taxpayer	2013	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Westland GSP L.P.	\$ 1,001,478,200	9.12%	Westland GSP L.P.	\$ 739,346,600	9.36%
VNO Bergen Mall, LLC	309,000,000	2.81%	Vornado, Bergen Mall LLC	245,110,300	3.10%
Ikea Property Inc	205,387,300	1.87%	ALX of Paramus LLC	163,601,800	2.07%
The Valley Hospital Inc	150,000,000	1.37%	Westland GSP L.P.	97,069,400	1.23%
Westland GSP L.P.	121,525,000	1.11%	Paramus Park	93,832,000	1.19%
Faber Bros Inc NJ	88,122,700	0.80%	Faber Bros Inc NJ	70,000,000	0.89%
Paramus Park General Growth	74,497,500	0.68%	Country Club Office Plaza	60,000,000	0.76%
Gabriel, J & Temple Ridge	67,495,800	0.61%	Paramus Park - Macy's Inc.	49,362,500	0.62%
KMO-361 Paramus LLC	65,522,700	0.60%	Farber, William A	48,956,500	0.62%
Fashion Center LLC	60,741,800	0.55%	Mack Paramus Affiliates	46,351,800	0.59%
	<u>\$ 2,143,771,000</u>	<u>19.51%</u>		<u>\$ 1,613,630,900</u>	<u>20.43%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Local School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 72,082,781	\$ 72,082,781	100.00%	N/A
2014	73,626,957	73,626,957	100.00%	N/A
2015	75,015,150	75,015,150	100.00%	N/A
2016	75,894,956	75,894,956	100.00%	N/A
2017	76,891,151	76,891,151	100.00%	N/A
2018	77,990,589	77,990,589	100.00%	N/A
2019	79,394,555	74,860,648	94.29%	\$ 4,533,907
2020	80,909,091	80,909,091	100.00%	N/A
2021	82,479,590	82,479,590	100.00%	N/A
2021	84,044,079	80,577,161	95.87%	3,466,918

N/A = Not Applicable

PARAMUS 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	Certificates of Participation	Capital Leases	Temporary Notes			
2013	\$ 21,005,000		\$ 495,231		\$ 21,500,231	26,549	\$ 810
2014	19,320,000		410,180		19,730,180	26,593	742
2015	15,190,000				15,190,000	26,596	571
2016	14,180,000				14,180,000	26,648	532
2017	13,180,000				13,180,000	26,591	496
2018	12,185,000				12,185,000	26,596	458
2019	11,095,000				11,095,000	26,456	419
2020	10,015,000				10,015,000	26,261	381
2021	9,370,000				9,370,000	26,063	360
2022	8,100,000				8,100,000	26,416	307

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Valuation of Property	Per Capita
	General Obligation Bonds	Deductions			
2013	21,005,000		21,005,000	0.27%	791
2014	19,320,000		19,320,000	0.24%	727
2015	15,190,000		15,190,000	0.19%	571
2016	14,180,000		14,180,000	0.18%	532
2017	13,180,000		13,180,000	0.16%	496
2018	12,185,000		12,185,000	0.15%	458
2019	11,095,000		11,095,000	0.14%	419
2020	10,015,000		10,015,000	0.10%	381
2021	9,370,000		9,370,000	0.09%	360
2022	8,100,000		8,100,000	0.07%	307

Source: District records

**PARAMUS BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
FOR THE YEAR ENDED DECEMBER 31, 2021
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
MUNICIPAL DEBT:			
Borough of Paramus (1)	\$ 47,354,016	\$ 5,379,500	\$ 41,974,516
Paramus School District	<u>9,370,000</u>	<u>9,370,000</u>	<u>-</u>
	<u>\$ 56,724,016</u>	<u>\$ 14,749,500</u>	<u>41,974,516</u>
OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY			
Bergen County:			
County of Bergen(A)			79,249,558
Bergen County Utilities Authority - Water Pollution Control (B)			<u>11,745,264</u>
			<u>90,994,822</u>
Total Direct and Overlapping Outstanding Debt			<u>\$ 132,969,338</u>

SOURCE:

(1) Borough of Paramus 2021 Annual Debt Statement

(A) The debt for this entity was apportioned to Borough of Paramus by dividing the municipality's 2021 equalized value by the total 2021 equalized value for the County of Bergen.

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 343,226,211	\$ 343,601,966	\$ 346,591,299	\$ 347,117,624	\$ 360,415,977	\$ 383,721,993	\$ 399,658,452	\$ 410,037,120	\$ 401,737,592	\$ 414,175,899
Total net debt applicable to limit	21,005,000	19,320,000	15,190,000	14,180,000	13,180,000	12,185,000	11,095,000	10,015,000	9,370,000	8,100,000
Legal debt margin	\$ 322,221,211	\$ 324,281,966	\$ 331,401,299	\$ 332,937,624	\$ 347,235,977	\$ 371,536,993	\$ 388,563,452	\$ 400,022,120	\$ 392,367,592	\$ 406,075,899
Total net debt applicable to the limit as a percentage of debt limit	6.12%	5.62%	4.38%	4.09%	3.66%	3.18%	2.78%	2.44%	2.33%	1.96%

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

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

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized valuation basis
	2021 \$10,842,748,664
	2020 9,796,549,087
	2019 10,423,894,680
	<u>\$31,063,192,431</u>
Average Equalized Valuation of Taxable Property	<u>\$10,354,397,477</u>
Debt Limit (4 % of Average Equalization Value)	414,175,899
Total Net Debt Applicable to Limit	<u>8,100,000</u>
Legal debt margin	<u>\$ 406,075,899</u>

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2013	26,549	\$ 71,286	6.50%
2014	26,593	73,883	5.40%
2015	26,596	77,323	4.50%
2016	26,648	78,836	4.00%
2017	26,591	81,024	4.00%
2018	26,596	85,191	3.40%
2019	26,456	88,241	2.80%
2020	26,261	91,972	9.50%
2021	26,063	N/A	5.90%
2022	26,416	N/A	N/A

Source: New Jersey State Department of Education

N/A - Not Available

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

	2022		2013	
<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

**PARAMUS 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>#</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											
Regular	258	259		245	258	263	263	263	265	264	268
Special Education	168	191		195	193	193	191	194	201	190	174
Support Services:											
Student & Instruction Related Services	89	91		89	91	90	90	95	96	92	102
General Administration	2	2		2	2	2	2	2	2	2	2
School Administrative Services	36	41		39	38	36	36	36	36	39	37
Central Services	15	15		15	14	14	14	14	14	14	13
Administrative Information Technology	6	6		7	7	7	8	9	9	8	3
Plant Operations and Maintenance	120	105		105	87	92	92	90	90	86	90
Pupil Transportation	23	21		20	21	20	20	18	17	14	12
Special Schools	3	33		36	22	16	1	1	1	1	-
Total	720	764		753	733	733	717	722	731	710	701

Source: District Personnel Records

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

Teacher/Pupil Ratio

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2013	4,034	\$ 79,451,112	\$ 19,695	5.92%	385	1:33.39	01:27.0	1:25.40	4,031	3,884	-1.03%	96.35%
2014	3,941	79,631,636	20,206	2.59%	387	1:09.98	1:09.72	1:10.85	3,940	3,798	-2.26%	96.40%
2015	3,933	81,939,706	20,834	3.11%	398	1:10.40	1:09.66	1:10.41	3,934	3,787	-0.15%	96.26%
2016	3,894	85,191,053	21,878	5.01%	418	1:09.20	1:09.22	1:10.11	3,894	3,742	-1.02%	96.10%
2017	3,823	87,223,004	22,815	4.29%	420	1:09.20	1:08.94	1:10.41	3,823	3,663	-1.82%	95.81%
2018	3,776	90,842,079	24,058	5.45%	422	1:08.83	1:09.23	1:10.24	3,776	3,624	-1.23%	95.97%
2019	3,781	94,784,481	25,069	4.20%	402	1:09.76	1:09.22	1:09.96	3,781	3,615	0.13%	95.61%
2020	3,765	94,365,969	25,064	-0.02%	438	1:09.38	1:08.37	1:09.64	3,765	3,660	-0.42%	97.21%
2021	3,597	98,043,907	27,257	8.75%	408	1:08.56	1:09.22	1:09.69	3,597	3,541	-4.46%	98.44%
2022	3,663	106,603,174	29,103	6.77%	401	1:09.27	1:09.15	1:09.90	3,663	3,485	1.83%	95.14%

Sources: District records

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
District Building										
Elementary										
Memorial										
Square Feet	49,250	49,250	49,250	49,250	49,250	49,250	49,250	49,250	49,250	49,250
Capacity (students)	365	365	365	365	365	365	365	365	365	365
Enrollment	317	319	340	307	295	307	310	312	277	291
Midland										
Square Feet	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750
Capacity (students)	321	321	321	321	321	321	321	321	321	321
Enrollment ^a	231	237	236	229	236	212	192	180	155	154
Stony Lane										
Square Feet	30,700	30,700	30,700	30,700	30,700	30,700	30,700	30,700	30,700	30,700
Capacity (students)	270	270	270	270	270	270	270	270	270	270
Enrollment	201	206	196	201	192	184	177	187	172	198
Ridge Ranch										
Square Feet	46,430	46,430	46,430	46,430	46,430	46,430	46,430	46,430	46,430	46,430
Capacity (students)	476	476	476	476	476	476	476	476	476	476
Enrollment	350	315	297	327	330	344	347	340	344	370
Parkway										
Square Feet	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000
Capacity (students)	476	476	476	476	476	476	476	476	476	476
Enrollment	255	251	267	289	288	291	314	316	259	293
Middle School										
East Brook										
Square Feet	115,971	115,971	115,971	115,971	115,971	115,971	115,971	115,971	115,971	115,971
Capacity (students)	876	876	876	876	876	876	876	876	876	876
Enrollment	629	608	652	618	619	608	589	587	604	598
West Brook										
Square Feet	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Capacity (students)	876	876	876	876	876	876	876	876	876	876
Enrollment	674	627	624	620	585	509	584	577	585	551
High School										
Square Feet	297,950	297,950	297,950	297,950	297,950	297,950	297,950	297,950	297,950	297,950
Capacity (students)	1,944	1,944	1,944	1,944	1,944	1,944	1,944	1,944	1,944	1,944
Enrollment	1,288	1,272	1,322	1,303	1,278	1,240	1,268	1,266	1,201	1,208

Number of Schools at June 30, 2022

Elementary = 5

Middle School = 2

Senior High School = 1

Source: District Records

PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL 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>
Memorial School	\$ 112,602	\$ 121,064	\$ 117,535	\$ 132,273	\$ 130,594	\$ 107,136	\$ 151,728	\$ 86,349	\$ 98,771	\$ 88,407
Midland School	37,519	40,339	39,163	44,074	43,515	35,699	50,557	28,772	32,911	29,458
Parkway School	25,832	27,773	26,963	30,344	29,959	24,578	34,808	19,809	22,659	20,281
Ridge Ranch School	82,690	88,904	86,313	97,136	95,903	78,677	111,423	63,411	72,534	64,922
Stony Lane School	33,753	36,289	35,231	39,648	39,145	32,114	45,480	25,883	29,607	26,500
Paramus High School	1,344,475	1,445,512	1,403,379	1,579,351	1,559,307	1,279,223	1,811,653	1,031,020	1,179,348	1,055,590
East Brook Middle School	92,996	99,985	97,071	109,243	107,856	88,483	125,311	71,315	81,575	73,014
West Brook Middle School	<u>162,072</u>	<u>174,252</u>	<u>169,173</u>	<u>190,386</u>	<u>187,970</u>	<u>154,207</u>	<u>218,390</u>	<u>124,287</u>	<u>142,167</u>	<u>127,249</u>
Total School Facilities	<u>\$ 1,891,939</u>	<u>\$ 2,034,118</u>	<u>\$ 1,974,828</u>	<u>\$ 2,222,455</u>	<u>\$ 2,194,249</u>	<u>\$ 1,800,117</u>	<u>\$ 2,549,350</u>	<u>\$ 1,450,846</u>	<u>\$ 1,659,572</u>	<u>\$ 1,485,421</u>

Source: District Records

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

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property - Building & Contents	\$ 95,128,109	\$ 25,000
General Liability (Aggregate)	3,000,000	2,500
Environmental Impairment Liability (Aggregate)	2,000,000	25,000
Business Automobile Liability	1,000,000	1,000
Excess Liability (Each Occurrence and Aggregate)	9,000,000	
Educator's Legal Liability	1,000,000	
Umbrella Excess (Each Occurrence and Aggregate)	25,000,000	
Cyber Liability (Combined Policy Aggregate)	6,000,000	100,000
Public Official Bonds - Western Surety Company		
Brooke Bartley, Business Administrator	500,000	

Source: District's records

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Paramus Board of Education
145 Spring Valley Road
Paramus, New Jersey 07652

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 and each major fund of the Paramus 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 Paramus Board of Education's basic financial statements and have issued our report thereon dated February 3, 2023.

Report on Internal Control Over Financial Reporting

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

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


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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Paramus Board of Education’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Purpose of this Report

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


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 3, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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CHRISTINA CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Paramus Board of Education
145 Spring Valley Road
Paramus, New Jersey 07652

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Paramus 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 Paramus Board of Education's major federal and state programs for the fiscal year ended June 30, 2022. The Paramus Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Paramus 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 federal and state programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal and 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; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and 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, U.S. Uniform Guidance and 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 Paramus 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 federal and state program. Our audit does not provide a legal determination of the Paramus 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 Paramus Board of Education's federal and 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 Paramus 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, U.S. Uniform Guidance 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 Paramus Board of Education's compliance with the requirements of each major federal and 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, U.S. Uniform Guidance, 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 Paramus 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 Paramus 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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Paramus 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 federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

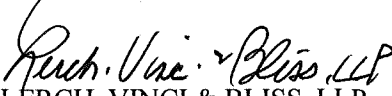
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Paramus 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 3, 2023, which contained unmodified opinions. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 3, 2023

PARAMUS BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	Federal FAIN Number	Award Amount	Grant Period	July 1, 2021				June 30, 2022				MEMO GAAP Receivable		
					Accounts Receivable	Unearned Revenue	Accounts Receivable Carryover	Unearned Revenue Carryover	Cash Received	Budgetary Expenditures	Accounts Receivable Adjustments	Unearned Revenue Adjustments		Accounts Receivable	Unearned Revenue
U.S. Department of Education															
Passed-through State Department of Education															
General Fund															
Medicaid Reimbursement	93.778	2105NJ5MAP	\$ 45,670	7/1/21-6/30/22					\$ 32,683	\$ 45,670			\$ (12,987)	\$ (12,987)	
Medicaid Reimbursement	93.778	2105NJ5MAP	42,480	7/1/20-6/30/21	\$ (5,799)				5,799						
FEMA - Public Assistance - Coronavirus Pandemic	97.036	N/A	431,332	7/1/21-6/30/22					431,332	431,332					
FEMA - Public Assistance - Hurricane IDA	97.036	N/A	37,913	7/1/21-6/30/22					37,913	37,913					
Total General Fund					(5,799)	-	-	-	507,727	514,915	-	-	(12,987)	(12,987)	
U.S. Department of Education															
Passed-through State Department of Education															
Special Revenue Fund															
I.D.E.A. Part B															
Basic Regular	84.027A	H027A210100	1,444,132	7/1/21-9/30/22			\$ (280,194)	\$ 72,682	1,473,832	1,443,611			(250,494)	\$ 73,203	(177,291)
Basic Regular, Carryover	84.027A	H027A200100	1,514,367	7/1/20-9/30/21	(280,194)	\$ 72,682	280,194	(72,682)							
ARP IDEA Basic	84.027X	H027X210100	333,890	7/1/21-9/30/22					176,706	195,186			(157,184)	138,704	(18,480)
ARP IDEA Preschool	84.173X	H173X200114	28,499	7/1/21-9/30/22					20,339	27,494			(8,160)	1,005	(7,155)
Preschool	84.173A	H173A200114	36,515	7/1/21-9/30/22			(15,265)	216	44,879	35,691			(6,901)	1,040	(5,861)
Preschool, Carryover	84.173A	H173A200114	36,100	7/1/20-9/30/21	(15,265)	216	15,265	(216)							
Total I.D.E.A. Cluster					(295,459)	72,898	-	-	1,715,756	1,701,982	-	-	(422,739)	213,952	(208,787)
ESEA															
Title I	84.010	S010A210030	220,660	7/1/21-9/30/22			(234,692)	45,945	307,213	318,803	\$ (53,199)	\$ 53,199	(201,338)	1,001	(200,337)
Title I c/o	84.010	S010A200030	328,872	7/1/20-9/30/21	(234,692)	45,945	234,692	(45,945)							
Title II Part A	84.367A	S367A210029	60,737	7/1/21-9/30/22			(81,808)	40,937	82,254	64,667			(60,291)	37,007	(23,284)
Title II Part A c/o	84.367A	S367A200029	70,643	7/1/20-9/30/21	(81,808)	40,937	81,808	(40,937)							
Title III	84.365	S365A210030	29,573	7/1/21-9/30/22			(15,799)	7,659	27,721	25,570			(17,651)	11,662	(5,989)
Title III c/o	84.365	S365A200030	26,931	7/1/20-9/30/21	(15,799)	7,659	15,799	(7,659)							
Title III - Immigrant c/o	84.365	S365A180030	9,738	7/1/18-6/30/19	(4,863)	4,567			1,820	4,008			(3,043)	559	(2,484)
Title IV	84.424	S424A210031	21,705	7/1/21-9/30/22			(42,937)	36,126	22,779	29,869			(41,863)	27,962	(13,901)
Title IV c/o	84.424	S424A200031	21,840	7/1/20-9/30/21	(42,937)	36,126	42,937	(36,126)							
CARES Emergency Relief Grant	84.425D	S425D200027	369,653	3/13/20-9/30/22	(103,132)	11,301			92,237	406	10,895	(10,895)	-	-	-
CRRSA - ESSER II	84.425D	S425D210027	974,676	3/13/20-9/30/23					875,120	912,723			(99,556)	61,953	(37,603)
CRRSA - Learning Acceleration	84.425D	S425D210027	62,550	3/13/20-9/30/23					11,955	34,335			(50,595)	28,215	(22,380)
CRRSA - Mental Health	84.425D	S425D210027	45,000	3/13/20-9/30/23					29,516	29,516			(15,484)	15,484	-
ARP - ESSER	84.425U	S425U210027	2,190,521	3/13/20-9/30/24					167,870	2,022,651			(2,190,521)	2,022,651	(167,870)
ARP - Accelerated Learning Coach and Educator	84.425U	S425U210027	300,001	3/13/20-9/30/24					6,575	6,575			(300,001)	293,426	(6,575)
ARP - Evidence Based Summer Learning	84.425U	S425U210027	40,000	3/13/20-9/30/24					-	-			(40,000)	40,000	-
ARP - Evidence Based Comprehensive Beyond	84.425U	S425U210027	40,000	3/13/20-9/30/24					-	-			(40,000)	40,000	-
ARP - NJTSS Mental Health Support Staffing	84.425U	S425U210027	45,000	3/13/20-9/30/24					-	-			(45,000)	45,000	-
Total Education Stabilization Relief Cluster					(103,132)	11,301	-	-	1,008,828	1,151,425	10,895	(10,895)	(2,781,157)	2,546,729	(234,428)
ACSERS Aid	21.027	SLFRFDOE1ISES	161,917	7/1/21-6/30/22						161,917			(161,917)	-	(161,917)
CRF - Nonpublic Technology	21.019	N/A	161,822	7/1/20-6/30/21	(1,432)	323							(1,432)	323	(1,109)
Total Special Revenue Fund					(780,122)	219,756	-	-	3,166,371	3,458,241	(42,304)	42,304	(3,691,431)	2,839,195	(852,236)
U.S. Department of Education															
Passed-through State Department of Education															
Enterprise Fund															
National School Lunch Program	10.555														
Non-Cash Assistance (Food Distribution)		221NJ304N1099	38,838	7/1/21-6/30/22					38,838	38,838					
Cash Assistance		221NJ304N1099	1,662,107	7/1/21-6/30/22					1,546,123	1,662,107			(115,984)		(115,984)
Cash Assistance		211NJ304N1099	313,002	7/1/20-6/30/21	(100,152)				100,152						
Emergency Operational Cost Program - Schools	10.555	202121H170341	74,709	7/1/21-6/30/22						74,709			(74,709)		(74,709)
Supply Chain Assistance Funding Program	10.555	221NJ344N8903	14,398	7/1/21-6/30/22					14,398	14,398					
P-EBT Administrative Program	10.649	2022225900941	1,242	7/1/21-6/30/22					1,242	1,242					
Total Child Nutrition Cluster					(100,152)	-	-	-	1,700,753	1,791,294	-	-	(190,693)	-	(190,693)
Total Federal Financial Awards					\$ (886,073)	\$ 219,756	\$ -	\$ -	\$ 5,374,851	\$ 5,764,450	\$ (42,304)	\$ 42,304	\$ (3,895,111)	\$ 2,839,195	\$ (1,055,916)

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

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

State Grantor/Program Title	Project Number	Amount	Period	Balance July 1, 2021	Carryover Amount	Cash Received	Cash Expenditures	Refund of Prior Balance	June 30, 2022			Memo		
									(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
General Fund														
Special Education Aid	22-495-034-5120-089	\$ 2,865,514	7/1/21-6/30/22			\$ 2,636,391	\$ 2,865,514							\$ 2,865,514
Special Education Aid	21-495-034-5120-089	2,231,406	7/1/20-6/30/21	\$ (168,494)		168,494								
Security Aid	22-495-034-5120-084	69,352	7/1/21-6/30/22			63,807	69,352			(5,545)				69,352
Security Aid	21-495-034-5120-084	69,352	7/1/20-6/30/21	(5,237)		5,237				-				-
Total State Aid Public Cluster				(173,731)		2,873,929	2,934,866			(234,668)				2,934,866
Transportation Aid	22-495-034-5120-014	727,057	7/1/21-6/30/22			668,922	727,057			(58,135)				727,057
Transportation Aid	21-495-034-5120-014	727,057	7/1/20-6/30/21	(54,900)		54,900								
NonPublic Transportation Aid	22-495-034-5120-014	67,280	7/1/21-6/30/22			64,107	67,280			(67,280)			\$ (67,280)	67,280
NonPublic Transportation Aid	21-495-034-5120-014	64,107	7/1/20-6/30/21	(64,107)		64,107				-				-
Total Transportation Aid Cluster				(119,007)		787,929	794,337			(125,415)			\$ (67,280)	794,337
Extraordinary Aid	22-100-034-5120-044	630,521	7/1/21-6/30/22			630,521				(630,521)				630,521
Extraordinary Aid	21-100-034-5120-044	767,166	7/1/20-6/30/21	(767,166)		767,166								
School Security Aid (Alyssa's Law) On-Behalf TPAF	20E00312	210,495	7/1/20-6/30/22	(210,495)		210,495								
Pension Contribution	22-495-034-5094-002	12,555,222	7/1/21-6/30/22			12,555,222	12,555,222							12,555,222
Long Term Disability Insurance	22-495-034-5094-004	3,783	7/1/21-6/30/22			3,783	3,783							3,783
NCGI	22-495-034-5094-004	177,137	7/1/21-6/30/22			177,137	177,137							177,137
Post Retirement Medical Contributions	22-495-034-5094-001	2,974,794	7/1/21-6/30/22			2,974,794	2,974,794							2,974,794
Social Security Contributions	22-495-034-5094-003	2,574,468	7/1/21-6/30/22			2,447,009	2,574,468			(127,459)			(127,459)	2,574,468
Social Security Contributions	21-495-034-5094-003	2,481,920	7/1/20-6/30/21	(121,998)		121,998				-				-
Total General Fund				(1,392,397)		22,919,462	22,645,128			(1,118,063)			(194,739)	22,645,128
Special Revenue Fund														
SDA Emergent and Capital Maintenance Needs	N/A	90,123	7/1/21-6/30/22							(90,123)	\$ 90,123		(90,123)	-
NJ Nonpublic Aid														
Textbooks	22-100-034-5120-064	217,513	7/1/21-6/30/22			217,513	206,975				\$ 10,538			206,975
Textbooks	21-100-034-5120-064	227,255	7/1/20-6/30/21	4,438				\$ 4,438						
Nursing	22-100-034-5120-070	441,056	7/1/21-6/30/22			441,056	441,056							441,056
Nursing	21-100-034-5120-070	415,752	7/1/20-6/30/21	70				70						
Security	22-100-034-5120-509	689,150	7/1/21-6/30/22			689,150	679,938				9,212			679,938
Security	21-100-034-5120-509	713,300	7/1/20-6/30/21	3,056				3,056						
Technology	22-100-034-5120-373	152,208	7/1/20-6/30/21			152,208	152,208							152,208
Technology	20-100-034-5120-373	137,808	7/1/19-6/30/20	11				11						
Auxiliary														
Compensatory Education	22-100-034-5120-067	438,942	7/1/21-6/30/22			438,942	313,172					125,770		313,172
Compensatory Education	21-100-034-5120-067	472,033	7/1/20-6/30/21	145,697				145,697						
ESL	22-100-034-5120-067	29,964	7/1/21-6/30/22			29,964	23,904				6,060			23,904
ESL	21-100-034-5120-067	25,756	7/1/20-6/30/21	9,237				9,237						
Home Instruction	22-100-034-5120-067	4,550	7/1/21-6/30/22				4,550			(4,550)			(4,550)	4,550
Home Instruction	21-100-034-5120-067	4,412	7/1/20-6/30/21	(4,412)		4,412				-				-
Total Auxiliary Cluster				150,522		473,318	341,626	154,934		(4,550)		131,830	(4,550)	341,626
Handicapped														
Supplementary Instruction	22-100-034-5120-066	484,862	7/1/21-6/30/22			484,862	479,014					5,848		479,014
Supplementary Instruction	21-100-034-5120-066	406,683	7/1/20-6/30/21	30,994				30,994						
Examination and Classification	22-100-034-5120-066	779,177	7/1/21-6/30/22			779,177	616,657					162,520		616,657
Examination and Classification	21-100-034-5120-066	797,880	7/1/20-6/30/21	325,800				325,800						
Corrective Speech	22-100-034-5120-066	361,770	7/1/21-6/30/22			361,770	351,540					10,230		351,540
Corrective Speech	21-100-034-5120-066	299,122	7/1/20-6/30/21	17,773				17,773						
Total Handicapped Cluster				374,567		1,625,809	1,447,211	374,567				178,598		1,447,211
Total Special Revenue Fund				532,664		3,599,054	3,269,014	537,076		(94,673)	90,123	330,178	(94,673)	3,269,014

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

State Grantor/Program Title	Project Number	Amount	Period	Balance July 1, 2021	Carryover Amount	Cash Received	Cash Expenditures	Refund of Prior Balance	June 30, 2022			Memo		
									(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education														
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	22-100-010-3350-023	\$ 39,114	7/1/21-6/30/22			\$ 36,445	\$ 39,114		\$ (2,669)				\$ (2,669)	\$ 39,114
State School Lunch Program	21-100-010-3350-023	17,437	7/1/20-6/30/21	\$ (4,989)	-	4,989	-	-	-	-	-	-	-	-
Total Enterprise Fund				<u>(4,989)</u>	<u>-</u>	<u>41,434</u>	<u>39,114</u>	<u>-</u>	<u>(2,669)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,669)</u>	<u>39,114</u>
Total State Financial Assistance Subject to Single Audit Determination				<u>\$ (864,722)</u>	<u>-</u>	<u>\$ 26,559,950</u>	<u>\$ 25,953,256</u>	<u>\$ 537,076</u>	<u>\$ (1,215,405)</u>	<u>90,123</u>	<u>\$ 330,178</u>	<u>\$ (292,081)</u>	<u>\$ 25,953,256</u>	
Less On-Behalf TPAF Pension and Annuity Aid														
Pension Contribution	22-495-034-5094-002	12,555,222	7/1/21-6/30/22			12,555,222	12,555,222							12,555,222
Long Term Disability Insurance	22-495-034-5094-004	3,783	7/1/21-6/30/22			3,783	3,783							3,783
NCGI	22-495-034-5094-004	177,137	7/1/21-6/30/22			177,137	177,137							177,137
Post Retirement Medical Contributions	22-495-034-5094-001	2,974,794	7/1/21-6/30/22			2,974,794	2,974,794							2,974,794
Total for State Financial Assistance Subject to Major Program Determination				<u>\$ (864,722)</u>	<u>\$ -</u>	<u>\$ 10,849,014</u>	<u>\$ 10,242,320</u>	<u>\$ 537,076</u>	<u>\$ (1,215,405)</u>	<u>\$ 90,123</u>	<u>\$ 330,178</u>	<u>\$ (292,081)</u>	<u>\$ 10,242,320</u>	

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

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$72,473 for the general fund and an increase of \$73,204 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	\$ 514,915	\$ 22,717,601	\$ 23,232,516
Special Revenue Fund	3,538,700	3,271,985	6,810,685
Food Service Fund	<u>1,791,294</u>	<u>39,114</u>	<u>1,830,408</u>
Total Awards Financial Assistance	<u>\$ 5,844,909</u>	<u>\$ 26,028,700</u>	<u>\$ 31,873,609</u>

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

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$2,574,468 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 \$12,732,359, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,974,794 and TPAF Long-Term Disability Insurance in the amount of \$3,783 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2021.

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

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

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

**PARAMUS 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: Unmodified

Internal control over financial reporting:

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

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

Federal Awards Section

Internal Control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weaknesses? 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 U.S. Uniform Guidance yes X no

Identification of major federal programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425D, 84.425U</u>	<u>Education Stabilization Fund - CARES Emergency Relief; CRRSA ESSER II, ARP - ESSER</u>
<u>84.027A, 84.027X, 84.173A, 84.173X</u>	<u>IDEA - Basic, ARP - Basic IDEA - Preschool, ARP - Preschool</u>
<u>10.555</u>	<u>National School Lunch Program Supply Chain Assistance Funding Program Emergency Operational Cost Program</u>

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

Auditee qualified as low-risk auditee? X yes no

**PARAMUS 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 deficiencies 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:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
<u>22-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>
<u>22-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>22-495-034-5120-084</u>	<u>Security Aid</u>
<u>22-100-034-5120-066</u>	<u>Nonpublic Handicapped Aid</u>
<u>22-495-034-5120-014</u>	<u>Transportation Aid</u> <u>Additional Nonpublic Transportation</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

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

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

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

Part 2 – Schedule of Financial Statement Findings

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

There are none.

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

THERE ARE NONE.

CURRENT YEAR STATE AWARDS

THERE ARE NONE.

**PARAMUS BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 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 Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.