

FLORHAM PARK BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Florham Park, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

Florham Park Board of Education

Florham Park, New Jersey

For The Fiscal Year Ended June 30, 2023

Prepared by

Business Office

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INTRODUCTORY SECTION



Florham Park Public Schools

ADMINISTRATIVE OFFICES

P.O. BOX 39 FLORHAM PARK, NJ 07932

973-822-3880

973-822-0867 Superintendent FAX

973-822-0716 Business Office FAX

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

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

November 29, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Florham Park Board of Education (the Board or District) for the fiscal year ended June 30, 2023 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the respective changes in financial position of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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



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

1. REPORTING ENTITY AND ITS SERVICES

The District provides a full range of educational services appropriate to grade levels pre-K through 8, inclusive of regular education students and those with special needs. The District completed the FY 2022/2023 with an average daily enrollment of 961. The following Average Daily Enrollment figures, reported in the School Register Summary, details the changes in student enrollment over the last ten (10) years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2022/23	961	.063%
2021/22	954	-.019%
2020/21	961	-2.93%
2019/20	990	1.14%
2018/19	970	0.41%
2017/18	966	0.00%
2016/17	966	0.00%
2015/16	966	-2.42%
2014/15	990	-1.30%
2013/14	1,003	-0.79%

2. ECONOMIC CONDITION AND OUTLOOK

Florham Park remains financially healthy. The District is currently carrying approximately a 2.0% unassigned budgetary basis fund balance of the net budget to provide future funding for any reduction of State Aid. In addition, the district has established both a Capital Reserve and Maintenance Reserve for the local funding portion of future capital projects contained the district's Long Range Facility Plan and required maintenance contained in the Comprehensive Maintenance Plan. The district has completed all scheduled projects through year 4 , 24 in all, as part of a \$25 million dollar bond referendum past on November 5, 2019. The district is planning the final 3 capital projects for year five.



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3. MAJOR INITIATIVES

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

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

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

The District completed 4 capital projects in the summer/fall of 2023. Those projects were all located at the Briarwood Elementary School. These projects included complete renovations of the all classrooms for ceiling and lighting, all classroom windows, Child Study Team/Special Education area and all classroom HVAC units.

4. INTERNAL ACCOUNTING CONTROLS

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

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

5. BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, special revenue fund and debt service fund. The final budget amount as amended for FY 2022/2023 is reflected in the budgetary comparison schedules of the required supplementary information.



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5. BUDGETARY CONTROLS (Continued)

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assigned fund balance at June 30, 2023.

6. ACCOUNTING SYSTEM AND REPORTS

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

7. DEBT ADMINISTRATION

At June 30, 2023 the District had \$23,265,000 in General Obligation Bonds outstanding. The proceeds of these bonds are being used for major capital improvements, to the District's three school buildings scheduled to be completed by the fiscal year ending June 30, 2025.

8. CASH MANAGEMENT

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

9. RISK MANAGEMENT

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

10. OTHER INFORMATION

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



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10. OTHER INFORMATION (Continued)

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

11. ACKNOWLEDGEMENTS

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

Respectfully submitted,

Dr. Steven G. Caponegro
Superintendent of Schools

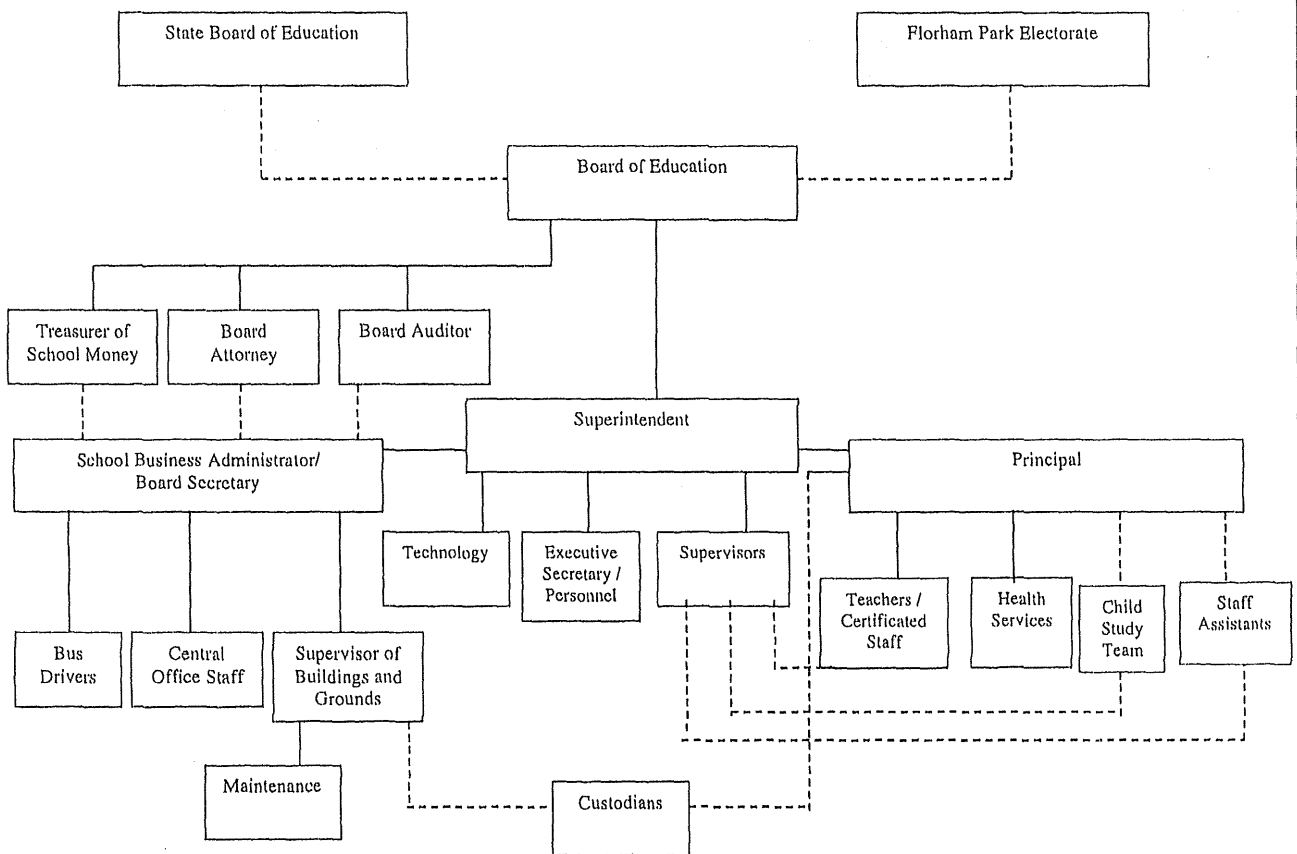
John R. Csatlos CPA
Business Administrator/Board Secretary

POLICY

FLORHAM PARK BOARD OF EDUCATION

ADMINISTRATION

ORGANIZATIONAL CHART



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

**ROSTER OF OFFICIALS
JUNE 30, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Brian Perillo, President	2024
Kristina Heinold, Vice President	2023
Christina Anello	2025
Yvonne Cali	2025
John Miscia	2025
Michael Priore	2024
Stacey Sabatos	2023

Other Officials

Dr. Steven Caponegro, Superintendent of Schools

John R. Csatlos, School Business Administrator/Board Secretary

Raymond G. Karaty, Treasurer

FLORHAM PARK BOARD OF EDUCATION

FLORHAM PARK, NEW JERSEY

CONSULTANTS AND ADVISORS

ATTORNEY

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

AUDIT FIRM

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

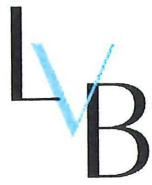
ARCHITECTS

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

OFFICIAL DEPOSITORY

Valley National Bank
Florham Park, New Jersey 07932

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
P.O. Box 39
Florham Park, New Jersey 07932

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Florham Park Board of Education, as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Florham Park Board of Education as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Florham Park Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Florham Park Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Florham Park Board of Education's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Florham Park Board of Education's basic financial statements. The accompanying schedule of expenditures of federal awards 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 Florham Park Board of Education. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

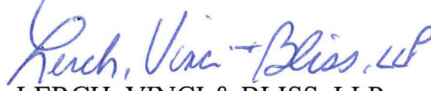
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 29, 2023 on our consideration of the Florham Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Florham Park Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Florham Park Board of Education's internal control over financial reporting and compliance.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 29, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

FLORHAM PARK BOARD OF EDUCATION

Management's Discussion and Analysis

This section of Florham Park Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 fiscal year include the following:

- The assets and deferred outflows of resources of the Florham Park Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$14,705,959 (net position).
- Overall District revenues were \$32,537,098. General revenues accounted for \$22,628,737 or 70% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$9,908,361 of total revenues.
- The School District had \$30,122,116 in expenses for governmental activities; only \$9,905,873 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$22,628,737 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$6,930,462 a decrease of \$3,112,306 when compared to the ending fund balance at June 30, 2022 of \$10,042,768.
- The General Fund total fund balance at June 30, 2023 was \$2,814,014 a decrease of \$1,080,351 when compared with the ending fund balance of \$3,894,365 at June 30, 2022.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$687,951 which represents a decrease of \$368,113 when compared to the ending unassigned fund balance at June 30, 2022 of \$1,056,064.

FLORHAM PARK BOARD OF EDUCATION

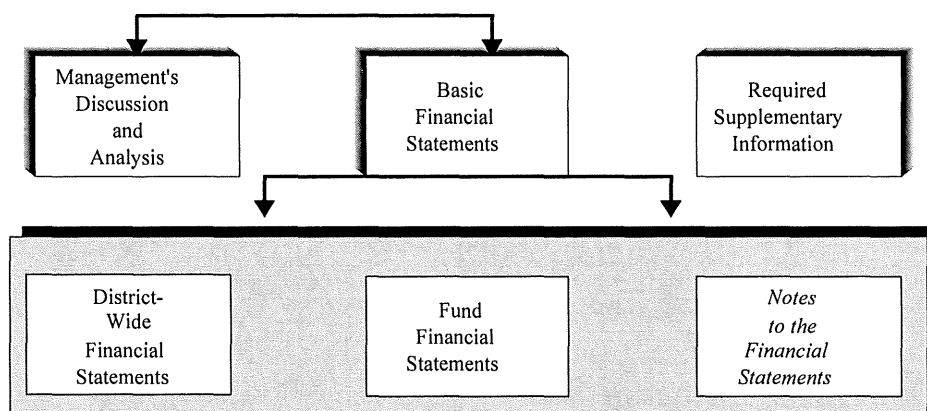
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below shows how the various parts of this annual report are arranged and related to one another.



FLORHAM PARK BOARD OF EDUCATION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Major Features of the District-Wide and Fund Financial Statements

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

FLORHAM PARK BOARD OF EDUCATION

Management's Discussion and Analysis

District-Wide Financial Statements

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

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

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

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

- *Governmental Activities* – Most of the District's basic services are included here, such as regular instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids and tuition charged to other school districts finance most of these activities.
- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund is included here.

Fund Financial Statements

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

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

FLORHAM PARK BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The District has two kinds of funds:

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

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 notes to the financial statements can be found following the fund financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for these funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

The District also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and post-retirement medical benefits as required under GASB Statement No. 75. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons if required.

FLORHAM PARK BOARD OF EDUCATION

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14,705,959 and \$12,311,482 as of June 30, 2023 and 2022, respectively, as shown below.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business- Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current Assets	\$ 8,599,810	\$ 10,539,486			\$ 8,599,810	\$ 10,539,486
Capital Assets	35,741,355	32,558,650	\$ 1,745	\$ 3,126	35,743,100	32,561,776
Total Assets	<u>44,341,165</u>	<u>43,098,136</u>	<u>1,745</u>	<u>3,126</u>	<u>44,342,910</u>	<u>43,101,262</u>
Total Deferred Outflows of Resources	<u>231,499</u>	<u>279,359</u>	<u>-</u>	<u>-</u>	<u>231,499</u>	<u>279,359</u>
Total Assets and Deferred Outflows of Resources	<u>44,572,664</u>	<u>43,377,495</u>	<u>1,745</u>	<u>3,126</u>	<u>44,574,409</u>	<u>43,380,621</u>
Liabilities						
Long-Term Liabilities	27,123,143	28,216,265			27,123,143	28,216,265
Other Liabilities	1,872,866	724,395	-	-	1,872,866	724,395
Total Liabilities	<u>28,996,009</u>	<u>28,940,660</u>	<u>-</u>	<u>-</u>	<u>28,996,009</u>	<u>28,940,660</u>
Total Deferred Inflows of Resources	<u>872,441</u>	<u>2,128,479</u>	<u>-</u>	<u>-</u>	<u>872,441</u>	<u>2,128,479</u>
Total Liabilities and Deferred Inflows of Resources	<u>29,868,450</u>	<u>31,069,139</u>	<u>-</u>	<u>-</u>	<u>29,868,450</u>	<u>31,069,139</u>
Net Position						
Net Investment in Capital Assets	12,476,355	13,603,613	1,745	3,126	12,478,100	13,606,739
Restricted	5,411,823	2,301,609			5,411,823	2,301,609
Unrestricted	<u>(3,183,964)</u>	<u>(3,596,866)</u>	<u>-</u>	<u>-</u>	<u>(3,183,964)</u>	<u>(3,596,866)</u>
Total Net Position	<u>\$ 14,704,214</u>	<u>\$ 12,308,356</u>	<u>\$ 1,745</u>	<u>\$ 3,126</u>	<u>\$ 14,705,959</u>	<u>\$ 12,311,482</u>

FLORHAM PARK BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years ended 2023 and 2022 are as follows:

Change in Net Position For The Fiscal Years Ended June 30, 2023 and 2022

	Governmental		Business Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues						
Charges for Services	\$ 212,677	\$ 227,279	\$ 2,488	\$ 1,500	\$ 215,165	\$ 228,779
Operating Grants and Contributions	8,850,727	5,712,617			8,850,727	5,712,617
Capital Grants and Contributions	842,469	85,982			842,469	85,982
General Revenues						
Property Taxes	21,856,612	21,489,467			21,856,612	21,489,467
Unrestricted State Aid	349,397	335,883			349,397	335,883
Other	<u>422,728</u>	<u>206,885</u>	<u>-</u>	<u>-</u>	<u>422,728</u>	<u>206,885</u>
Total Revenues	<u>32,534,610</u>	<u>28,058,113</u>	<u>2,488</u>	<u>1,500</u>	<u>32,537,098</u>	<u>28,059,613</u>
Expenses						
Instruction						
Regular	11,335,986	9,282,598			11,335,986	9,282,598
Special Education	5,200,173	4,123,238			5,200,173	4,123,238
Other Instruction	1,101,780	802,782			1,101,780	802,782
School Sponsored Activities and Athletics	106,711	280,776			106,711	280,776
Support Services						
Student and Instruction Related Services	4,814,552	3,976,051			4,814,552	3,976,051
General Administrative Services	837,801	730,229			837,801	730,229
School Administrative Services	1,139,001	1,009,910			1,139,001	1,009,910
Central Administrative Services	863,495	787,881			863,495	787,881
Plant Operations and Maintenance	3,077,583	3,234,486			3,077,583	3,234,486
Pupil Transportation	1,098,876	1,006,658			1,098,876	1,006,658
Interest on Debt	546,158	601,907			546,158	601,907
Food Services	<u>-</u>	<u>-</u>	<u>\$ 20,505</u>	<u>\$ 9,369</u>	<u>20,505</u>	<u>9,369</u>
Total Expenses	<u>30,122,116</u>	<u>25,836,516</u>	<u>20,505</u>	<u>9,369</u>	<u>30,142,621</u>	<u>25,845,885</u>
Increase (Decrease) in Net Position Before Transfers	2,412,494	2,221,597	(18,017)	(7,869)	2,394,477	2,213,728
Transfers	<u>(16,636)</u>	<u>(5,779)</u>	<u>16,636</u>	<u>5,779</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	2,395,858	2,215,818	(1,381)	(2,090)	2,394,477	2,213,728
Net Position, Beginning of Year	<u>12,308,356</u>	<u>10,092,538</u>	<u>3,126</u>	<u>5,216</u>	<u>12,311,482</u>	<u>10,097,754</u>
Net Position, End of Year	<u>\$ 14,704,214</u>	<u>\$ 12,308,356</u>	<u>\$ 1,745</u>	<u>\$ 3,126</u>	<u>\$ 14,705,959</u>	<u>\$ 12,311,482</u>

FLORHAM PARK BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities

The financial position of the District improved significantly. However, maintaining existing programs with decreased enrollment, the provision of a multitude of special programs/services for disabled pupils, and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

Total and Net Cost of Governmental Activities. The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2023 and 2022.

Total and Net Cost of Governmental Activities For the Fiscal Years Ended June 30, 2023 and 2022

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction				
Regular	\$ 11,335,986	\$ 9,282,598	\$ 7,695,581	\$ 7,341,704
Special Education	5,200,173	4,123,238	2,549,221	2,189,266
Other Instruction	1,101,780	802,782	717,118	471,044
School Sponsored Activities and Athletics	106,711	280,776	47,003	223,638
Support Services				
Student and Instruction Related Services	4,814,552	3,976,051	3,507,217	3,240,534
General Administrative Services	837,801	730,229	691,702	643,019
School Administrative Services	1,139,001	1,009,910	876,098	847,262
Central Administrative Services	863,495	787,881	723,356	680,514
Plant Operations and Maintenance	3,077,583	3,234,486	2,173,957	2,983,675
Pupil Transportation	1,098,876	1,006,658	802,456	710,585
Interest on Debt	546,158	601,907	432,534	479,397
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 30,122,116</u>	<u>\$ 25,836,516</u>	<u>\$ 20,216,243</u>	<u>\$ 19,810,638</u>

FLORHAM PARK BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$6,930,462, a decrease of \$3,112,306 from last year's fund balance of \$10,042,768.

Revenues for the District's governmental funds were \$30,078,065, total expenditures were \$33,173,735.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students.

Revenues of the General Fund were \$26,178,797 for the fiscal year ended June 30, 2023. State sources amounts to \$5,786,067 and local sources totaled \$20,392,730.

Expenditures of the General Fund were \$26,639,990. Instructional expenditures were \$15,602,450, support services were \$10,709,487 and capital expenditures totaled \$328,053 for the fiscal year ended June 30, 2023.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal and State sources utilized in the operations of the district in providing educational services to students with special needs.

Revenues of the Special Revenue Fund were \$558,150 for the fiscal year ended June 30, 2023. State sources amounts to \$14,025, federal sources were \$469,198 and local sources totaled \$74,927.

Expenditures of the Special Revenue Fund were \$554,955. Instructional expenditures were \$425,648 for support services were \$117,307 and capital expenditures totaled \$12,000 for the fiscal year ended June 30, 2023.

Capital Projects - The capital projects expenditures exceeded revenues and other financing uses by \$2,035,150, decreasing the fund balance from \$6,065,371 at June 30, 2022 to \$4,030,221 at June 30, 2023.

Proprietary Funds

The District maintains an Enterprise Fund to account for activities, which are supported in part through user fees.

FLORHAM PARK BOARD OF EDUCATION

Management's Discussion and Analysis

Enterprise Fund - The District uses Enterprise Funds to report activities related to the Food Services program. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2022 encumbrances.
- Appropriation of Capital Reserve

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2023 and 2022 amounts to \$35,743,100 and \$32,558,650 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2022-2023 amounted to \$810,413 for governmental activities and \$1,381 for the Business-Type activities.

The following is a comparative analysis of the District's total capital assets at June 30, 2023 and 2022.

Capital Assets
as of June 30, 2023 and 2022
(Net of Accumulated Depreciation)

	<u>2023</u>	<u>2022</u>
Land	\$ 1,156,663	\$ 1,156,663
Construction in Progress	20,743,920	18,289,115
Land Improvements	232,514	243,027
Buildings and Building Improvements	12,645,228	11,989,864
Machinery and Equipment	<u>964,775</u>	<u>879,981</u>
Total Capital Assets, Net	<u>\$ 35,743,100</u>	<u>\$ 32,558,650</u>

Additional information on the District's capital assets are presented in the Notes to the Financial Statements.

FLORHAM PARK BOARD OF EDUCATION

Management's Discussion and Analysis

LONG TERM LIABILITIES

At June 30, 2023, the District's long-term liabilities consisted of compensated absences payable of \$449,943, serial bonds of \$23,265,000, and net pension liability of \$3,408,200 totaling \$27,123,143. This is in comparison to long-term liabilities at June 30, 2022 of \$28,216,265 or a decrease of \$1,093,122.

Additional information on the District's long-term liabilities are presented in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2023-2024 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

These expenditures are to be paid for by the mandated 2% CAP on the property tax levy with certain allowable adjustments to the tax levy. In the future, any such allowable adjustments may not be permitted.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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DISTRICT-WIDE FINANCIAL STATEMENTS

FLORHAM PARK BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 7,329,743		\$ 7,329,743
Receivables, net	1,270,067		1,270,067
Capital Assets			
Not Being Depreciated	21,900,583		21,900,583
Being Depreciation, Net	13,840,772	\$ 1,745	13,842,517
Total Assets	44,341,165	1,745	44,342,910
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	231,499	-	231,499
Total Deferred Outflows of Resources	231,499	-	231,499
Total Assets and Deferred Outflows of Resources	44,572,664	1,745	44,574,409
LIABILITIES			
Accounts Payable and Other Current Liabilities	525,917		525,917
Payable to Other Governments	370		370
Accrued Interest Payable	203,518		203,518
Unearned Revenue	1,143,061		1,143,061
Noncurrent Liabilities			
Due Within One Year	1,064,950		1,064,950
Due Beyond One Year	26,058,193	-	26,058,193
Total Liabilities	28,996,009	-	28,996,009
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	872,441	-	872,441
Total Deferred Inflows of Resources	872,441	-	872,441
Total Liabilities and Deferred Inflows of Resources	29,868,450	-	29,868,450
NET POSITION			
Net Investment in Capital Assets	12,476,355	1,745	12,478,100
Restricted for			
Capital Projects	5,254,853		5,254,853
Other Purposes	156,970		156,970
Unrestricted	(3,183,964)	-	(3,183,964)
Total Net Position	\$ 14,704,214	\$ 1,745	\$ 14,705,959

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

FLORHAM PARK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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	\$ 11,335,986	\$ 71,673	\$ 3,568,732		\$ (7,695,581)		\$ (7,695,581)
Special Education	5,200,173		2,650,952		(2,549,221)		(2,549,221)
Other Instruction	1,101,780		384,662		(717,118)		(717,118)
School Sponsored Activities and Athletics	106,711	51,659	8,049		(47,003)		(47,003)
Support Services							
Student and Instruction Related Services	4,814,552		1,307,335		(3,507,217)		(3,507,217)
General Administrative Services	837,801		146,099		(691,702)		(691,702)
School Administrative Services	1,139,001		262,903		(876,098)		(876,098)
Central Administrative Services	863,495		140,139		(723,356)		(723,356)
Plant Operations and Maintenance	3,077,583		61,157	\$ 842,469	(2,173,957)		(2,173,957)
Pupil Transportation	1,098,876	89,345	207,075		(802,456)		(802,456)
Interest on Debt	546,158	-	113,624	-	(432,534)	-	(432,534)
Total Governmental Activities	<u>30,122,116</u>	<u>212,677</u>	<u>8,850,727</u>	<u>842,469</u>	<u>(20,216,243)</u>	<u>-</u>	<u>(20,216,243)</u>
Business-Type Activities							
Food Service	<u>20,505</u>	<u>2,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ (18,017)</u>	<u>(18,017)</u>
Total Business-Type Activities	<u>20,505</u>	<u>2,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,017)</u>	<u>(18,017)</u>
Total Primary Government	<u>\$ 30,142,621</u>	<u>\$ 215,165</u>	<u>\$ 8,850,727</u>	<u>\$ 842,469</u>	<u>(20,216,243)</u>	<u>(18,017)</u>	<u>(20,234,260)</u>
General Revenues							
Taxes							
Property Tax, Levied for General Purposes					19,993,908		19,993,908
Property Tax, Levied for Debt Service					1,862,704		1,862,704
State Aid for Debt Service Principal					349,397		349,397
Investment Earnings					342,672		342,672
Miscellaneous Income					80,056		80,056
Transfers					<u>(16,636)</u>	<u>16,636</u>	<u>-</u>
Total General Revenues and Transfers					<u>22,612,101</u>	<u>16,636</u>	<u>22,628,737</u>
Change in Net Position					2,395,858	(1,381)	2,394,477
Net Position, Beginning of Year					<u>12,308,356</u>	<u>3,126</u>	<u>12,311,482</u>
Net Position, End of Year					<u>\$ 14,704,214</u>	<u>\$ 1,745</u>	<u>\$ 14,705,959</u>

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

FUND FINANCIAL STATEMENTS

**FLORHAM PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 2,848,769	\$ 106,818	\$ 4,374,156		\$ 7,329,743
Intergovernmental Receivable	33,339	133,270	1,094,940		1,261,549
Other Accounts Receivable	3,600	4,918			8,518
Due from Other Funds	138,188	-	-	-	138,188
	<u>3,023,896</u>	<u>245,006</u>	<u>5,469,096</u>	<u>-</u>	<u>8,737,998</u>
Total Assets	<u>\$ 3,023,896</u>	<u>\$ 245,006</u>	<u>\$ 5,469,096</u>	<u>\$ -</u>	<u>\$ 8,737,998</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 55,536		\$ 343,935		\$ 399,471
Accrued Salaries and Wages	708				708
Payroll Deductions and Withholdings Payable	56,497				56,497
Unemployment Contributions Payable	69,241				69,241
Intergovernmental Payable		\$ 370			370
Due to Other Funds		138,188			138,188
Unearned Revenue	27,900	20,221	1,094,940	-	1,143,061
	<u>209,882</u>	<u>158,779</u>	<u>1,438,875</u>	<u>-</u>	<u>1,807,536</u>
Total Liabilities	<u>209,882</u>	<u>158,779</u>	<u>1,438,875</u>	<u>-</u>	<u>1,807,536</u>
Fund Balances					
Restricted					
Capital Reserve	924,632				924,632
Capital Reserve - Designated for Subsequent Year's Expenditures	300,000				300,000
Maintenance Reserve	30,000				30,000
Maintenance Reserve - Designated for Subsequent Year's Expenditures	20,000				20,000
Unemployment Compensation Reserve	20,743				20,743
Excess Surplus	406,668				406,668
Excess Surplus - Designated for Subsequent Year's Expenditures	260,826				260,826
Student Activities		80,846			80,846
Scholarship Awards		5,381			5,381
Capital Projects			4,030,221		4,030,221
Assigned					
Year End Encumbrances	104,861				104,861
Designated for Subsequent Year Expenditures	354,799				354,799
Unassigned	391,485	-	-	-	391,485
	<u>2,814,014</u>	<u>86,227</u>	<u>4,030,221</u>	<u>-</u>	<u>6,930,462</u>
Total Fund Balances	<u>2,814,014</u>	<u>86,227</u>	<u>4,030,221</u>	<u>-</u>	<u>6,930,462</u>
Total Liabilities and Fund Balances	<u>\$ 3,023,896</u>	<u>\$ 245,006</u>	<u>\$ 5,469,096</u>	<u>\$ -</u>	<u>\$ 8,737,998</u>

**FLORHAM PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023**

Total Fund Balances (Exhibit B-1) \$ 6,930,462

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 \$53,751,424 and the accumulated depreciation is \$18,010,069. 35,741,355

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

Deferred Outflows of Resources	\$ 231,499	
Deferred Inflows of Resources	<u>(872,441)</u>	(640,942)

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (203,518)

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

Serial Bonds Payable, Net	23,265,000	
Compensated Absences	449,943	
Net Pension Liability	<u>3,408,200</u>	<u>(27,123,143)</u>

Total Net Position of Governmental Activities (Exhibit A-1) \$ 14,704,214

**FLORHAM PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Taxes	\$ 19,993,908			\$ 1,862,704	\$ 21,856,612
Tuition	71,673				71,673
Transportation Fees	89,345				89,345
Interest	157,748		\$ 184,924		342,672
Miscellaneous	80,056	\$ 74,927	-	-	154,983
Total - Local Sources	20,392,730	74,927	184,924	1,862,704	22,515,285
State Sources	5,786,067	14,025	21,699	463,021	6,284,812
Federal Sources	-	469,198	808,770	-	1,277,968
Total Revenues	<u>26,178,797</u>	<u>558,150</u>	<u>1,015,393</u>	<u>2,325,725</u>	<u>30,078,065</u>
EXPENDITURES					
Current					
Instruction					
Regular	10,061,035	27,005			10,088,040
Special Education	4,566,977	232,002			4,798,979
Other Instruction	890,575	118,073			1,008,648
School-Sponsored Activities and Athletics	83,863	48,568			132,431
Support Services					
Student and Instruction Related Services	4,339,365	110,542			4,449,907
General Administrative Services	804,250				804,250
School Administrative Services	1,059,535				1,059,535
Central Administrative Services	872,288				872,288
Plant Operations and Maintenance	2,527,948	6,765			2,534,713
Student Transportation Services	1,106,101				1,106,101
Debt Service					
Principal	-			1,755,000	1,755,000
Interest and Other Charges	-			570,725	570,725
Capital Outlay	328,053	12,000	3,653,065	-	3,993,118
Total Expenditures	<u>26,639,990</u>	<u>554,955</u>	<u>3,653,065</u>	<u>2,325,725</u>	<u>33,173,735</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(461,193)	3,195	(2,637,672)	-	(3,095,670)
OTHER FINANCING SOURCES/(USES)					
Transfers In	184,924		787,446		972,370
Transfers Out	(804,082)	-	(184,924)	-	(989,006)
Total Other Financing Uses	(619,158)	-	602,522	-	(16,636)
Net Change in Fund Balances	(1,080,351)	3,195	(2,035,150)	-	(3,112,306)
Fund Balance, Beginning of Year	<u>3,894,365</u>	<u>83,032</u>	<u>6,065,371</u>	<u>-</u>	<u>10,042,768</u>
Fund Balance, End of Year	<u>\$ 2,814,014</u>	<u>\$ 86,227</u>	<u>\$ 4,030,221</u>	<u>\$ -</u>	<u>\$ 6,930,462</u>

**FLORHAM PARK BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ (3,112,306)**

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

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

Capital Outlay	\$ 3,993,118	
Depreciation Expense	<u>(810,413)</u>	
		3,182,705

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

Increase in Compensated Absences	(31,775)	
Decrease in Pension Expense	<u>577,667</u>	
		545,892

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

Principal Payments		
Serial Bond Principal	<u>1,755,000</u>	
		1,755,000

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

Amortization of Bond Premium	16,407	
Amortization of Deferred Amounts on Refunding	<u>(15,999)</u>	
		408

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

Decrease in Accrued Interest		<u>24,159</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 2,395,858**

**FLORHAM PARK BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2023**

	Non-Major Enterprise Fund <u>Food Service</u>
ASSETS	
Non-Current Assets	
Capital Assets	
Equipment	\$ 119,196
Less: Accumulated Depreciation	<u>(117,451)</u>
Total Non-Current Assets	<u>1,745</u>
Total Assets	<u>1,745</u>
 NET POSITION	
Investment in Capital Assets	<u>1,745</u>
Total Net Position	<u>\$ 1,745</u>

**FLORHAM PARK BOARD OF EDUCATION
 PROPRIETARY FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Non-Major Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Local Sources	
Daily Sales	\$ <u>2,488</u>
Total Operating Revenues	<u>2,488</u>
OPERATING EXPENSES	
Supplies and Materials	18,037
Other Purchased Services	1,087
Depreciation	<u>1,381</u>
Total Operating Expenses	<u>20,505</u>
Operating (Loss)	(18,017)
Transfer In	<u>16,636</u>
Changes in Net Position	(1,381)
Net Position, Beginning of Year	<u>3,126</u>
Net Position, End of Year	<u>\$ 1,745</u>

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

**FLORHAM PARK BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Non-Major Enterprise Fund <u>Food Service</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 2,488
Cash Payments to Suppliers for Goods and Services	<u>(19,124)</u>
Net Cash Provided (Used) by Operating Activities	<u>(16,636)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from General Fund	<u>16,636</u>
Net Cash Provided by Noncapital Financing Activities	<u>16,636</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-
Cash and Cash Equivalents, Beginning of Year	<u>\$ -</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ -</u></u>
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities	
Operating (Loss)	<u>\$ (18,017)</u>
Adjustments to Reconcile Operating Loss to Net Cash (Used for) Operating Activities	
Depreciation	<u>1,381</u>
Total Adjustments	<u>1,381</u>
Net Cash Provided (Used by) Operating Activities	<u><u>\$ (16,636)</u></u>

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

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NOTES TO THE FINANCIAL STATEMENTS

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

B. New Accounting Standards

During fiscal year 2023, the District adopted the following GASB statements:

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*. 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.

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 99, *Omnibus 2022*. 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.

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

- 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.

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

4. Capital Assets

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

**FLORHAM PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets (Continued)

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	20-50
Building Improvements	20
Machinery and Equipment	5-20

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a 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 a 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. 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.

6. Compensated Absences

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

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Pensions

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

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

8. Long-Term Obligations

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

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

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.

FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements

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

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

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

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

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

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

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2023 audited excess surplus that is required to be appropriated in the 2024/2025 original budget certified for taxes.

Excess Surplus - Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2022 audited excess surplus that was appropriated in the 2023/2024 original budget certified for taxes.

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.

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

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

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

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

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

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. The District has no committed fund balances at year end.

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.

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2021-2022 and 2022-2023 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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of NJSA 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year's general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters. The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund.

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 2022/2023. Also, during 2022/2023 the Board increased the original budget of the general fund by \$410,430 and the special revenue fund by \$349,073. The increases were funded by the additional appropriation of unassigned fund balance, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances.

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

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

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022		\$ 2,151,078
Decreased by		
Withdrawals Approved in District Budget	\$ 139,000	
Withdrawals Approved by Board Resolution	<u>787,446</u>	
		<u>926,446</u>
Balance, June 30, 2023		<u>\$ 1,224,632</u>

The June 30, 2023 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$19,894,500. \$300,000 of the capital reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

C. Maintenance Reserve

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

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

**FLORHAM PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022	\$ 50,000
Balance, June 30, 2023	<u>\$ 50,000</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$994,136. \$20,000 of the maintenance reserve balance was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

D. Emergency Reserve

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

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

The activity of the emergency reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022	\$ 87,000
Decreased by	
Withdrawals Approved in District Budget	<u>87,000</u>
Balance, June 30, 2023	<u>\$ -</u>

E. Transfers to Capital Outlay

During the 2022/2023 school year, the district transferred \$145,087 to the non-equipment capital outlay accounts.

F. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 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, 2023 is \$667,494. Of this amount, \$260,826 was designated and appropriated in the 2023/2024 original budget certified for taxes and the remaining amount of \$406,668 will be appropriated in the 2024/2025 original budget certified for taxes.

**FLORHAM PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

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, 2023, the book value of the Board's deposits was \$7,329,743 and bank and brokerage firm balances of the Board's deposits amounted to \$9,160,945. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 8,958,790
Uninsured and Collateralized	<u>202,155</u>
	<u>\$ 9,160,945</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, 2023 the Board's bank balance of \$185,110 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	<u>\$ 202,155</u>
	<u>\$ 202,155</u>

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments

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

As of June 30, 2023, the Board had no outstanding investments.

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

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

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

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

B. Receivables

Receivables as of June 30, 2023 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>Capital Projects</u>	<u>Total</u>
Receivables:				
Intergovernmental:				
Federal		\$ 133,270	\$ 1,094,940	\$ 1,228,210
State	\$ 33,339			33,339
Local	3,600	4,918	\$ -	8,518
	<hr/>	<hr/>	<hr/>	<hr/>
Gross Receivables	36,939	138,188	1,094,940	1,270,067
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 36,939</u>	<u>\$ 138,188</u>	<u>\$ 1,094,940</u>	<u>\$ 1,270,067</u>

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

General Fund		
Prepaid Tuition Fees	\$	27,900
Capital Projects Fund		
Unencumbered Grant Draw Downs		1,094,940
Special Revenue Fund		
Unencumbered Grant Draw Downs		19,164
Grant Draw Downs Year-End Encumbrances		<u>1,057</u>
Total Unearned Revenue for Governmental Funds	\$	<u>1,143,061</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Balance, July 1, 2022	Increases	Decreases	Transfers	Balance, June 30, 2023
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,156,663				\$ 1,156,663
Construction in Progress	<u>18,289,115</u>	\$ 2,605,205	<u>-</u>	\$ (150,400)	<u>20,743,920</u>
Total Capital Assets, Not Being Depreciated	<u>19,445,778</u>	<u>2,605,205</u>	<u>-</u>	<u>(150,400)</u>	<u>21,900,583</u>
Capital Assets, Being Depreciated:					
Land Improvements	1,662,405	16,260			1,678,665
Building and Building Improvements	25,764,966	1,113,164		150,400	27,028,530
Machinery and Equipment	<u>2,900,980</u>	<u>258,489</u>	<u>(15,823)</u>	<u>-</u>	<u>3,143,646</u>
Total Capital Assets Being Depreciated	<u>30,328,351</u>	<u>1,387,913</u>	<u>(15,823)</u>	<u>150,400</u>	<u>31,850,841</u>
Less Accumulated Depreciation for:					
Land Improvements	(1,419,378)	(26,773)			(1,446,151)
Building and Building Improvements	(13,775,102)	(608,200)			(14,383,302)
Machinery and Equipment	<u>(2,020,999)</u>	<u>(175,440)</u>	<u>15,823</u>	<u>-</u>	<u>(2,180,616)</u>
Total Accumulated Depreciation	<u>(17,215,479)</u>	<u>(810,413)</u>	<u>15,823</u>	<u>-</u>	<u>(18,010,069)</u>
Total Assets, Being Depreciation, Net	<u>13,112,872</u>	<u>577,500</u>	<u>-</u>	<u>150,400</u>	<u>13,840,772</u>
Governmental Activities Capital Assets, Net	<u>\$ 32,558,650</u>	<u>\$ 3,182,705</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,741,355</u>

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 119,196	-	-	\$ 119,196
Total Capital Assets Being Depreciated	<u>119,196</u>	<u>-</u>	<u>-</u>	<u>119,196</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(116,070)</u>	\$ (1,381)	-	<u>(117,451)</u>
Total Accumulated Depreciation	<u>(116,070)</u>	<u>(1,381)</u>	<u>-</u>	<u>(117,451)</u>
Total Capital Assets, Being Depreciated, Net	<u>3,126</u>	<u>(1,381)</u>	<u>-</u>	<u>1,745</u>
Business-Type Activities Capital Assets, Net	<u>\$ 3,126</u>	<u>\$ (1,381)</u>	<u>\$ -</u>	<u>\$ 1,745</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 16,610
Special	<u>454</u>
Total Instruction	<u>17,064</u>
Support Services	
Student and Instruction Related Services	9,137
General Administrative Services	984
School Administrative Services	29,040
Plant Operations and Maintenance	704,602
Pupil Transportation	<u>49,586</u>
Total Support Services	<u>793,349</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 810,413</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 1,381</u>

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2023:

<u>Project</u>	<u>Remaining Commitment</u>
Window Replacement at Briarwood and Brooklake Elementary Schools	\$ 1,063,692
Ceiling and Lighting Replacement at Briarwood Elementary School	974,390
HVAC Replacement at Briarwood Elementary School	<u>872,000</u>
	<u>\$ 2,910,082</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	<u>\$ 138,188</u>

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

Interfund Transfers

	<u>Transfer In:</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Enterprise Fund Food Service</u>	
Transfer Out:				
General Fund		\$ 787,446	\$ 16,636	\$ 804,082
Capital Projects Fund	<u>\$ 184,924</u>	<u>-</u>	<u>-</u>	<u>184,924</u>
Total Transfers	<u>\$ 184,924</u>	<u>\$ 787,446</u>	<u>\$ 16,636</u>	<u>\$ 989,006</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.

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets or 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, 2023 are comprised of the following issues:

\$24,854,000, 2020 School Bonds, due in annual installments of \$1,030,000 to \$1,540,000 through August 15, 2039, interest at 2.25% to 2.500%	<u>\$23,265,000</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:

Fiscal Year Ended <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 1,030,000	\$ 531,125	\$ 1,561,125
2025	1,075,000	507,444	1,582,444
2026	1,125,000	482,694	1,607,694
2027	1,170,000	456,875	1,626,875
2028	1,235,000	429,819	1,664,819
2029-2033	6,910,000	1,701,400	8,611,400
2034-2038	7,640,000	857,200	8,497,200
2039-2041	3,080,000	77,000	3,157,000
	<u>\$ 23,265,000</u>	<u>\$ 5,043,557</u>	<u>\$ 28,308,557</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2023 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 111,697,173
Less: Net Debt Issued and Authorized Not Issued	<u>23,265,156</u>
Remaining Borrowing Power	<u>\$ 88,432,017</u>

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Other Long-Term Liabilities (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

	Balance <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2023</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 25,020,000		\$ 1,755,000	\$ 23,265,000	\$ 1,030,000
Add: Original Issue Premium	<u>16,407</u>	<u>-</u>	<u>16,407</u>	<u>-</u>	<u>-</u>
Total Bonds Payable	25,036,407	-	1,771,407	23,265,000	1,030,000
Compensated Absences	418,168	\$ 53,849	22,074	449,943	34,950
Net Pension Liability	<u>2,761,690</u>	<u>1,224,177</u>	<u>577,667</u>	<u>3,408,200</u>	<u>-</u>
Governmental Activities Long-Term Liabilities	<u>\$ 28,216,265</u>	<u>\$ 1,278,026</u>	<u>\$ 2,371,148</u>	<u>\$ 27,123,143</u>	<u>\$ 1,064,950</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained 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 or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the Group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the 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.

**FLORHAM PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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.

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

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

Fiscal Year Ended <u>June 30,</u>	District <u>Contributions</u>	Employee <u>Contributions</u>	Interest <u>Earned</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2023	None	\$ 36,639	\$ 3,243	\$ 51,128	\$ 20,743
2022	None	27,282	127	6,407	17,500
2021	None	18,162	50	63,198	17,373

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2023, 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, 2023, the District has not estimated its arbitrage earnings due to the IRS, if any.

**FLORHAM PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

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.

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.

**FLORHAM PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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.

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

**FLORHAM PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of the total pension liability is 62.91% . The collective net pension liability of the State funded TPAF at June 30, 2022 is \$51.7 billion and the plan fiduciary net position as a percentage of total pension liability is 32.29%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 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 2023.

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, 2023 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 more 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 2023, 2022 and 2021 were equal to the required contributions.

During the fiscal years ended June 30, 2023, 2022 and 2021 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2023	\$ 284,792	\$ 3,020,355	\$ 21,598
2022	273,014	3,055,986	23,525
2021	257,943	2,111,779	27,879

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$1,268, \$1,169 and \$1,168, 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 \$660,325 during the fiscal year ended June 30, 2023 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, 2021 through June 30, 2022. 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, 2022 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2022.

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$3,408,200 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the District's proportionate share was 0.02258 percent, which was a decrease of 0.00073 percent from its proportionate share measured as of June 30, 2021 of 0.02331 percent.

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$292,875 for PERS. The pension contribution made by the District during the current 2022/2023 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, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. 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, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, 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	\$ 24,599	\$ 21,693
Changes of Assumptions	10,560	510,342
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	141,062	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>55,278</u>	<u>340,406</u>
Total	<u>\$ 231,499</u>	<u>\$ 872,441</u>

At June 30, 2023, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2023	\$ (447,163)
2024	(220,961)
2025	(108,621)
2026	137,128
2027	(1,325)
Thereafter	<u>-</u>
	<u>\$ (640,942)</u>

**FLORHAM PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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:	2.75-6.55%
	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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2022. 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.

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

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 percent, 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>4,378,539</u>	\$ <u>3,408,200</u>	\$ <u>2,582,403</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, 2022. A sensitivity analysis specific to the District’s net pension liability at June 30, 2022 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, 2021 through June 30, 2022. 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, 2022, the State’s pension contribution was more than the actuarial determined amount.

**FLORHAM PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,016,445 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, 2023 the State's proportionate share of the net pension liability attributable to the District is \$37,768,096. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the District was 0.07320 percent, which was an increase of 0.00191 percent from its proportionate share measured as of June 30, 2021 of 0.07129 percent.

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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:	2.75-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 44,283,895</u>	<u>\$ 37,768,096</u>	<u>\$ 32,279,354</u>

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2022. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2022 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, 2022. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

**FLORHAM PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. 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, 2021:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>151,669</u>
Total	<u>364,817</u>

Measurement Focus and Basis of Accounting

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

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit 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.

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2022 is \$50.6 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2022 were determined based on actuarial valuations as of June 30, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the June 30, 2021 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 \$1.33 billion to the OPEB plan in fiscal year 2022.

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, 2023, 2022 and 2021 were \$793,440, \$714,002 and \$661,799, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2021 through June 30, 2022. Nonemployer allocation percentages have been rounded for presentation purposes.

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

**FLORHAM PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,246,076. 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, 2023 the State’s proportionate share of the OPEB liability attributable to the District is \$36,071,886. 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, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state’s share of the OPEB liability attributable to the District was 0.07122 percent, which was an increase of 0.00206 percent from its proportionate share measured as of June 30, 2021 of 0.06916 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55%	2.75% to 4.25%
	Based on Years of Service	Based on Years of Service

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2021 Measurement Date	\$ 41,499,550
Changes Recognized for the Fiscal Year:	
Service Cost	1,945,071
Interest on the Total OPEB Liability	955,945
Differences Between Expected and Actual Experience	2,264,442
Changes of Assumptions	(9,676,607)
Gross Benefit Payments	(946,892)
Contributions from the Member	30,377
Net Changes	\$ (5,427,664)
Balance, June 30, 2022 Measurement Date	\$ 36,071,886

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

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, 2022.

**FLORHAM PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.54%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54% percent) or 1-percentage-point higher (4.54% percent) than the current rate:

	1% Decrease <u>(2.54%)</u>	Current Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 42,398,708</u>	<u>\$ 36,071,886</u>	<u>\$ 31,001,255</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>\$ 29,815,619</u>	<u>\$ 36,071,886</u>	<u>\$ 44,289,873</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022 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 Florham Park Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded a total of \$589,174 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGET COMPARISON SCHEDULES

BUDGETARY COMPARISON SCHEDULES

**FLORHAM PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Taxes	\$ 19,993,908	-	\$ 19,993,908	\$ 19,993,908	
Tuition	125,812	-	125,812	71,673	\$ (54,139)
Transportation Fees From Individuals	45,000	-	45,000	75,335	30,335
Transportation Fees From Other LEA's	-	-	-	14,010	14,010
Interest	-	-	-	154,505	154,505
Interest - Unemployment Compensation	-	-	-	3,243	3,243
Miscellaneous	60,000	-	60,000	80,056	20,056
Total Local Sources	20,224,720	-	20,224,720	20,392,730	168,010
State Sources					
Special Education Aid	905,886	-	905,886	905,886	
Transportation Aid	161,007	-	161,007	161,007	
Security Aid	19,487	-	19,487	19,487	
Extraordinary Aid	-	-	-	195,571	195,571
Additional Nonpublic Transportation Aid	-	-	-	33,339	33,339
On-behalf TPAF (Non-Budget)	-	-	-	-	
Pension Contribution	-	-	-	2,979,024	2,979,024
NCGI Premium	-	-	-	41,331	41,331
OPEB Payments - Post Retirement Medical Benefits	-	-	-	793,440	793,440
LTDI Payments - Long-Term Disability Insurance	-	-	-	1,268	1,268
Social Security Payments	-	-	-	660,325	660,325
Total State Sources	1,086,380	-	1,086,380	5,790,678	4,704,298
Total Revenues	21,311,100	-	21,311,100	26,183,408	4,872,308
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	111,791	\$ (10,039)	101,752	101,752	-
Kindergarten	427,260	(579)	426,681	426,681	-
Grades 1-5	2,756,610	(1,217)	2,755,393	2,755,393	-
Grades 6-8	1,859,885	(23,808)	1,836,077	1,836,077	-
Regular Program - Home Instruction					
Salaries of Teachers	10,000	(8,140)	1,860	1,860	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	12,000	(10,350)	1,650	1,650	-
Purchased Professional/Educational Services	142,000	256,921	398,921	398,921	-
Purchased Technical Services	66,800	(5,958)	60,842	60,842	-
Other Purchased Services	73,095	5,465	78,560	78,560	-
General Supplies	451,311	(82,068)	369,243	367,810	1,433
Textbooks	68,990	(26,787)	42,203	42,203	-
Other Objects	22,500	(2,653)	19,847	19,847	-
Total Regular Programs	6,002,242	90,787	6,093,029	6,091,596	1,433
Special Education Instruction					
Learning and/or Language Disabilities					
Salaries of Teachers	65,150	19,656	84,806	84,806	-
Other Salaries for Instruction	76,912	(302)	76,610	76,610	-
Purchased Professional/Educational Services	3,000	3,490	6,490	6,490	-
General Supplies	26,376	(2,055)	24,321	24,321	-
Total Learning and/or Language Disabilities	171,438	20,789	192,227	192,227	-
Multiple Disabilities					
Salaries of Teachers	139,845	(3,108)	136,737	136,737	-
Purchased Professional/Educational Services	3,000	31,545	34,545	34,545	-
General Supplies	9,605	(6,497)	3,108	3,108	-
Total Multiple Disabilities	152,450	21,940	174,390	174,390	-

**FLORHAM PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Resource Room/Resource Center					
Salaries of Teachers	\$ 1,465,581	\$ 122,580	\$ 1,588,161	\$ 1,588,161	-
Other Salaries for Instruction	197,216	(41,232)	155,984	155,984	-
Purchased Professional/Educational Services	100,000	44,520	144,520	144,520	-
General Supplies	29,595	714	30,309	30,309	-
Textbooks	6,370	(6,172)	198	198	-
Total Resource Room	1,798,762	120,410	1,919,172	1,919,172	-
Preschool Disabilities - Full-Time					
Salaries of Teachers	79,955	6,000	85,955	85,929	\$ 26
Other Salaries for Instruction	98,531	15,558	114,089	114,089	-
Purchased Professional/Educational Services	20,000	6,490	26,490	26,490	-
General Supplies	6,850	(3,213)	3,637	3,586	51
Total Preschool Disabilities - Full-Time	205,336	24,835	230,171	230,094	77
Total Special Education	2,327,986	187,974	2,515,960	2,515,883	77
Basic Skills/Remedial					
Salaries of Teachers	280,103	2,739	282,842	282,605	237
General Supplies	6,800	(3,256)	3,544	3,544	-
Total Basic Skills/Remedial	286,903	(517)	286,386	286,149	237
Bilingual Education - Instruction					
Salaries of Teachers	99,460	3,597	103,057	103,057	-
General Supplies	900	(156)	744	734	10
Total Bilingual Education - Instruction	100,360	3,441	103,801	103,791	10
School Sponsored Co/Extra Curricular Activities					
Salaries	118,742	1,480	120,222	120,222	-
Purchased Services	-	2,960	2,960	2,960	-
Supplies and Materials	14,590	(1,979)	12,611	12,514	97
Total School Sponsored Co/Extra Curricular Activities	133,332	2,461	135,793	135,696	97
School Sponsored Athletics					
Salaries	47,140	(6,088)	41,052	41,052	-
Purchased Services	7,000	-	7,000	7,000	-
Purchased Professional/Educational Services	6,000	-	6,000	6,000	-
Supplies and Materials	9,750	(8)	9,742	9,709	33
Other Objects	2,000	500	2,500	2,493	7
Total School Sponsored Athletics	71,890	(5,596)	66,294	66,254	40
Other Instructional Programs					
Salaries	3,365	8	3,373	3,373	-
Supplies and Materials	1,550	-	1,550	882	668
Total Other Instructional Programs	4,915	8	4,923	4,255	668
Total Instruction	8,927,628	278,558	9,206,186	9,203,624	2,562
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Special	296,000	(72,380)	223,620	215,441	8,179
Tuition to Priv. Sch. for the Disabled					
Within the State	217,000	(25,000)	192,000	173,440	18,560
Tuition to Priv. Sch. for the Disabled and Other LEAs Outside the State	-	42,380	42,380	-	42,380
Tuition - State Facilities	40,270	-	40,270	40,270	-
Total Undistributed Expenditures - Instruction	553,270	(55,000)	498,270	429,151	69,119

**FLORHAM PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Health Services					
Salaries	\$ 239,766	\$ 12,781	\$ 252,547	\$ 252,547	-
Purchased Professional-Technical Services	16,000	5,633	21,633	21,633	-
Other Purchased Services	5,330	2,106	7,436	7,436	-
Supplies and Materials	8,188	(1,291)	6,897	6,897	-
Other Objects	560	(331)	229	229	-
Total Health Services	<u>269,844</u>	<u>18,898</u>	<u>288,742</u>	<u>288,742</u>	-
Speech, OT, PT and Related Services					
Salaries	551,250	(18,264)	532,986	532,986	-
Purchased Professional-Educational Services	35,000	(9,265)	25,735	25,735	-
Supplies and Materials	24,615	(12,734)	11,881	11,881	-
Total Speech, OT, PT and Related Services	<u>610,865</u>	<u>(40,263)</u>	<u>570,602</u>	<u>570,602</u>	-
Other Support Services-Students-Extra Serv.					
Salaries	200,724	(14,504)	186,220	186,220	-
Purchased Professional-Educational Services	160,000	217,009	377,009	377,009	-
Total Other Support Services - Students - Extra Serv.	<u>360,724</u>	<u>202,505</u>	<u>563,229</u>	<u>563,229</u>	-
Guidance					
Salaries of Other Professional Staff	228,033	1,977	230,010	230,010	-
Salaries of Secretarial and Clerical Assistants	31,600	(8,516)	23,084	23,084	-
Other Purchased Professional and Tech. Services	49,692	(3,050)	46,642	46,642	-
Other Purchased Services	3,850	(955)	2,895	2,895	-
Supplies and Materials	13,170	(8,724)	4,446	4,446	-
Other Objects	850	(850)	-	-	-
Total Guidance	<u>327,195</u>	<u>(20,118)</u>	<u>307,077</u>	<u>307,077</u>	-
Child Study Team					
Salaries of Other Professional Staff	548,168	(48,378)	499,790	499,790	-
Salaries of Secretarial and Clerical Assistants	64,862	500	65,362	65,362	-
Purchased Professional-Educational Services	129,500	(10,413)	119,087	119,087	-
Other Purchased Professional and Tech. Services	35,400	(26,069)	9,331	9,331	-
Other Purchased Services	6,000	(4,263)	1,737	1,737	-
Supplies and Materials	35,322	(2,210)	33,112	32,526	\$ 586
Other Objects	2,535	(502)	2,033	2,033	-
Total Child Study Team	<u>821,787</u>	<u>(91,335)</u>	<u>730,452</u>	<u>729,866</u>	586
Improvement of Instructional Services					
Salaries of Other Professional Staff	162,590	(23,458)	139,132	139,132	-
Other Salaries	32,170	(13,466)	18,704	18,704	-
Purchased Professional/Educational Services	-	1,000	1,000	166	834
Supplies and Materials	2,000	(1,233)	767	767	-
Other Objects	2,403	-	2,403	1,690	713
Total Improvement of Instructional Services	<u>199,163</u>	<u>(37,157)</u>	<u>162,006</u>	<u>160,459</u>	1,547
Educational Media Services/School Library					
Salaries of Other Professional Staff	44,628	14,101	58,729	58,729	-
Salaries of Secretarial & Clerical Assist	31,600	(8,516)	23,084	23,084	-
Other Purchased Services	680	(182)	498	498	-
Supplies and Materials	10,325	(5,970)	4,355	4,355	-
Other Objects	615	(615)	-	-	-
Total Educational Media Serv./School Library	<u>87,848</u>	<u>(1,182)</u>	<u>86,666</u>	<u>86,666</u>	-
Instructional Staff Training Services					
Salaries of Other Professional Staff	53,087	2,775	55,862	55,862	-
Other Salaries	12,400	(12,196)	204	204	-
Purchased Professional/Educational Services	194,325	(111,068)	83,257	81,557	1,700
Other Purchased Services	12,200	(6,384)	5,816	5,061	755
Supplies and Materials	4,000	-	4,000	3,158	842
Other Objects	900	-	900	625	275
Total Staff Training Services	<u>276,912</u>	<u>(126,873)</u>	<u>150,039</u>	<u>146,467</u>	3,572

**FLORHAM PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Support Services General Administration					
Salaries	\$ 308,894	\$ 1,525	\$ 310,419	\$ 310,419	-
Legal Services	35,000	19,032	54,032	54,032	-
Audit Fees	34,250	30,240	64,490	31,890	\$ 32,600
Other Purchased Professional Services	10,200	77,335	87,535	65,935	21,600
Communications/Telephone	32,500	6,894	39,394	39,394	-
Miscellaneous Purchased Services	59,400	(14,473)	44,927	44,927	-
General Supplies	10,000	(891)	9,109	9,109	-
Miscellaneous Expenditures	20,000	(7,524)	12,476	12,476	-
Total Support Services General Administration	510,244	112,138	622,382	568,182	54,200
Support Services School Administration					
Salaries of Principal/Asst. Principals	385,162	(16,840)	368,322	368,322	-
Salaries of Other Professional Staff	37,591	(2,588)	35,003	35,003	-
Salaries of Secretarial and Clerical Assistants	210,826	(11,594)	199,232	199,112	120
Purchased Professional and Technical Services	3,200	-	3,200	3,128	72
Purchased Professional/Educational Services	-	8,999	8,999	8,788	211
Other Purchased Services	22,900	(3,488)	19,412	14,036	5,376
Supplies and Materials	20,750	(1,737)	19,013	17,492	1,521
Other Objects	15,125	425	15,550	14,460	1,090
Total Support Services School Administration	695,554	(26,823)	668,731	660,341	8,390
Support Services Central Services					
Salaries	209,285	4,588	213,873	213,873	-
Salaries of Secretarial and Clerical Assistants	139,368	(10,501)	128,867	128,867	-
Purchased Technical Services	30,800	1,368	32,168	32,141	27
Miscellaneous Purchased Services	3,000	6,887	9,887	9,887	-
Supplies and Materials	4,700	1,062	5,762	5,762	-
Miscellaneous Expenditures	2,200	-	2,200	1,350	850
Total Support Central School Administration	389,353	3,404	392,757	391,880	877
Admin. Info. Technology					
Salaries	155,597	14,082	169,679	169,679	-
Supplies and Materials	3,500	704	4,204	4,204	-
Total Admin. Info. Technology	159,097	14,786	173,883	173,883	-
Required Maintenance for School Facilities					
Salaries	275,686	(6,132)	269,554	269,554	-
Cleaning, Repair and Maintenance Services	109,950	43,585	153,535	153,535	-
General Supplies	21,500	(12,136)	9,364	9,364	-
Other Objects	600	(328)	272	272	-
Total Required Maintenance for School Fac.	407,736	24,989	432,725	432,725	-
Custodial Services					
Salaries	638,757	(872)	637,885	635,621	2,264
Purchased Prof. And Technical Serv.	68,300	11,522	79,822	79,723	99
Cleaning, Repair and Maint. Serv.	23,500	9,742	33,242	33,242	-
Other Purchased Property Services	32,000	(808)	31,192	31,192	-
Insurance	97,300	11,052	108,352	108,352	-
Miscellaneous Purchased Services	38,500	4,883	43,383	43,356	27
General Supplies	106,500	(20,763)	85,737	85,676	61
Energy (Natural Gas)	102,000	1,762	103,762	103,673	89
Energy (Electricity)	251,000	3,908	254,908	254,908	-
Other Objects	800	24	824	824	-
Total Custodial Services	1,358,657	20,450	1,379,107	1,376,567	2,540
Care and Upkeep of Grounds					
Salaries	77,297	500	77,797	77,797	-
Purchased Professional and Technical Services	3,800	(1,576)	2,224	2,190	34
Cleaning, Repair and Maintenance Svc.	45,700	(1,253)	44,447	44,447	-
General Supplies	18,700	1,051	19,751	19,737	14
Other Objects	-	85	85	85	-
Total Care and Upkeep of Grounds	145,497	(1,193)	144,304	144,256	48

**FLORHAM PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Security					
Purchased Professional and Technical Services	\$ 150,000	\$ (56,179)	\$ 93,821	\$ 78,945	\$ 14,876
Total Security	150,000	(56,179)	93,821	78,945	14,876
Student Transportation Services					
Salaries of Non-Instructional Aides	110,743	(7,953)	102,790	102,790	-
Salaries for Pupil Transportation (Between Home and School) - Regular	79,269	4,241	83,510	83,510	-
Salaries for Pupil Transportation (Between Home and School) - Sp Ed	99,250	33,327	132,577	132,577	-
Salaries for Pupil Transportation (Between Home and School) - Non-Public School	30,269	(3,863)	26,406	26,406	-
Management Fee - ESC & CTSA Transp. Prog.	2,500	140	2,640	2,640	-
Other Purchased Prof. and Technical Serv.	850	8,985	9,835	9,835	-
Cleaning, Repair and Maintenance Services	22,000	(6,677)	15,323	15,323	-
Contracted Services - Aid in Lieu of Payments Non-Public	70,000	45,956	115,956	115,956	-
Contracted Services (Other than Between Home and School)- Vendors	-	26,379	26,379	26,379	-
Contracted Services (Special Ed Students) - Vendors	4,000	(692)	3,308	3,308	-
Contracted Services (Special Ed Students) - Joint Agreements	276,000	30,775	306,775	306,775	-
Contracted Services (Reg. Students) - ESCs & CTSAAs	4,500	(1,957)	2,543	2,543	-
Contracted Services (Spec. Ed. Students) - ESCs & CTSAAs	66,000	(369)	65,631	65,631	-
Misc. Purchased Serv. - Transportation	26,250	(2,473)	23,777	23,777	-
General Supplies	15,000	(1,649)	13,351	13,351	-
Other Objects	2,700	(1,436)	1,264	1,264	-
Total Student Transportation Services	809,331	122,734	932,065	932,065	-
Unallocated Benefits - Employee Benefits					
Social Security Contributions	284,000	(31,231)	252,769	252,769	-
Other Retirement Contributions - PERS	293,000	(8,208)	284,792	284,792	-
Other Retirement Contributions - Regular	28,000	(6,402)	21,598	21,598	-
Workers Compensation	116,000	(3,100)	112,900	112,900	-
Health Benefits	3,799,970	(34,990)	3,764,980	3,764,980	-
Tuition Reimbursement	50,800	1,309	52,109	52,109	-
Other Employee Benefits	39,600	(5,444)	34,156	34,156	-
Total Unallocated Benefits - Employee Benefits	4,611,370	(88,066)	4,523,304	4,523,304	-
On-behalf TPAF (Non-Budget)					
Pension Contribution				2,979,024	(2,979,024)
NCGI Premium				41,331	(41,331)
Post Retirement Medical Benefits				793,440	(793,440)
Long-Term Disability Insurance (Non-Budget)				1,268	(1,268)
Social Security Payments	-	-	-	660,325	(660,325)
Total On-Behalf Payments	-	-	-	4,475,388	(4,475,388)
Total Undistributed Expenditures	12,744,447	(24,285)	12,720,162	17,039,795	(4,319,633)
Total Current Expenditures	21,672,075	254,273	21,926,348	26,243,419	(4,317,071)

**FLORHAM PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CAPITAL OUTLAY					
Undistributed:					
Custodial Services		\$ 8,924	\$ 8,924	\$ 4,462	\$ 4,462
Required Maint. For School Facilities	-	14,000	14,000	14,000	-
Care and Upkeep of Grounds	-	5,997	5,997	5,967	30
Total Undistributed Expenditures	<u>-</u>	<u>28,921</u>	<u>28,921</u>	<u>24,429</u>	<u>4,492</u>
Facilities Acquisition and Construction Services					
Salaries	\$ 5,000	-	5,000		5,000
Other Purchased Professional and Tech. Services	-	2,100	2,100	2,100	-
Construction Services	35,000	118,180	153,180	118,102	35,078
Supplies and Materials	186,000	24,807	210,807	183,422	27,385
Other Objects	26,168	-	26,168	26,168	-
Total Facilities Acquis. and Const. Services	<u>252,168</u>	<u>145,087</u>	<u>397,255</u>	<u>329,792</u>	<u>67,463</u>
Total Capital Outlay	<u>252,168</u>	<u>174,008</u>	<u>426,176</u>	<u>354,221</u>	<u>71,955</u>
Transfer of Funds to Charter Schools	60,201	(17,851)	42,350	42,350	-
Total Expenditures	<u>21,984,444</u>	<u>410,430</u>	<u>22,394,874</u>	<u>26,639,990</u>	<u>(4,245,116)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(673,344)</u>	<u>(410,430)</u>	<u>(1,083,774)</u>	<u>(456,582)</u>	<u>627,192</u>
Other Financing Sources (Uses)					
Transfer In - Capital Projects Fund		-		184,924	184,924
Transfer Out - Capital Projects Fund		-		(787,446)	(787,446)
Transfer Out - Food Service Enterprise Fund	-	-	-	(16,636)	(16,636)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(619,158)</u>	<u>(619,158)</u>
Net Change in Fund Balances	<u>(673,344)</u>	<u>(410,430)</u>	<u>(1,083,774)</u>	<u>(1,075,740)</u>	<u>8,034</u>
Fund Balance, Beginning of Year	4,186,220	-	4,186,220	4,186,220	-
Fund Balance, End of Year	<u>\$ 3,512,876</u>	<u>\$ (410,430)</u>	<u>\$ 3,102,446</u>	<u>\$ 3,110,480</u>	<u>\$ 8,034</u>
Recapitulation of Fund Balance					
Restricted Fund Balance:					
Capital Reserve				\$ 924,632	
Capital Reserve - Designated for Subsequent Year's Expenditures				300,000	
Maintenance Reserve				30,000	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				20,000	
Unemployment Compensation Reserve				20,743	
Excess Surplus				406,668	
Excess Surplus - Designated for Subsequent Year's Expenditures				260,826	
Assigned Fund Balance					
Year End Encumbrances				104,861	
Designated for Subsequent Year's Expenditures				354,799	
Unassigned Fund Balance				<u>687,951</u>	
				3,110,480	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Payments Not Recognized on GAAP Basis				<u>(296,466)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 2,814,014</u>	

**FLORHAM PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
Federal	\$ 218,000	\$ 334,752	\$ 552,752	\$ 468,154	\$ (84,598)
State	10,500	3,525	14,025	14,025	-
Local	10,000	10,796	20,796	75,984	55,188
	<u>238,500</u>	<u>349,073</u>	<u>587,573</u>	<u>558,163</u>	<u>(29,410)</u>
Total Revenues					
EXPENDITURES					
Instruction					
Salaries		78,240	78,240	31,942	46,298
Purchased Professional/Educational Services		10,284	10,284	10,284	-
Tuition	180,000	41,718	221,718	221,718	-
General Supplies	20,000	103,969	123,969	110,971	12,998
Textbooks	1,500	678	2,178	2,178	-
School-Sponsored/Cocurricular Activities	-	-	-	48,568	(48,568)
	<u>201,500</u>	<u>234,889</u>	<u>436,389</u>	<u>425,661</u>	<u>10,728</u>
Total Instruction					
Support Services					
Purchased Professional/Technical Services	3,000	91,519	94,519	72,642	21,877
Purchased Professional/Educational Services	30,000	7,710	37,710	37,710	-
Cleaning, Repair, and Maintenance Services	4,000	2,765	6,765	6,765	-
Scholarship Awards	-	190	190	190	-
	<u>37,000</u>	<u>102,184</u>	<u>139,184</u>	<u>117,307</u>	<u>21,877</u>
Total Support Services					
Facilities, Acquisition, and Construction Services					
Construction Services	-	12,000	12,000	12,000	-
	<u>-</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Total Facilities Acquisition and Const. Svc.					
Total Expenditures	<u>238,500</u>	<u>349,073</u>	<u>587,573</u>	<u>554,968</u>	<u>32,605</u>
Net Change in Fund Balances	-	-	-	3,195	3,195
Fund Balances, Beginning of Year	83,032	-	83,032	83,032	-
Fund Balances, End of Year	<u>\$ 83,032</u>	<u>\$ -</u>	<u>\$ 83,032</u>	<u>\$ 86,227</u>	<u>\$ 3,195</u>
Recapitulation of Fund Balance					
Restricted Fund Balances					
Student Activities				\$ 80,846	
Scholarship Awards				5,381	
				<u>\$ 86,227</u>	

**FLORHAM PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

	General Fund		Special Revenue Fund
Sources/inflows of resources			
Actual Revenues (budgetary basis)	(C-1) \$ 26,183,408		(C-2) \$ 558,163
Differences - Budget to GAAP:			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Encumbrances, June 30, 2022			1,044
Encumbrances, June 30, 2023			(1,057)
State Aid payment recognized for GAAP purpose not recognized for Budgetary statements (2021/2022 State aid)	291,855		
State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2022/2023 State aid)	<u>(296,466)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>26,178,797</u>		(B-2) \$ <u>558,150</u>
Uses/outflows of resources			
Actual Expenditures (budgetary basis)	(C-1) \$ 26,639,990		(C-2) \$ 554,968
Differences - Budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Encumbrances, June 30, 2022			1,044
Encumbrances, June 30, 2023	<u>-</u>		<u>(1,057)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>26,639,990</u>		(B-2) \$ <u>554,955</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

Public Employees Retirement System

(Dollar amounts in thousands)

	<u>2023</u>	<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)	.02258%	.02331%	0.02358%	.02366%	.02720%	0.02501%	0.02174%	0.02295%	0.02478%	0.02587
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 3,408,200	\$ 2,761,690	\$ 3,845,113	\$ 4,263,523	\$ 5,355,166	\$ 5,821,427	\$ 6,438,829	\$ 5,152,221	\$ 4,639,341	\$ 4,943,683
District's Covered-Employee Payroll	\$ 1,747,418	\$ 1,696,957	\$ 1,706,470	\$ 1,662,648	\$ 1,719,080	\$ 1,816,504	\$ 1,602,017	\$ 1,489,362	\$ 1,606,722	\$ 1,728,708
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	195.04%	162.74%	225.33%	256.43%	311.51%	320.47%	401.92%	345.93%	288.75%	285.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

Public Employees Retirement System

(Dollar amounts in thousands)

	<u>2023</u>	<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	\$ 284,792	\$ 273,014	\$ 257,943	\$ 230,162	\$ 270,533	\$ 231,671	\$ 193,137	\$ 197,324	\$ 204,276	\$ 197,018
Contributions in Relation to the Contractually Required Contribution	<u>284,792</u>	<u>273,014</u>	<u>257,943</u>	<u>230,162</u>	<u>270,533</u>	<u>231,671</u>	<u>193,137</u>	<u>197,324</u>	<u>204,276</u>	<u>197,018</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 1,823,974	\$ 1,747,418	\$ 1,696,957	\$ 1,706,470	\$ 1,662,648	\$ 1,719,080	\$ 1,816,504	\$ 1,602,017	\$ 1,489,362	\$ 1,606,722
Contributions as a Percentage of Covered-Employee Payroll	15.61%	15.62%	15.20%	13.49%	16.27%	13.48%	10.63%	12.32%	13.72%	12.26%

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

Teachers Pension and Annuity Fund

(Dollar amounts in thousands)

	<u>2023</u>	<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%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 37,768,096</u>	<u>\$ 34,273,387</u>	<u>\$ 48,650,176</u>	<u>\$ 44,481,718</u>	<u>\$ 46,069,356</u>	<u>\$ 44,202,616</u>	<u>\$ 52,441,105</u>	<u>\$ 45,143,920</u>	<u>\$ 39,091,399</u>	<u>\$ 36,781,872</u>
Total	<u>\$ 37,768,096</u>	<u>\$ 34,273,387</u>	<u>\$ 48,650,176</u>	<u>\$ 44,481,718</u>	<u>\$ 46,069,356</u>	<u>\$ 44,202,616</u>	<u>\$ 52,441,105</u>	<u>\$ 45,143,920</u>	<u>\$ 39,091,399</u>	<u>\$ 36,781,872</u>
District's Covered-Employee Payroll	\$ 8,987,454	\$ 8,195,435	\$ 8,054,310	\$ 7,751,932	\$ 7,802,149	\$ 7,523,691	\$ 7,205,552	\$ 6,649,910	\$ 6,809,034	\$ 7,155,944
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	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.

**FLORHAM PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Change of Benefit Terms: None.

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

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

Postemployment Health Benefit Plan

Last Six Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 1,945,071	\$ 2,265,086	\$ 1,282,818	\$ 1,279,552	\$ 1,376,131	\$ 1,650,007
Interest on Total OPEB Liability	955,945	1,076,542	1,023,759	1,258,998	1,363,776	1,178,614
Changes of Benefit Terms	-	(44,171)				
Differences Between Expected and Actual Experience	2,264,442	(7,828,585)	8,384,100	(5,428,541)	(3,740,231)	
Changes of Assumptions	(9,676,607)	40,942	8,550,620	422,837	(3,634,411)	(4,904,537)
Gross Benefit Payments	(946,892)	(848,014)	(814,928)	(870,542)	(846,873)	(943,534)
Contribution from the Member	<u>30,377</u>	<u>27,522</u>	<u>24,700</u>	<u>25,805</u>	<u>29,269</u>	<u>34,743</u>
Net Change in Total OPEB Liability	(5,427,664)	(5,310,678)	18,451,069	(3,311,891)	(5,452,339)	(2,984,707)
Total OPEB Liability - Beginning	<u>41,499,550</u>	<u>46,810,228</u>	<u>28,359,159</u>	<u>31,671,050</u>	<u>37,123,389</u>	<u>40,108,096</u>
Total OPEB Liability - Ending	<u>\$36,071,886</u>	<u>\$41,499,550</u>	<u>\$46,810,228</u>	<u>\$28,359,159</u>	<u>\$31,671,050</u>	<u>\$37,123,389</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>36,071,886</u>	<u>41,499,550</u>	<u>46,810,228</u>	<u>28,359,159</u>	<u>31,671,050</u>	<u>37,123,389</u>
Total OPEB Liability - Ending	<u>\$36,071,886</u>	<u>\$41,499,550</u>	<u>\$46,810,228</u>	<u>\$28,359,159</u>	<u>\$31,671,050</u>	<u>\$37,123,389</u>
District's Covered Employee Payroll	\$ 9,892,392	\$ 9,760,780	\$ 9,414,580	\$ 9,414,580	\$ 9,521,229	\$ 9,340,195
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%

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

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

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

**FLORHAM PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

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SPECIAL REVENUE FUND

**FLORHAM PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	IDEIA Part B Basic	IDEIA Part B Preschool	ESEA Title IA	ESEA Title IIA	ESEA Title IV	Nonpublic Technology	Nonpublic Security	Nonpublic Nursing	Nonpublic Textbooks	To Exhibit E-1A
REVENUES										
Federal	\$ 221,718	\$ 10,284	\$ 28,634	\$ 14,050	\$ 10,000					\$ 284,686
State						\$ 1,386	\$ 6,765	\$ 3,696	\$ 2,178	14,025
Local	-	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 221,718	\$ 10,284	\$ 28,634	\$ 14,050	\$ 10,000	\$ 1,386	\$ 6,765	\$ 3,696	\$ 2,178	\$ 298,711
EXPENDITURES										
Instruction										
Purchased Professional/Educational Services		\$ 10,284								10,284
Tuition	\$ 221,718									221,718
General Supplies			\$ 4,974		\$ 10,000	\$ 1,386		751		17,111
Textbooks	-	-	-	-	-	-	-	-	\$ 2,178	2,178
Total Instruction	221,718	10,284	4,974	-	10,000	1,386	-	751	2,178	251,291
Support Services										
Purchased Professional/Technical Services								2,945		2,945
Purchased Professional/Educational Services			23,660	\$ 14,050						37,710
Cleaning, Repair, and Maintenance Services	-	-	-	-	-	-	\$ 6,765	-	-	6,765
Total Support Services	-	-	23,660	14,050	-	-	6,765	2,945	-	47,420
Total Expenditures	\$ 221,718	\$ 10,284	\$ 28,634	\$ 14,050	\$ 10,000	\$ 1,386	\$ 6,765	\$ 3,696	\$ 2,178	\$ 298,711
Net Change in Fund Balances	-	-	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	-	-
Fund Balances, End of Year	-	-	-	-	-	-	-	-	-	-

**FLORHAM PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Exhibit E-1 Subtotal	Local Donations	Student Activities	Scholarship Account	ESSER II CRRSA Act	American Rescue Plan - ESSER III						Grand Total
						ESSER III	Learning Acceleration	ARP Summer	Evidence-Based			
									Comprehensive Beyond the School Day	Mental Health		
REVENUES												
Federal	\$ 284,686				\$ 6,574	\$ 60,000	\$ 58,522	\$ 26,416	\$ 9,456	\$ 22,500	\$ 468,154	
State	14,025										14,025	
Local	-	\$ 24,031	\$ 51,659	\$ 294	-	-	-	-	-	-	75,984	
Total Revenues	\$ 298,711	\$ 24,031	\$ 51,659	\$ 294	\$ 6,574	\$ 60,000	\$ 58,522	\$ 26,416	\$ 9,456	\$ 22,500	\$ 558,163	
EXPENDITURES												
Instruction												
Salaries	\$ -						12,899	9,587	\$ 9,456		\$ 31,942	
Purchased Professional/Educational Services	10,284										10,284	
Tuition	221,718										221,718	
General Supplies	17,111	\$ 12,031				60,000	\$ 5,000	16,829			110,971	
Textbooks	2,178										2,178	
School-Sponsored/Cocurricular Activities	-	-	\$ 48,568	-	-	-	-	-	-	-	48,568	
Total Instruction	251,291	12,031	48,568	-	-	60,000	17,899	26,416	9,456	-	425,661	
Support Services												
Purchased Professional/Technical Services	2,945				6,574		\$ 40,623			22,500	72,642	
Purchased Professional/Educational Services	37,710										37,710	
Cleaning, Repair, and Maintenance Services	6,765										6,765	
Scholarship Awards	-	-	-	\$ 190	-	-	-	-	-	-	190	
Total Support Services	47,420	-	-	190	6,574	-	40,623	-	-	22,500	117,307	
Facilities, Acquisition, and Construction Services												
Construction Services	-	12,000	-	-	-	-	-	-	-	-	12,000	
Total Facilities Acquisition and Const. Svc	-	12,000	-	-	-	-	-	-	-	-	12,000	
Total Expenditures	\$ 298,711	\$ 24,031	\$ 48,568	\$ 190	\$ 6,574	\$ 60,000	\$ 58,522	\$ 26,416	\$ 9,456	\$ 22,500	\$ 554,968	
Net Change in Fund Balances	-	-	3,091	104	-	-	-	-	-	-	3,195	
Fund Balances, Beginning of Year	-	-	77,755	5,277	-	-	-	-	-	-	83,032	
Fund Balances, End of Year	\$ -	\$ -	\$ 80,846	\$ 5,381	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,227	

**FLORHAM PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION PROGRAM AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOT APPLICABLE

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CAPITAL PROJECTS FUND

**FLORHAM PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Project Title</u>	<u>Appropriation</u>	<u>Expended</u>		<u>Balance, June 30, 2023</u>
		<u>Prior Year</u>	<u>Current Year</u>	
Fiscal Year 2020 School Bond Referendum - Proposal #1 Roof Replacements, Boiler Replacements, HVAC Upgrades, Ceiling/Lighting Replacements	\$ 19,839,493	\$ 16,650,535	\$ 2,198,505	\$ 990,453
Fiscal Year 2020 School Bond Referendum - Proposal #2 Window Replacements, Flooring Replacements, Parking Lot Improvements	5,014,663	2,138,094	373,047	2,503,522
Replacement and Expansion of Door Access Systems District Wide	56,775		33,653	23,122
HVAC Replacement	<u>2,656,080</u>	-	<u>1,047,860</u>	<u>1,608,220</u>
	<u>\$ 27,567,011</u>	<u>\$ 18,788,629</u>	<u>\$ 3,653,065</u>	<u>\$ 5,125,317</u>

Reconciliation to GAAP Basis

Project Balance, June 30, 2023	\$ 5,125,317
Less :	
Debt Authorized but Not Issued	(156)
Unearned Federal Grant	<u>(1,094,940)</u>
Fund Balance, June 30, 2022 - GAAP Basis	<u>\$ 4,030,221</u>

Recapitulation of Fund Balance

Restricted for Capital Projects	
Year-End Encumbrances	\$ 2,669,682
Available for Capital Projects	<u>1,360,539</u>
Total Fund Balance, GAAP Basis	<u>\$ 4,030,221</u>

**FLORHAM PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Revenues and Other Financing Sources

Revenues	
SDA Grant	\$ 21,699
Federal Grant	1,903,710
Interest	184,924
Other Financing Sources	
Transfer from Capital Reserve	<u>787,446</u>
 Total Revenues and Other Financing Sources	 <u>2,897,779</u>

Expenditures and Other Financing Uses

Expenditures	
Salaries	32,000
Architect and Engineering Fees	192,030
Other Professional Fees	12,318
Construction Services	3,370,804
Miscellaneous Expenditures	45,913
Other Financing Uses	
Transfer to General Fund	<u>184,924</u>
 Total Expenditures and Other Financing Uses	 <u>3,837,989</u>

Net Change in Fund Balance	(940,210)
Fund Balance, Beginning of Year	<u>6,065,371</u>
Fund Balance, End of Year	<u>\$ 5,125,161</u>

Reconciliation to GAAP Basis

Fund Balance - Budgetary Basis	\$ 5,125,161
Less - Unearned Local Grant	<u>1,094,940</u>
Fund Balance - GAAP Basis	<u>\$ 4,030,221</u>

**FLORHAM PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
FISCAL YEAR 2020 BOND REFERENDUM - QUESTION #1
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Bond Proceeds	\$ 19,839,493	-	\$ 19,839,493	\$ 19,839,493
Total Revenues	<u>19,839,493</u>	<u>-</u>	<u>19,839,493</u>	<u>19,839,493</u>
EXPENDITURES AND OTHER FINANCING SOURCES				
Salaries	72,000	\$ 17,000	89,000	100,000
Architect and Engineering Fees	1,490,713	153,624	1,644,337	3,000,000
Legal and Professional Fees	188,931		188,931	1,064,502
Other Professional Fees	14,300	9,854	24,154	25,000
Construction Services	14,822,182	1,972,114	16,794,296	15,615,500
Miscellaneous Expenditures	<u>62,409</u>	<u>45,913</u>	<u>108,322</u>	<u>34,491</u>
Total Expenditures and Other Financing Uses	<u>16,650,535</u>	<u>2,198,505</u>	<u>18,849,040</u>	<u>19,839,493</u>
Excess / (Deficiency) of Revenues over (under) Expenditures	<u>\$ 3,188,958</u>	<u>\$ (2,198,505)</u>	<u>\$ 990,453</u>	<u>\$ -</u>

Additional Project Information:

Project Number	1530-020-19-2000/1530-015-19-4000/1530-030-19-3000
SDA Grant Authorized	N/A
Bond Authorization (Referendum) Date	11/5/2019
Bonds Authorized	\$ 19,839,493
Bond Issued	\$ 19,839,493
Original Authorized Cost	\$ 19,839,493
Increase/(Decrease)	-
Revised Authorized Cost	\$ 19,839,493
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	95.01%
Original Target Completion Date	June 30, 2021
Revised Completion Date	December 31, 2024

**FLORHAM PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
FISCAL YEAR 2020 BOND REFERENDUM - QUESTION #2
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Bond Proceeds	\$ 5,014,507	-	\$ 5,014,507	\$ 5,014,663
 Total Revenues	 5,014,507	 -	 5,014,507	 5,014,663
EXPENDITURES AND OTHER FINANCING SOURCES				
Salaries	35,000	\$ 15,000	50,000	75,000
Architect and Engineering Fees	367,054	38,406	405,460	750,000
Legal and Professional Fees	34,065		34,065	232,663
Other Professional Fees	30	2,464	2,494	10,000
Construction Services	1,701,945	317,177	2,019,122	3,947,000
 Total Expenditures and Other Financing Uses	 2,138,094	 373,047	 2,511,141	 5,014,663
 Excess / (Deficiency) of Revenues over (under) Expenditures	 \$ 2,876,413	 \$ (373,047)	 \$ 2,503,366	 \$ -

Additional Project Information:

Project Number	1530-020-19-2000/1530-015-19-4000/1530-030-19-3000
SDA Grant Authorized	N/A
Bond Authorization (Referendum) Date	11/5/2019
Bonds Authorized	\$ 5,014,663
Bond Issued	\$ 5,014,507
 Original Authorized Cost	 \$ 5,014,663
Increase/(Decrease)	-
Revised Authorized Cost	\$ 5,014,663
 Percentage Increase Over Original Authorized Cost	 0.00%
Percentage Completion	50.08%
Original Target Completion Date	June 30, 2021
Revised Completion Date	December 31, 2024

**FLORHAM PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
REPLACEMENT AND EXPANSION OF DOOR ACCESS SYSTEMS DISTRICT WIDE
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Transfer from Capital Reserve		\$ 35,076	\$ 35,076	\$ 35,076
Grant Receipts	-	21,699	21,699	21,699
Total Revenues	-	56,775	56,775	56,775
EXPENDITURES AND OTHER FINANCING SOURCES				
Construction Services	-	33,653	33,653	56,775
Total Expenditures and Other Financing Uses	-	33,653	33,653	56,775
Excess / (Deficiency) of Revenues over (under) Expenditures	\$ -	\$ 23,122	\$ 23,122	\$ -

Additional Project Information:

Project Number	N/A	
SDA Grant Authorized	\$	21,699
Original Authorized Cost	\$	51,775
Increase/(Decrease)		-
Revised Authorized Cost		51,775
Percentage Increase Over Original Authorized Cost		0.00%
Percentage Completion		65.00%
Original Target Completion Date		June 30, 2023
Revised Completion Date		June 30, 2024

FLORHAM PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
HVAC REPLACEMENT
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Transfer from Capital Reserve		\$ 752,370	\$ 752,370	\$ 752,370
Federal Grants	-	1,903,710	1,903,710	1,903,710
	-	2,656,080	2,656,080	2,656,080
EXPENDITURES AND OTHER FINANCING SOURCES				
Construction Services	-	1,047,860	1,047,860	2,656,080
	-	1,047,860	1,047,860	2,656,080
Excess / (Deficiency) of Revenues over (under) Expenditures	\$ -	\$ 1,608,220	\$ 1,608,220	\$ -
Additional Project Information:				
Project Number		N/A		
SDA Grant Authorized		N/A		
SSBVEEVR Grant Authorized	\$	1,903,710		
Original Authorized Cost	\$	2,656,080		
Increase/(Decrease)		-		
Revised Authorized Cost	\$	2,656,080		
Percentage Increase Over Original				
Authorized Cost		0.00%		
Percentage Completion		39.45%		
Original Target Completion Date		June 30, 2023		
Revised Completion Date		June 30, 2024		

ENTERPRISE FUND

EXHIBIT G-1

**FLORHAM PARK BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

Financial Statements are Presented on Exhibit B-4

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Financial Statements are Presented on Exhibit B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Financial Statements are Presented on Exhibit B-6

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FIDUCIARY FUNDS

NOT APPLICABLE

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LONG-TERM DEBT

**FLORHAM PARK BOARD OF EDUCATION
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2023</u>
School District Refunding Bonds - 2009	9/10/2009	\$ 9,185,000	7/15/2022	\$ 945,000	4.000 %	\$ 945,000		\$ 945,000	
School District Bonds - Series 2020	1/8/2020	24,854,000	8/15/2023	1,030,000	2.250				
			8/15/2024	1,075,000	2.250				
			8/15/2025	1,125,000	2.250				
			8/15/2026	1,170,000	2.250				
			8/15/2027	1,235,000	2.250				
			8/15/2028	1,300,000	2.250				
			8/15/2029	1,335,000	2.250				
			8/15/2030	1,375,000	2.250				
			8/15/2031	1,400,000	2.250				
			8/15/2032	1,500,000	2.250				
			8/15/2033-2034	1,510,000	2.250				
			8/15/2035-2039	1,540,000	2.500				
						<u>24,075,000</u>	<u>-</u>	<u>810,000</u>	<u>\$ 23,265,000</u>
						<u>\$ 25,020,000</u>	<u>\$ -</u>	<u>\$ 1,755,000</u>	<u>\$ 23,265,000</u>

**FLORHAM PARK BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOT APPLICABLE

**FLORHAM PARK BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

REVENUES	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Local Sources					
Property Taxes	\$ 1,862,704	-	\$ 1,862,704	\$ 1,862,704	-
State Sources					
Debt Service Aid	<u>463,021</u>	<u>-</u>	<u>463,021</u>	<u>463,021</u>	<u>-</u>
Total Revenues	<u>2,325,725</u>	<u>-</u>	<u>2,325,725</u>	<u>2,325,725</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Principal	1,755,000	-	1,755,000	1,755,000	-
Interest	<u>570,725</u>	<u>-</u>	<u>570,725</u>	<u>570,725</u>	<u>-</u>
Total Expenditures	<u>2,325,725</u>	<u>-</u>	<u>2,325,725</u>	<u>2,325,725</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	As of June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 7,319,911	\$ 8,233,539	\$ 8,978,991	\$ 9,142,964	\$ 9,518,311	\$ 10,964,789	\$ 11,693,752	\$ 12,320,727	\$ 13,603,613	\$ 12,476,355
Restricted	1,119,301	1,087,822	1,020,183	1,206,701	717,801	685,184	1,042,424	1,810,037	2,301,609	5,411,823
Unrestricted	(4,736,455)	(4,459,727)	(4,393,670)	(4,688,882)	(4,294,183)	(5,027,879)	(4,747,716)	(4,038,226)	(3,596,866)	(3,183,964)
Total Governmental Activities Net Position	\$ 3,702,757	\$ 4,861,634	\$ 5,605,504	\$ 5,660,783	\$ 5,941,929	\$ 6,622,094	\$ 7,988,460	\$ 10,092,538	\$ 12,308,356	\$ 14,704,214
Business-Type Activities										
Investment in Capital Assets	\$ 15,366	\$ 13,556	\$ 11,746	\$ 9,936	\$ 8,126	\$ 9,116	\$ 7,306	\$ 5,216	\$ 3,126	\$ 1,745
Restricted										
Unrestricted										
Total Business-Type Activities Net Position	\$ 15,366	\$ 13,556	\$ 11,746	\$ 9,936	\$ 8,126	\$ 9,116	\$ 7,306	\$ 5,216	\$ 3,126	\$ 1,745
District-Wide										
Net Investment in Capital Assets	\$ 7,335,277	\$ 8,247,095	\$ 8,990,737	\$ 9,152,900	\$ 9,526,437	\$ 10,973,905	\$ 11,701,058	\$ 12,325,943	\$ 13,606,739	\$ 12,478,100
Restricted	1,119,301	1,087,822	1,020,183	1,206,701	717,801	685,184	1,042,424	1,810,037	2,301,609	5,411,823
Unrestricted	(4,736,455)	(4,459,727)	(4,393,670)	(4,688,882)	(4,294,183)	(5,027,879)	(4,747,716)	(4,038,226)	(3,596,866)	(3,183,964)
Total District Net Position	\$ 3,718,123	\$ 4,875,190	\$ 5,617,250	\$ 5,670,719	\$ 5,950,055	\$ 6,631,210	\$ 7,995,766	\$ 10,097,754	\$ 12,311,482	\$ 14,705,959

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

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

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 6,839,702	\$ 8,124,418	\$ 8,312,608	\$ 8,898,679	\$ 9,323,261	\$ 9,067,105	\$ 9,119,158	\$ 10,049,075	\$ 9,282,598	\$ 11,335,986
Special Education	3,057,821	3,320,865	3,884,339	4,448,709	4,699,889	4,616,774	4,200,003	4,375,034	4,123,238	5,200,173
Other Instruction	243,694	119,197	216,185	392,057	388,761	381,634	413,433	504,841	802,782	1,101,780
School Sponsored Activities and Athletics	174,848	172,524	208,900	192,970	240,664	210,847	232,740	99,809	280,776	106,711
Support Services:										
Student & Instruction Related Services	2,792,544	3,117,108	3,203,838	3,670,298	3,871,776	3,638,483	3,566,861	3,916,437	3,976,051	4,814,552
General Administrative Services	477,445	587,964	653,608	675,383	708,755	673,616	665,604	758,364	730,229	837,801
School Administrative Services	987,638	1,020,387	1,072,812	1,231,262	1,255,892	1,191,622	1,027,966	1,210,980	1,009,910	1,139,001
Central Administrative Services	407,775	536,395	576,944	631,307	722,662	716,757	765,557	903,345	787,881	863,495
Plant Operations and Maintenance	2,498,158	2,578,129	2,781,829	2,827,407	2,874,570	2,827,711	2,821,856	3,007,782	3,234,486	3,077,583
Pupil Transportation	1,035,975	1,006,013	970,710	1,041,017	1,115,537	1,140,451	953,779	881,896	1,006,658	1,098,876
Interest on Long-Term Debt	322,926	301,548	272,166	235,145	193,994	158,933	382,195	671,286	601,907	546,158
Total Governmental Activities Expenses	18,838,526	20,884,548	22,153,939	24,244,234	25,395,761	24,623,933	24,149,152	26,378,849	25,836,516	30,122,116
Business-Type Activities:										
Food Service	14,325	16,048	14,847	11,457	11,482	8,635	8,015	2,090	9,369	20,505
Total Business-Type Activities Expense	14,325	16,048	14,847	11,457	11,482	8,635	8,015	2,090	9,369	20,505
Total District Expenses	\$ 18,852,851	\$ 20,900,596	\$ 22,168,786	\$ 24,255,691	\$ 25,407,243	\$ 24,632,568	\$ 24,157,167	\$ 26,380,939	\$ 25,845,885	\$ 30,142,621
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction	\$ 204,974	\$ 136,134	\$ 42,000	\$ 66,500	\$ 70,000	\$ 57,685	\$ 102,938	\$ 93,724	\$ 119,214	\$ 71,673
School Sponsored Activities and Athletics								\$ 6,238	36,661	51,659
Plant Operations and Maintenance						\$ 68,032	57,000	5,000		
Pupil Transportation	95,578	123,417	173,840	199,199	197,128	153,444	166,569	34,663	71,404	89,345
Operating Grants and Contributions	2,251,981	4,202,090	4,804,584	5,949,438	6,833,942	5,678,221	5,014,114	7,274,877	5,712,617	8,850,727
Capital Grants and Contributions	41,812	287,653	218,425	-	-	-	7,533	53,036	85,982	842,469
Total Governmental Activities Program Revenues	2,594,345	4,749,294	5,238,849	6,215,137	7,101,070	5,957,382	5,348,154	7,467,538	6,025,878	9,905,873
Business-type activities:										
Charges for Services										
Food Service	12,193	11,123	9,436	6,313	5,029	4,914	4,357		1,500	2,488
Operating Grants and Contributions										
Capital Grants and Contributions										
Total Business Type Activities Program Revenues	12,193	11,123	9,436	6,313	5,029	4,914	4,357	-	1,500	2,488
Total District Program Revenues	\$ 2,606,538	\$ 4,760,417	\$ 5,248,285	\$ 6,221,450	\$ 7,106,099	\$ 5,962,296	\$ 5,352,511	\$ 7,467,538	\$ 6,027,378	\$ 9,908,361

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense)/Revenue										
Governmental Activities	\$ (16,244,181)	\$ (16,135,254)	\$ (16,915,090)	\$ (18,029,097)	\$ (18,294,691)	\$ (18,666,551)	\$ (18,800,998)	\$ (18,911,311)	\$ (19,810,638)	\$ (20,216,243)
Business-Type Activities	(2,132)	(4,925)	(5,411)	(5,144)	(6,453)	(3,721)	(3,658)	(2,090)	(7,869)	(18,017)
Total District-Wide Net Expense	\$ (16,246,313)	\$ (16,140,179)	\$ (16,920,501)	\$ (18,034,241)	\$ (18,301,144)	\$ (18,670,272)	\$ (18,804,656)	\$ (18,913,401)	\$ (19,818,507)	\$ (20,234,260)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 15,050,909	\$ 15,629,073	\$ 16,092,428	\$ 16,414,276	\$ 16,900,649	\$ 17,375,847	\$ 18,154,307	\$ 19,217,521	\$ 19,601,871	\$ 19,993,908
Property Taxes Levied for Debt Service	1,042,719	1,041,731	1,043,056	1,047,156	1,043,206	1,043,456	1,045,344	1,459,218	1,887,596	1,862,704
Unrestricted Aid, Grants and Contributions			8,864	9,752	18,347	19,199	1,758	121,460	335,883	349,397
Investment Earnings	5,653	6,442	7,396	6,930	10,751	38,627	55,089	59,774	43,353	342,672
Miscellaneous Income	37,242	58,109	145,502	184,447	114,757	103,351	94,929	157,416	163,532	80,056
Transfers	(810)	(322)	(3,115)	(3,601)	(3,334)	(4,643)	(4,711)		(5,779)	(16,636)
Total Governmental Activities	16,135,713	16,735,033	17,294,131	17,658,960	18,084,376	18,575,837	19,346,716	21,015,389	22,026,456	22,612,101
Business-Type Activities:										
Investment Earnings										
Transfers	810	322	3,115	3,601	3,334	4,643	4,711		5,779	16,636
Total Business-Type Activities	810	322	3,115	3,601	3,334	4,643	4,711	-	5,779	16,636
Total District-Wide	\$ 16,136,523	\$ 16,735,355	\$ 17,297,246	\$ 17,662,561	\$ 18,087,710	\$ 18,580,480	\$ 19,351,427	\$ 21,015,389	\$ 22,032,235	\$ 22,628,737
Change in Net Position										
Governmental Activities	\$ (108,468)	\$ 599,779	\$ 379,041	\$ (370,137)	\$ (210,315)	\$ (90,714)	\$ 545,718	\$ 2,104,078	\$ 2,215,818	\$ 2,395,858
Business-Type Activities	(1,322)	(4,603)	(2,296)	(1,543)	(3,119)	922	1,053	(2,090)	(2,090)	(1,381)
Total District	\$ (109,790)	\$ 595,176	\$ 376,745	\$ (371,680)	\$ (213,434)	\$ (89,792)	\$ 546,771	\$ 2,101,988	\$ 2,213,728	\$ 2,394,477

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

	As of June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 952,145	\$ 919,755	\$ 1,229,465	\$ 1,550,147	\$ 1,011,537	\$ 1,143,785	\$ 1,829,287	\$ 2,452,734	\$ 2,627,544	\$ 1,962,869
Committed					566,023				39,316	-
Assigned	109,288	302,830	307,567	446,894	382,058	135,683	192,605	299,812	463,296	459,660
Unassigned	281,944	249,176	303,854	313,123	278,294	367,831	323,762	721,908	764,209	391,485
Total General Fund	\$ 1,343,377	\$ 1,471,761	\$ 1,840,886	\$ 2,310,164	\$ 2,237,912	\$ 1,647,299	\$ 2,345,654	\$ 3,474,454	\$ 3,894,365	\$ 2,814,014
All Other Governmental Funds										
Restricted	417,156	418,067	90,428				20,017,642	11,324,294	6,148,403	4,116,448
Committed										
Assigned										
Total all Other Governmental Funds	\$ 417,156	\$ 418,067	\$ 90,428	\$ -	\$ -	\$ -	\$ 20,017,642	\$ 11,324,294	\$ 6,148,403	\$ 4,116,448

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

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property Taxes	\$ 16,670,804	\$ 17,135,484	\$ 17,461,432	\$ 17,943,855	\$ 18,419,303	\$ 19,199,651	\$ 19,739,527	\$ 20,676,739	\$ 21,489,467	\$ 21,856,612
Tuition	204,974	136,134	42,000	66,500	70,000	57,685	102,938	93,724	119,214	71,673
Transportation Fees	95,578	123,417	173,840	199,199	197,128	153,444	166,569	34,663	71,404	89,345
Interest Earnings	6,442	7,396	6,930	10,751	38,627	55,089	141,636	59,774	43,353	342,672
Miscellaneous	112,886	189,921	194,085	133,315	144,460	205,467	200,567	189,359	220,777	963,753
State Sources	1,997,880	2,485,186	2,519,552	2,488,505	2,975,796	3,364,400	3,669,879	4,504,188	6,112,230	6,284,812
Federal Sources	241,136	251,670	280,855	257,919	257,390	267,925	274,057	340,491	584,750	469,198
Total Revenue	19,329,700	20,329,208	20,678,694	21,100,044	22,102,704	23,303,661	24,295,173	25,898,938	28,641,195	30,078,065
Expenditures										
Instruction										
Regular Instruction	6,842,650	7,154,541	7,086,683	7,098,579	7,744,442	8,081,603	8,553,144	8,908,998	9,707,997	10,088,040
Special Education Instruction	3,061,728	3,011,002	3,442,010	3,740,194	4,013,862	4,209,309	4,028,565	3,968,731	4,309,303	4,798,979
Other Instruction	234,943	119,166	184,063	320,145	318,560	340,368	386,121	444,888	833,761	1,008,648
School Sponsored Activities/Athletics	174,848	172,524	206,900	182,553	213,981	198,252	237,341	96,927	292,995	132,431
Support Services:										
Student and Inst. Related Services	2,782,721	2,873,116	2,861,543	3,069,835	3,281,982	3,279,568	3,403,633	3,549,482	4,142,518	4,449,907
General Administrative Services	477,445	586,105	603,354	601,187	613,022	623,518	613,440	689,668	756,167	804,250
School Administrative Services	982,864	946,243	948,944	993,800	1,050,076	1,060,188	998,272	1,092,481	1,031,033	1,059,535
Central Services/Business Services	391,628	503,459	531,707	546,118	603,018	642,500	732,100	819,068	830,433	872,288
Plant Operations and Maintenance	1,863,465	1,928,045	2,120,754	2,029,487	2,130,813	2,133,199	2,289,100	2,329,766	2,698,843	2,534,713
Pupil Transportation	1,013,299	988,045	945,742	977,279	1,003,840	1,054,043	917,776	808,989	980,343	1,106,101
Capital Outlay	263,433	871,496	654,751	127,526	149,961	1,218,371	5,381,760	9,075,443	5,460,914	3,993,118
Debt Service										
Principal	710,000	730,000	760,000	791,666	832,624	872,784	907,954	943,134	1,720,087	1,755,000
Interest and Other Charges	331,731	313,056	287,156	253,740	214,132	175,860	139,362	735,911	627,002	570,725
Total Expenditures	19,130,755	20,196,798	20,633,607	20,732,109	22,170,313	23,889,563	28,588,568	33,463,486	33,391,396	33,173,735
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	198,945	132,410	45,087	367,935	(67,609)	(585,902)	(4,293,395)	(7,564,548)	(4,750,201)	(3,095,670)
Other Financing sources (uses)										
Serial Bond Proceeds							24,854,000			
Capital Lease Proceeds				14,249						
Transfers In	476,070	432,390	-	87,847			104,060	58,260	38,629	972,370
Transfers Out	(476,392)	(435,505)	(3,601)	(91,181)	(4,643)	(4,711)	(105,908)	(58,260)	(44,408)	(989,006)
Total Other Financing Sources (Uses)	(322)	(3,115)	(3,601)	10,915	(4,643)	(4,711)	24,852,152	-	(5,779)	(16,636)
Net Change in Fund Balances	\$ 198,623	\$ 129,295	\$ 41,486	\$ 378,850	\$ (72,252)	\$ (590,613)	\$ 20,558,757	\$ (7,564,548)	\$ (4,755,980)	\$ (3,112,306)
Debt Service as a Percentage of										
Noncapital Expenditures	5.52%	5.40%	5.24%	5.07%	4.75%	4.63%	4.51%	6.88%	8.40%	7.97%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	Interest	Tuition	Transportation Fees	Prior Year Reimbursements	Insurance Refunds	Prior Year Orders Canceled	Cancel Old Outstanding Checks	Facility Use	E-Rate	Miscellaneous	Total
2014	\$ 6,442	\$ 204,974	\$ 95,578	\$ 5,485	16,305		\$ 4,060		\$ 13,021	\$ 19,238	\$ 365,103
2015	7,396	136,134	123,417	69,664	\$ 2,777		1,523	34,465	33,426	3,647	412,449
2016	6,930	42,000	173,840	70,061	3,211	21,160	4,366	35,400	38,942	11,307	407,217
2017	10,751	66,500	199,199	4,849	27,625		5,499	37,909	26,368	12,507	391,207
2018	38,627	70,000	197,128	20,731			1,739	63,888	5,218	11,775	409,106
2019	55,089	57,685	153,444	22,815	23,645	6,000		68,032	7,282	35,187	429,179
2020	37,576	102,938	166,569	19,518	78,929			57,000	3,115	29,247	494,892
2021	1,514	93,724	34,663	19,275	6,379	90,119	17,846	5,000	16,033	7,764	292,317
2022	4,724	119,214	71,404	5,023	4,295	7,902		76,131	11,468	58,713	358,874
2023	157,748	71,673	89,345	4,165	6,523			49,927	5,167	14,274	398,822

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

Calendar Year	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct Local School Tax Rate ^a
2014	\$ 98,799,800	\$ 1,985,991,600	\$ 748,300	\$ 119,800	\$ 882,320,700	\$ 96,354,600	\$ 168,609,300	\$ 3,232,944,100	\$ 3,854,835	\$ 3,236,798,935	\$ 2,839,810,971	\$ 0.523
2015	95,113,200	2,003,842,000	748,300	119,800	883,268,500	94,644,600	175,484,100	3,253,220,500	4,080,033	3,257,300,533	3,021,413,939	0.530
2016	98,191,900	2,014,682,600	748,300	119,800	903,530,300	92,180,200	175,484,100	3,284,937,200	4,079,867	3,289,017,067	3,126,935,377	0.540
2017	96,791,400	2,035,336,200	748,300	119,800	894,116,700	88,344,300	193,577,400	3,309,034,100	4,107,211	3,313,141,311	3,168,759,250	0.550
2018	64,953,700	2,050,951,700	748,300	119,800	929,394,900	88,344,300	245,944,100	3,380,456,800	3,974,458	3,384,431,258	3,503,649,795	0.560
2019	67,831,000	2,060,266,800	748,300	119,800	972,198,500	88,344,300	248,969,900	3,438,478,600	4,002,145	3,442,480,745	3,511,036,186	0.570
2020	82,509,400	2,070,552,600	748,300	119,800	985,194,200	85,544,300	272,985,400	3,497,654,000	4,089,215	3,501,743,215	3,622,796,572	0.580
2021	99,798,400	2,148,372,800	748,300	10,800	971,753,600	85,544,300	279,709,700	3,585,937,900	4,168,259	3,590,106,159	3,704,718,662	0.580
2022	81,616,800	2,221,513,000	748,300	10,800	968,786,300	85,544,300	279,709,700	3,637,929,200	4,102,053	3,642,031,253	3,796,565,280	0.596
2023	37,984,800	2,393,485,388	748,300	10,800	952,258,300	85,544,300	279,709,700	3,749,741,588	4,191,032	3,753,932,620	3,988,653,048	0.582

Source: County Abstract of Ratables

a Tax rates are per \$100

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

Calendar Year	Total Direct School Tax Rate	Overlapping Rates			Total Direct and Overlapping Tax Rate
	Florham Park Local School District	Hanover Park Regional High School District	Borough of Florham Park	Morris County	
2014	\$ 0.523	\$ 0.233	\$ 0.398	\$ 0.230	\$ 1.384
2015	0.530	0.240	0.400	0.230	1.400
2016	0.540	0.250	0.410	0.230	1.430
2017	0.550	0.260	0.410	0.250	1.470
2018	0.560	0.270	0.410	0.270	1.510
2019	0.570	0.280	0.420	0.270	1.540
2020	0.580	0.290	0.430	0.270	1.570
2021	0.588	0.303	0.440	0.269	1.600
2022	0.596	0.302	0.445	0.269	1.612
2023	0.582	0.294	0.452	0.270	1.598

Source: County Abstract of Ratables

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

Taxpayer	2023		2014	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Sun Valley Plaza, LLC	\$ 111,239,800	2.96%	\$ 65,537,500	2.31%
KBSII 300-600 Campus Drive, LLC	93,517,700	2.49%	188,360,700	6.63%
KCI FP Owner LLC % Ave Mgmt - C. Soto	63,500,000	1.69%		
Avalon Bay Communities Inc.	63,369,900	1.69%	63,369,900	2.23%
KBSII 100-200 Campus Drive, LLC	61,742,300	1.64%		
Welltower Inc.	52,511,000	1.40%		
BASF Corp.	50,000,000	1.33%	68,000,000	2.39%
LIPT 140 Park Avenue LLC	35,014,200	0.93%		
KBSII 190-200 Campus Drive, LLC	34,052,800	0.91%		
LIPT 170 Park Avenue LLC	30,992,600	0.83%		
Wells Reit II			65,398,000	2.30%
Rock GW LLC			62,425,500	2.20%
Advance at Park Place LLC			56,267,600	1.98%
LFT Real Estate			33,900,000	1.19%
HPT IHG Two			33,000,000	1.16%
Riverbend			30,000,000	1.06%
	<u>\$ 595,940,300</u>	<u>15.88%</u>	<u>\$ 666,259,200</u>	<u>23.46%</u>

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 16,670,804	\$ 16,670,804	100%	
2015	17,135,484	17,135,484	100%	
2016	17,461,432	17,461,432	100%	
2017	17,943,855	17,943,855	100%	
2018	18,419,303	18,419,303	100%	
2019	19,199,651	19,199,651	100%	
2020	19,739,527	19,739,527	100%	
2021	20,676,739	20,676,739	100%	
2022	21,489,467	21,489,467	100%	
2023	21,856,612	21,856,612	100%	

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Population	Per Capita
	General Obligation Bonds	Capital Financing Agreements			
2014	\$ 7,710,000		\$ 7,710,000	11,853	\$ 650
2015	6,980,000		6,980,000	11,781	592
2016	6,220,000		6,220,000	11,815	526
2017	5,430,000	\$ 12,583	5,442,583	11,755	463
2018	4,600,000	9,959	4,609,959	11,734	393
2019	3,730,000	7,175	3,737,175	11,657	321
2020	27,679,000	4,221	27,683,221	11,575	2,392
2021	26,739,000	1,087	26,740,087	11,824	2,262
2022	25,020,000		25,020,000	13,149	1,903
2023	23,265,000		23,265,000	14,227	1,635

FLORHAM PARK 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 Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2014	\$ 7,710,000		\$ 7,710,000	0.24	\$ 654
2015	6,980,000		6,980,000	0.21	591
2016	6,220,000		6,220,000	0.19	529
2017	5,430,000		5,430,000	0.16	463
2018	4,600,000		4,600,000	0.14	395
2019	3,730,000		3,730,000	0.11	322
2020	27,679,000		27,679,000	0.77	2,341
2021	26,739,000		26,739,000	0.73	2,034
2022	25,020,000		25,020,000	0.69	1,903
2023	23,265,000		23,265,000	0.62	1,635

FLORHAM PARK BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022
(Unaudited)

	<u>Total Gross Debt</u>
Municipal Debt: (1)	
Florham Park Board of Education (as of June 30, 2023)	\$ 23,265,156
Regional High School - Florham Park's Share	2,544,470
Borough of Florham Park	<u>10,252,000</u>
Total Direct Municipal Debt	<u>36,061,626</u>
Overlapping Debt Apportioned to the Municipality:	
Morris County: (2)	
County of Morris (A)	<u>14,783,601</u>
Total Overlapping Debt Apportioned to the Municipality	<u>14,783,601</u>
Total Direct and Overlapping Debt	<u>\$ 50,845,227</u>

Source:

- (1) Borough of Florham Park's 2022 Annual Debt Statement
- (2) Morris County's 2022 Annual Debt Statement
- (A) The debt for this entity was apportioned by dividing the municipality's 2022 equalized value by the total 2022 equalized value for Morris County.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 91,797,202	\$ 88,416,523	\$ 89,109,645	\$ 92,265,379	\$ 96,534,898	\$ 100,827,648	\$ 104,603,525	\$ 106,440,400	\$ 108,606,936	\$ 111,697,173
Total net debt applicable to limit	7,710,000	6,980,000	6,220,000	5,430,000	4,600,000	3,730,000	27,679,156	26,739,156	25,020,156	23,265,156
Legal debt margin	\$ 84,087,202	\$ 81,436,523	\$ 82,889,645	\$ 86,835,379	\$ 91,934,898	\$ 97,097,648	\$ 76,924,369	\$ 79,701,244	\$ 83,586,780	\$ 88,432,017
Total net debt applicable to the limit as a percentage of debt limit	8.40%	7.89%	6.98%	5.89%	4.77%	3.70%	26.46%	25.12%	23.04%	20.83%

Source: Annual Debt Statements

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized valuation basis	
2020	\$ 3,594,711,202
2021	3,723,715,369
2022	3,851,290,705
	<u>\$ 11,169,717,276</u>
Average equalized valuation of taxable property	<u>\$ 3,723,239,092</u>
Debt limit (3 % of average equalization value)	\$ 111,697,173
Total Net Debt Applicable to Limit	<u>23,265,156</u>
Legal debt margin	<u>\$ 88,432,017</u>

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

<u>Fiscal Year</u>	<u>Borough Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2014	11,781	\$ 84,287	4.7%
2015	11,815	88,298	4.0%
2016	11,755	91,252	3.7%
2017	11,734	93,544	3.5%
2018	11,657	97,244	3.1%
2019	11,575	99,140	2.7%
2020	11,824	102,227	7.3%
2021	13,149	107,767	5.0%
2022	13,325	107,767 *	3.1%
2023	14,227	107,767 *	Not Available

Source: New Jersey State Department of Education

* - Estimated

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

	<u>2023</u>		<u>2014</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>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>	<u>2023</u>
Instruction	110.0	109.0	113.0	113.0	114.0	113.0	113.8	118.5	118.0	118.0
Support Services										
Student and Instruction Related Services	23.6	23.6	21.3	21.3	21.3	20.3	24.8	22.3	25.0	28.0
General Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administrative Services	6.0	6.0	6.3	6.3	6.3	6.3	6.3	6.3	6.0	6.0
Central Services	3.0	3.0	4.0	4.0	4.0	4.0	4.5	4.5	5.2	4.5
Plant Operations and Maintenance	11.3	11.3	11.8	11.3	11.3	11.3	11.3	11.3	12.3	12.3
Pupil Transportation	13.5	13.5	13.1	13.1	13.1	12.1	9.1	10.5	7.5	5.5
Total	<u>169.4</u>	<u>168.4</u>	<u>171.5</u>	<u>171.0</u>	<u>172.0</u>	<u>169.0</u>	<u>171.8</u>	<u>175.4</u>	<u>176.0</u>	<u>176.3</u>

Source: District Personnel Records

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

Teacher/Student Ratio

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Elementary</u>	<u>Middle School</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2014	1,001	\$ 17,825,591	\$ 17,808	4.81%	89	1:12	1:12	1,003	964	-0.79%	96.11%
2015	986	18,282,246	18,542	4.12%	89	1:12	1:12	990	951	-1.30%	96.06%
2016	959	18,931,700	19,741	6.47%	90	1:10	1:10	966	927	-2.42%	95.96%
2017	954	19,559,177	20,502	3.86%	90	1:10	1:10	966	924	0.00%	95.65%
2018	971	20,973,596	21,600	5.35%	91	1:10	1:10	966	920	0.00%	95.24%
2019	982	21,622,548	22,019	1.94%	91	1:10	1:10	970	923	0.41%	95.15%
2020	991	22,159,492	22,361	1.55%	92	1:10	1:10	990	958	2.06%	96.77%
2021	967	22,708,998	23,484	5.02%	99	1:10	1:10	961	932	-2.93%	96.98%
2022	947	25,583,393	27,015	15.04%	96	1:10	1:10	954	906	-3.64%	94.97%
2023	947	26,854,892	28,358	4.97%	96	1:10	1:10	961	901	0.73%	93.76%

Sources: District records

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Building</u>										
<u>Elementary</u>										
Brooklake										
Square Feet	50,700	50,700	50,700	50,700	50,700	50,700	50,700	50,700	50,700	50,700
Enrollment	324	297	316	327	328	335	348	322	329	327
Briarwood										
Square Feet	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000
Enrollment	350	352	301	310	318	324	321	327	300	333
<u>Middle School</u>										
Ridgedale										
Square Feet	76,100	76,100	76,000	76,000	76,000	76,000	76,000	76,000	76,000	76,000
Enrollment	327	337	342	317	325	323	322	318	318	301

114

Number of Schools at June 30, 2023
 Elementary = 2
 Middle School = 1
3

Source: District Records

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

<u>School Facilities</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>	<u>2023</u>
Brooklake Elementary School	\$ 105,435	\$ 126,543	\$ 157,949	\$ 111,247	\$ 157,758	\$ 98,476	\$ 100,554	\$ 122,017	\$ 111,766	\$ 126,305
Briarwood Elementary School	96,050	117,308	146,422	103,576	151,218	97,202	101,111	113,113	159,982	117,087
Ridgedale Middle School	<u>150,664</u>	<u>189,939</u>	<u>237,078</u>	<u>168,790</u>	<u>154,327</u>	<u>167,769</u>	<u>236,352</u>	<u>182,905</u>	<u>272,872</u>	<u>189,333</u>
Total School Facilities	<u>\$ 352,149</u>	<u>\$ 433,790</u>	<u>\$ 541,449</u>	<u>\$ 383,613</u>	<u>\$ 463,303</u>	<u>\$ 363,447</u>	<u>\$ 438,017</u>	<u>\$ 418,035</u>	<u>\$ 544,620</u>	<u>\$ 432,725</u>

Source: District Records

**FLORHAM PARK BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2023
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NJSIG		
Property - Blanket Building & Contents	\$ 500,000,000	\$ 5,000
Extra Expense	50,000,000	
Increased Cost of Construction	25,000,000	
Flood	75,000,000	
Computer Equipment	300,000	
Energy Systems - Property Damage	500,000,000	
Commercial Liability - Bodily Injury/Property Damage	31,000,000	
Workers Compensation	3,000,000	
School Leaders Errors and Omissions	31,000,000	5,000
Business Auto	31,000,000	1,000
Public Employee Dishonesty	100,000	
Money and Security	25,000	
Computer Fraud	100,000	
Depositor Forgery	100,000	
Student Accident	5,000,000	
Public Official Bond - Board Secretary	100,000	
Public Official Bond - Treasurer of School Monies	230,000	
Cyber Liability	2,000,000	10,000
Excess Liability (CAP)	25,000,000	

Source: School District's records

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SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
P.O Box 39
Florham Park, New Jersey 07932

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Florham Park Board of Education as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Florham Park Board of Education's basic financial statements and have issued our report thereon dated November 29, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

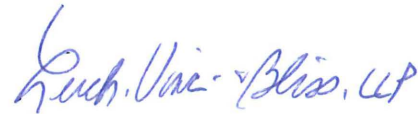
Report on Compliance and Other Matters

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Florham Park Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated November 29, 2023.

Purpose of this Report

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



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



Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 29, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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**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 Education
P.O. Box 39
Florham Park, New Jersey 07932

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Florham Park Board of Education's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Florham Park Board of Education's major federal and state programs for the fiscal year ended June 30, 2023. The Florham Park 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 Florham Park Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Florham Park Board of Education's 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 Florham Park Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 Florham Park 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 Florham Park Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Florham Park Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the 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 Florham Park Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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.

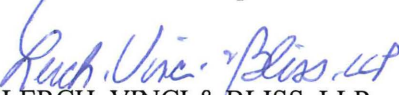
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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, each major fund, and the aggregate remaining fund information of the Florham Park Board of Education, as of and for the fiscal year ended June 30, 2023, 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 November 29, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of 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
November 29, 2023

**FLORHAM PARK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	July 1, 2022		Unearned Revenue Carryover Amount	Accounts Receivable Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	June 30, 2023			MEMO GAAP Receivable	
					(Account Receivable)	Unearned Revenue						(Account Receivable)	Unearned Revenue	Due to Grantor		
U.S. Department of Education																
Passed-through State Department of Education																
Special Revenue Fund:																
I.D.E.I.A. Part B, Basic Regular	84.027A	H027A210100	7/1/22-9/30/23	\$ 221,718					\$ 221,718	\$ 221,718					*	-
I.D.E.I.A. Part B, Basic Regular	84.027A	H027A200100	7/1/21-9/30/22	217,041	\$ (80,125)				80,125						*	-
American Rescue Plan - I.D.E.I.A. Part B, Basic Regular	84.027X	H027X210100	7/1/21-9/30/22	44,680	(44,680)				44,680						*	-
I.D.E.I.A. Preschool	84.173A	H027A210114	7/1/22-9/30/23	9,945					10,284	10,284					*	-
I.D.E.I.A. Preschool	84.173A	H027A210114	7/1/21-9/30/22	9,016	(9,016)				9,016						*	-
American Rescue Plan - I.D.E.I.A. Preschool	84.173X	H173X210114	7/1/21-9/30/22	3,817	(3,817)				3,817						*	-
Total Special Education Cluster (IDEA)					(137,638)	-	-	-	369,640	232,002	-	-	-	-	*	-
Title I Part A	84.010	S010A210030	7/1/22-9/30/23	28,634					20,972	28,634		\$ (7,662)			*	\$ (7,662)
Title I Part A	84.010	S010A210030	7/1/21-9/30/22	22,728	(25,782)	\$ 1,272			25,332		\$ (822)				*	-
Title II Part A	84.367A	S010A210029	7/1/22-9/30/23	14,050					13,735	14,050		(315)			*	(315)
Title II Part A	84.367A	S010A200029	7/1/21-9/30/22	12,434	(13,494)				16,374		(2,880)				*	-
Title IV	84.424	S365A210031	7/1/22-9/30/23	10,000					3,435	10,000		(6,565)			*	(6,565)
Title IV	84.424	S365A200031	7/1/21-9/30/22	10,000	(10,000)				10,000						*	-
Total ESEA					(49,276)	1,272	-	-	89,848	52,684	(3,702)	(14,542)	-	-	*	(14,542)
Elementary and Secondary School Emergency Relief Fund (ESSER):																
ESSER I - C.A.R.E.S. Emergency Relief Grant	84.425D	S425D200027	3/13/20-9/30/22	19,878	(1,890)	370			1,520		370			\$ 370	*	-
ESSER II - Coronavirus Response and Relief Supplem. Appropriations	84.425D	S425D200027	3/13/20-9/30/23	75,515	(9,695)	6,574			9,695	6,574					*	-
ESSER II - Learning Acceleration	84.425D	S425D200027	3/13/20-9/30/23	25,000	(5,860)				5,860						*	-
ESSER II - Mental Health	84.425D	S425D200027	3/13/20-9/30/23	45,000	(200)				200						*	-
American Rescue Plan (ARP) - ESSER III	84.425U	S425U210027	3/13/20-9/30/24	169,716	(169,716)	60,000			109,716	60,000		(60,000)			*	(60,000)
American Rescue Plan (ARP) - Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	80,568	(80,568)	80,568			17,898	58,522		(62,670)	\$ 22,046		*	(40,624)
American Rescue Plan (ARP) - Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000			17,768	26,416		(22,232)	13,584		*	(8,648)
American Rescue Plan (ARP) - Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	32,498			7,502	9,456		(32,498)	23,042		*	(9,456)
American Rescue Plan (ARP) - NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	(45,000)	45,000			22,500	22,500		(22,500)	22,500		*	-
Total Elementary and Secondary School Emergency Relief Fund Cluster (ESSER)					(392,929)	265,010	-	-	192,659	183,468	370	(199,900)	81,172	370	*	(118,728)
Total Special Revenue Fund					(579,843)	266,282	-	-	652,147	468,154	(3,332)	(214,442)	81,172	370	*	(133,270)
U.S. Department of Energy																
Passed-through State Department of Treasury - Board of Public Utilities																
Capital Projects Fund:																
School and Small Business Grant	81.000	N/A	7/1/22-6/30/23	1,903,710	-	-	-	-	808,770	808,770	-	(1,094,940)	1,094,940	-	*	(1,094,940)
Total Capital Projects Fund					-	-	-	-	808,770	808,770	-	(1,094,940)	1,094,940	-	*	(1,094,940)
Total Federal Financial Assistance					\$ (579,843)	\$ 266,282	\$ -	\$ -	\$ 1,460,917	\$ 1,276,924	\$ (3,332)	\$ (1,309,382)	\$ 1,176,112	\$ 370	*	\$ (1,228,210)

See Accompanying Notes to Schedule of Expenditures of Federal Awards

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**FLORHAM PARK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

State Grantor/Program Title State Department of Education	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022	Cash Received	Budgetary Expenditures	Refunded to State	June 30, 2023		MEMO	
								(Accounts Receivable)	Due to Grantor	GAAP Receivable	Combined Total Expenditures
General Fund:											
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 905,885		\$ 821,754	\$ 905,886		\$ (84,132)	*		\$ 905,886
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	728,132	\$ (69,834)	69,834				*		-
Security Aid	23-495-034-5120-089	7/1/22-6/30/23	19,487		17,677	19,487		(1,810)	*		19,487
Security Aid	22-495-034-5120-089	7/1/21-6/30/22	19,487	(1,869)	1,869				*		-
Total State Aid - Public Cluster				(71,703)	911,134	925,373	-	(85,942)	*		925,373
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	161,007		146,054	161,007		(14,953)	*		161,007
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	161,007	(15,442)	15,442				*		-
Additional Nonpublic Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	33,339			33,339		(33,339)	*	\$ (33,339)	33,339
Additional Nonpublic Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	19,474	(19,474)	19,474				*		-
Total Transportation Aid Cluster				(34,916)	180,970	194,346	-	(48,292)	*	(33,339)	194,346
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	195,571			195,571		(195,571)	*		195,571
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	204,710	(204,710)	204,710				*		-
TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	660,325		660,325	660,325		-	*	-	660,325
TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	2,979,024		2,979,024	2,979,024			*		2,979,024
TPAF Pension - NCGI Premium	23-495-034-5094-004	7/1/22-6/30/23	41,331		41,331	41,331			*		41,331
TPAF Post Retirement Medical Contributions	23-495-034-5094-001	7/1/22-6/30/23	793,440		793,440	793,440			*		793,440
TPAF Long-Term Disability Insurance Contributions	23-495-034-5094-004	7/1/22-6/30/23	1,268		1,268	1,268			*		1,268
School Security Grant	20E00277	7/1/20-6/30/22	51,663	(51,663)	51,663				*		-
Total General Fund				(393,874)	5,854,747	5,790,678	-	(329,805)	*	(33,339)	5,790,678
Special Revenue Fund:											
New Jersey Nonpublic Aid											
Nursing	23-100-034-5120-070	7/1/22-6/30/23	3,696		3,696	3,696			*		3,696
Nursing	22-100-034-5120-070	7/1/21-6/30/22	3,696	230			\$ 230		*		-
Technology	23-100-034-5120-373	7/1/22-6/30/23	1,386		1,386	1,386			*		1,386
Technology	22-100-034-5120-373	7/1/21-6/30/22	1,386	401			401		*		-
Textbooks	23-100-034-5120-064	7/1/22-6/30/23	2,178		2,178	2,178			*		2,178
Textbooks	22-100-034-5120-064	7/1/21-6/30/22	1,980	5			5		*		-
Security	23-100-034-5120-509	7/1/22-6/30/23	6,765		6,765	6,765			*		6,765
Security	22-100-034-5120-509	7/1/21-6/30/22	5,775	1			1		*		-
Total Nonpublic Aid Cluster				637	14,025	14,025	637		*		14,025
Total Special Revenue Fund				637	14,025	14,025	637		*		14,025
Capital Projects Fund:											
Schools Development Authority Emergent and Capital Maintenance Needs	N/A	7/1/21-6/30/23	21,699		21,699	21,699			*		21,699
Total Capital Projects Fund					21,699	21,699			*		21,699
Debt Service Fund:											
Debt Service Aid	23-495-034-5120-075	7/1/22-6/30/23	463,021		463,021	463,021			*		463,021
Total Debt Service Fund					463,021	463,021			*		463,021
Total State Financial Assistance Subject to Single Audit Determination				(393,237)	6,353,492	6,289,423	637	(329,805)	*	(33,339)	6,289,423
State Financial Assistance Not Subject to Major Program Determination											
General Fund											
TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	2,979,024		(2,979,024)	(2,979,024)			*		(2,979,024)
TPAF Pension - NCGI Premium	23-495-034-5094-004	7/1/22-6/30/23	41,331		(41,331)	(41,331)			*		(41,331)
TPAF Post Retirement Medical Contributions	23-495-034-5094-001	7/1/22-6/30/23	793,440		(793,440)	(793,440)			*		(793,440)
TPAF Long-Term Disability Insurance Contributions	23-495-034-5094-004	7/1/22-6/30/23	1,268		(1,268)	(1,268)			*		(1,268)
Total State Financial Assistance For Major Program Determination				\$ (393,237)	\$ 2,538,429	\$ 2,474,360	\$ 637	\$ (329,805)	\$ -	\$ (33,339)	\$ 2,474,360

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 REPORTING ENTITY

The Florham Park Board of Education (the “Board” or the “District”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are 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* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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 the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board’s financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$4,611 for the general fund and a decrease of \$13 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 5,786,067	\$ 5,786,067
Special Revenue Fund	\$ 469,198	14,025	483,223
Capital Projects Fund	808,770	21,699	830,469
Debt Service Fund	-	463,021	463,021
	<u> </u>	<u> </u>	<u> </u>
Total Financial Assistance	<u>\$ 1,277,968</u>	<u>\$ 6,284,812</u>	<u>\$ 7,562,780</u>

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 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 6 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$660,325 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, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$3,020,355, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$793,440 and TPAF Long-Term Disability Insurance in the amount of \$1,268 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023. The School Development Authority's ("SDA") Educational Facilities Construction and Financing Act on-behalf payments totaling \$21,699 represent the amounts paid by SDA on behalf of the District for the facility project expenditures of the District for the fiscal year ended June 30, 2023.

NOTE 7 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 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 8 DE MINIMIS INDIRECT COST RATE

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

FLORHAM PARK BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over major programs:

(1) Material weakness(es) identified yes no

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

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

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

Identification of major state programs:

GMIS Number(s):

23-495-034-5094-003

Name of State Program:

TPAF Social Security Contributions

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

Auditee qualified as low-risk auditee? yes no

**FLORHAM PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Part 2 – Schedule of Financial Statement Findings

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

THERE ARE NONE.

**FLORHAM PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.

**FLORHAM PARK BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

There were none.