

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

Leonia Board of Education

Leonia, New Jersey

For The Fiscal Year Ended June 30, 2023

Prepared by

Business Office

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INTRODUCTORY SECTION



LEONIA PUBLIC SCHOOLS
570 GRAND AVENUE, LEONIA, NJ 07605

Brian P. Gatens, Ed.D., Superintendent
Xanthy Karamanos Ed.D., Asst. Superintendent
201-302-5200

February 8, 2024

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

Dear Board Members:

The annual comprehensive financial report of the Leonia School 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 results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The 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 the narrative. 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 basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the related U.S. Uniform Guidance and the State Treasury Circular Letter OMB 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Leonia School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Leonia Board of Education and its school constitute the District's reporting entity.

The District provided a full range of educational services appropriate to regular students grade levels K through 12. These include regular and special education for handicapped, school-aged individuals. The District completed FY 2022-2023 with an average daily enrollment of 2,109. The following Average Daily Enrollment figures, reported in the School Summary Register, detail the changes in student enrollment over the last ten (10) years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2022/2023	2,109	0.57%
2021/2022	2,097	1.16%
2020/2021	2,073	2.57%
2019/2020	2,021	4.23%
2018/2019	1,939	2.92%
2017/2018	1,884	3.40%
2016/2017	1,822	0.11%
2015/2016	1,820	-0.22%
2014/2015	1,824	-0.05%
2013/2014	1,825	8.18%

2) ECONOMIC CONDITION AND OUTLOOK: The Borough of Leonia is substantially developed with both residential and commercial taxpayers. The situation is expected to continue, which suggests that its tax base will remain stable.

3) MAJOR INITIATIVES: Our District continues to meet its educational challenges through a series of ambitious initiatives and improvements to our curriculum and programs. In the 2022-2023 school year, our district focused on enhancing curriculum in all content areas to include differentiated activities and modifications to meet our various learners' needs.

Professional development remains an important focus in our district, which allows us to provide all district staff with the opportunity to grow in their practice. In the 2022-2023 school year, our district focused our professional development efforts around continuing to build our staff's capacity in the following areas:

1. Providing an equitable educational experience that is inclusive to all students academic, social, and emotional needs.
2. Using meaningful assessment data to drive instructional decisions.
3. Supporting social-emotional learning and mental health.

We worked towards these goals through a variety of in-service training and workshops, working with staff developers and consultants, and by strengthening our Professional Learning Communities. Our district worked with various organizations and staff developers to support learning in multi-sensory reading, Sheltered English Instruction, and to provide teachers with various instructional strategies to support learners.

In addition to curriculum enhancements and targeted professional development, the following major initiatives were either successfully completed in the 2022-2023 school year or planned for in the 2023-2024 school year:

1. Completed a district-wide needs assessment around our Multi-Tiered Systems of Support.
2. Continued our technology infrastructure upgrade to enhance access and connectivity.

3. Added additional family outreach liaisons to support our Spanish-speaking families in the Special Education community.
4. Received Bronze Status in all three school buildings through Sustainable Jersey
5. Was awarded the NJEA Sustainable Schools grant to build diversity-based gardens at ACS
6. Established a District Mental Health and Wellness Coordinator
7. Combined five Department Supervisors into four positions for cost savings
8. Integrated distance learning opportunities via Proximity pending the resolution of the current teacher shortage.
9. Added sports and activities including flag football, ski club and a Korean cultural club

We look forward to continuing to improve to better support our Leonia students.

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

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

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

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

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

7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

8) DEBT ADMINISTRATION: The District is continually reviewing the cost of the current debt and along with the advice of Bond Counsel makes determinations as to the refunding potential of current issuances.

9) 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 in 1970 and was revised in 2009 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in

New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act. Each year the Board designates its official depository at its reorganization meeting.

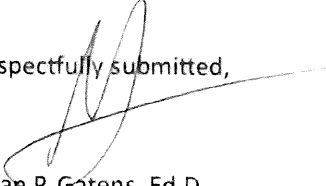
10) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, and fidelity bonds.

11) OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Bliss, LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of the related U.S. Uniform Guidance and State Treasury Circular Letter OMB 15-08. The auditor’s report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor’s report related specifically to the single audit is included in the single audit section of this report.

12) ACKNOWLEDGMENTS: I would like to express appreciation to the members of the Leonia Board of Education for their commitment to provide fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the maintenance of the school district’s financial operation. Further, the preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff and other members in the central office.

Respectfully submitted,



Brian P. Gatens, Ed.D.
Superintendent of Schools

Board of Education

Board Attorney

Superintendent (1)

Business Administrator (3)

Director of Technology and Innovation

Technology Department Staff

Supervisor of Buildings and Grounds

Buildings and Grounds Staff

Business Department Staff

Administrative Assistant to Superintendent

Assistant Superintendent (2)

ACS Principal

ACS Vice Principal

ACS Staff (including Nurse, Paraprofessionals, CST, Counselor)

LMS Principal

LMS Vice Principal

LMS Staff (including Nurse, Paraprofessionals, CST, Counselor)

LHS Principal

LHS Vice Principal

LHS Staff (including Nurse, Paraprofessionals, CST, Counselor)

Coordinator of Student Data/Registrar

Human Resources Specialist

Director of Athletics (Supervisor of CHPE)

School Safety Officers (SSO)

Director of Student Services

PK-12 School Counselors

Athletic Coaches

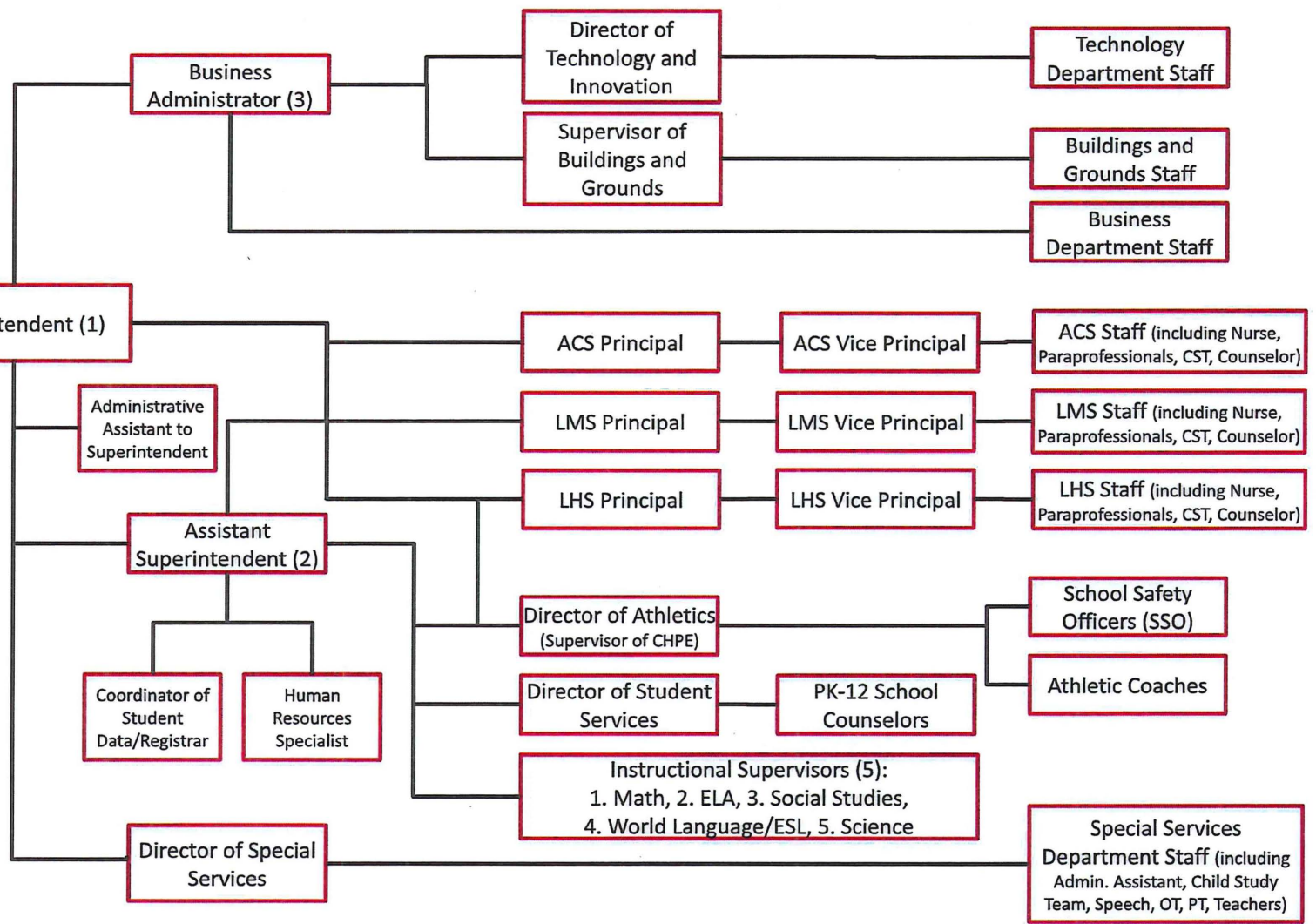
Instructional Supervisors (5):
1. Math, 2. ELA, 3. Social Studies,
4. World Language/ESL, 5. Science

Director of Special Services

Special Services Department Staff (including Admin. Assistant, Child Study Team, Speech, OT, PT, Teachers)

Leonia Public Schools
Organizational Chart
Updated: March 2023

All staff report to both their specific department supervisor and the school building administrator.



**LEONIA BOARD OF EDUCATION
LEONIA, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Daniel Lee, President	Jan. 2024
Kimberly Melman, Vice President	Jan. 2024
Damee Choi	Jan. 2025
Ana DeJesus	Jan. 2024
Isaac Park	Jan. 2026
Joseph Rzepka	Jan. 2026
Siddharth Sehgal	Jan. 2026
Mariya Thompson	Jan. 2025
Noreen Wilds	Jan. 2025
Cristina Rackow – Edgewater Representative	Jan. 2024
<u>Other Officials</u>	
Xanthy Karamanos, Acting Superintendent	
Eric Thomasevich, Business Administrator	
Antoinette Kelly, Treasurer of School Monies	

**Leonia Board of Education
Leonia, New Jersey**

**Consultants and Advisors
June 30, 2023**

Audit Firm

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

Board Attorney

Fogarty & Hara
16-00 Route 208 South
Fair Lawn, NJ 07410

Architect of Record

Environetics Group Architects, PC
180 Sylvan Avenue
Englewood Cliffs, NJ 07632

Official Depository

Provident Bank
P.O. Box 1001
Iselin, NJ 08830

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
Leonia Board of Education
Leonia, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Leonia 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 Leonia 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 Leonia 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 Leonia 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 Leonia 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 Leonia 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 Leonia 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 Leonia Board of Education. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

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

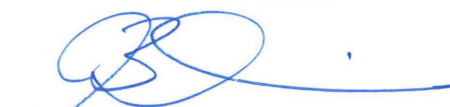
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If,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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 8, 2023 on our consideration of the Leonia 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 Leonia 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 Leonia Board of Education's internal control over financial reporting and compliance.

LERCH, VINCI & BLISS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
February 8, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

LEONIA BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

As management of the Leonia Board of Education (the "Board" or the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Leonia Board of Education for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, as well as, the District's financial statements and notes to the financial statements which immediately follows this discussion and analysis.

FINANCIAL HIGHLIGHTS

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

- The assets and deferred outflows of resources of the Leonia Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$20,405,423. (Net Position)
- The District's total net position increased by \$2,635,334, or 15%.
- Overall District revenues were \$49,807,945. General revenues accounted for \$29,123,727, or 58%, of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$20,684,218, or 42%, of total revenues.
- The school district had \$46,145,246 in expenses for governmental activities; only \$19,516,624 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$29,122,332 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 balances of \$6,341,883. Of this amount, \$5,159,473 is fund balances restricted for specific purposes, \$1,332,966 has been committed or assigned to future expenditures and the remaining amount is the unassigned fund deficit of (\$150,556).
- The General Fund fund balance (GAAP Basis) at June 30, 2023 was \$6,288,783, an increase of \$49,611 from the previous year.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$843,760, which represents a decrease of \$421,624 when compared to the ending unassigned budgetary fund balance at June 30, 2022 of \$1,265,384.
- The District's total outstanding long-term liabilities decreased by \$1,732,040 during the current fiscal year.

LEONIA BOARD OF EDUCATION

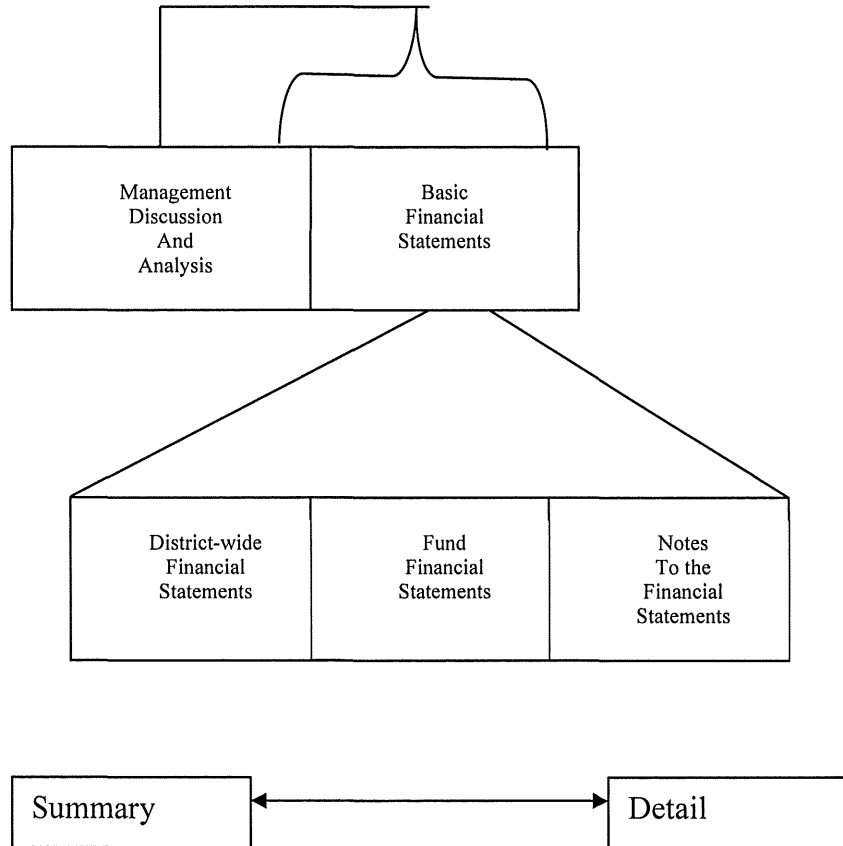
Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



LEONIA BOARD OF EDUCATION

Management’s Discussion and Analysis Fiscal Year Ended June 30, 2023

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

Major Features of the District-Wide and Fund Financial Statements

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

District-Wide Statements

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

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

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

LEONIA BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

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 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, pension plans and other postemployment benefits. The District adopts an annual expenditure budget for the general and special revenue funds. A budgetary comparison statement has been provided for these funds as required supplementary information. Information regarding the District's employee retirement systems and pension plans as well as retirees' postemployment health benefits has also been provided as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

Other financial schedules are presented immediately following the major budgetary comparisons, pension, and other postemployment benefits information.

LEONIA BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *combined* net position was \$20,405,423 and \$17,770,089 on June 30, 2023 and 2022, respectively as follows:

**Statement of Net Position
As of June 30, 2023 and 2022**

	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets						
Current Assets	\$ 11,171,052	\$ 10,847,409	\$ 588,619	\$ 447,146	\$ 11,759,671	\$ 11,294,555
Capital Assets	<u>34,137,220</u>	<u>35,060,798</u>	<u>191,104</u>	<u>130,618</u>	<u>34,328,324</u>	<u>35,191,416</u>
Total Assets	<u>45,308,272</u>	<u>45,908,207</u>	<u>779,723</u>	<u>577,764</u>	<u>46,087,995</u>	<u>46,485,971</u>
Deferred Outflows of Resources	<u>717,939</u>	<u>760,986</u>	<u>-</u>	<u>-</u>	<u>717,939</u>	<u>760,986</u>
Total Assets and Deferred Outflows of Resources	<u>46,026,211</u>	<u>46,669,193</u>	<u>779,723</u>	<u>577,764</u>	<u>46,805,934</u>	<u>47,246,957</u>
Liabilities						
Other Liabilities	5,048,573	4,572,930	167,237	107,259	5,215,810	4,680,189
Long-Term Liabilities	<u>19,887,078</u>	<u>21,619,118</u>	<u>-</u>	<u>-</u>	<u>19,887,078</u>	<u>21,619,118</u>
Total Liabilities	<u>24,935,651</u>	<u>26,192,048</u>	<u>167,237</u>	<u>107,259</u>	<u>25,102,888</u>	<u>26,299,307</u>
Deferred Inflows of Resources	<u>1,294,146</u>	<u>3,174,441</u>	<u>3,477</u>	<u>3,120</u>	<u>1,297,623</u>	<u>3,177,561</u>
Total Liabilities and Deferred Inflows of Resources	<u>26,229,797</u>	<u>29,366,489</u>	<u>170,714</u>	<u>110,379</u>	<u>26,400,511</u>	<u>29,476,868</u>
Net Position:						
Net Investment in Capital Assets	20,739,886	19,033,880	191,104	130,618	20,930,990	19,164,498
Restricted	4,609,473	3,394,759			4,609,473	3,394,759
Unrestricted	<u>(5,552,945)</u>	<u>(5,125,935)</u>	<u>417,905</u>	<u>336,767</u>	<u>(5,135,040)</u>	<u>(4,789,168)</u>
Total Net Position	<u>\$ 19,796,414</u>	<u>\$ 17,302,704</u>	<u>\$ 609,009</u>	<u>\$ 467,385</u>	<u>\$ 20,405,423</u>	<u>\$ 17,770,089</u>

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

LEONIA BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

The District's total net position of \$20,405,423 at June 30, 2023 represents a \$2,635,334, or 15%, increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2023 and 2022.

Changes 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	\$ 10,688,383	\$ 10,542,784	\$ 733,786	\$ 227,826	\$ 11,422,169	\$ 10,770,610
Operating Grants and Contributions	8,748,319	10,497,942	433,808	997,301	9,182,127	11,495,243
Capital Grants and Contributions	79,922	1,137,831			79,922	1,137,831
General Revenues						
Property Taxes	23,707,444	23,327,560			23,707,444	23,327,560
Unrestricted Federal and State Aid	5,182,617	3,594,261			5,182,617	3,594,261
Other	232,271	185,920	1,395	407	233,666	186,327
Total Revenues	<u>48,638,956</u>	<u>49,286,298</u>	<u>1,168,989</u>	<u>1,225,534</u>	<u>49,807,945</u>	<u>50,511,832</u>
Expenses						
Instruction						
Regular	19,153,443	18,717,220			19,153,443	18,717,220
Special Education	6,675,758	6,529,666			6,675,758	6,529,666
Other Instruction	1,161,788	990,982			1,161,788	990,982
School Sponsored Activities and Athletics	1,391,545	1,252,229			1,391,545	1,252,229
Support Services						
Student and Instruction Related Serv.	6,673,247	6,426,527			6,673,247	6,426,527
General Administrative Services	1,200,530	1,375,099			1,200,530	1,375,099
School Administrative Services	2,571,616	2,564,731			2,571,616	2,564,731
Central Services and Info. Technology	1,648,455	1,315,606			1,648,455	1,315,606
Plant Operations and Maintenance	3,924,642	2,737,850			3,924,642	2,737,850
Student Transportation	1,522,371	1,611,325			1,522,371	1,611,325
Interest on Long-Term Debt	221,851	278,505			221,851	278,505
Food Services			862,802	767,561	862,802	767,561
Enrichment Program	-	-	164,563	145,295	164,563	145,295
Total Expenses	<u>46,145,246</u>	<u>43,799,740</u>	<u>1,027,365</u>	<u>912,856</u>	<u>47,172,611</u>	<u>44,712,596</u>
Increase (Decrease) in Net Position	2,493,710	5,486,558	141,624	312,678	2,635,334	5,799,236
Net Position, Beginning of Year	<u>17,302,704</u>	<u>11,816,146</u>	<u>467,385</u>	<u>154,707</u>	<u>17,770,089</u>	<u>11,970,853</u>
Net Position, End of Year	<u>\$ 19,796,414</u>	<u>\$ 17,302,704</u>	<u>\$ 609,009</u>	<u>\$ 467,385</u>	<u>\$ 20,405,423</u>	<u>\$ 17,770,089</u>

LEONIA BOARD OF EDUCATION

Management’s Discussion and Analysis Fiscal Year Ended June 30, 2023

Governmental Activities. The District’s total governmental activities’ revenues, which includes State and Federal grants, were \$48,638,956 for the fiscal year ended June 30, 2023, property taxes of \$23,707,444 represented 49% of revenues. Another significant portion of revenues came from grants and contributions and unrestricted federal and state aid which totaled \$14,010,858 and represented 29% of revenues for the fiscal year ended June 30, 2023. In addition, charges for services from tuition, transportation services, related service fees and facility rental totaled \$10,688,383 and represented 22% of revenues.

The total cost of all governmental activities programs and services was \$46,145,246 for the fiscal year ended June 30, 2023. The District’s expenses are predominantly related to educating and caring for students. Instruction costs were \$28,382,534 (62%) of total expenses. Support services costs were \$17,540,861 (38%) of total expenses and interest on debt totaled \$221,851 or less than 1% of total expenses.

For fiscal year 2023, total governmental activities revenues exceeded expenses increasing net position for governmental activities by \$2,493,710 from the previous year.

Total and Net Cost of Governmental Activities. The District’s total cost of services was \$46,145,246. After applying program revenues, derived from operating grants and contributions of \$8,748,319, capital grants and contributions of \$79,922 and charges for services of \$10,688,383, the net cost of services of the District is \$26,628,622 for the fiscal year ended June 30, 2023.

Total and Net Cost of Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost (Revenue) of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction				
Regular	\$ 19,153,443	\$ 18,717,220	\$ 8,970,120	\$ 6,789,743
Special Education	6,675,758	6,529,666	2,138,540	2,738,883
Other Instruction	1,161,788	990,982	904,678	754,722
School Sponsored Activities and Athletics	1,391,545	1,252,229	963,977	849,106
Support Services				
Student and Instruction Related Svcs.	6,673,247	6,426,527	4,915,759	4,278,649
General Administrative Services	1,200,530	1,375,099	1,126,922	1,233,276
School Administrative Services	2,571,616	2,564,731	2,256,570	2,069,672
Central Services and Info. Technology	1,648,455	1,315,606	1,567,255	1,183,500
Plant Operations and Maintenance	3,924,642	2,737,850	3,623,869	1,176,204
Student Transportation	1,522,371	1,611,325	27,775	353,609
Interest on Long Term Debt	221,851	278,505	133,157	193,819
	<u>\$ 46,145,246</u>	<u>\$ 43,799,740</u>	<u>\$ 26,628,622</u>	<u>\$ 21,621,183</u>
Total				

Business-Type Activities – The District’s total business-type activities revenues were \$1,168,989 for the fiscal year ended June 30, 2023. Charges for services of \$733,786 accounted for 63% of total revenues and operating grants and contributions of \$433,808 accounted for 37% of total revenues and general revenues accounted for less than 1% of the total revenues.

Total cost of all business-type activities programs and services was \$1,027,365 for the fiscal year ended June 30, 2023. Food service expenses of \$862,802 represented 84% of total expense and the expenses for the enrichment program of \$164,563 represented 16% of total expenses.

For fiscal year 2023, total business-type activities revenues exceeded expenses, increasing net position by \$141,624, or 30% over the previous year.

LEONIA BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$6,341,883 at June 30, 2023, a decrease of \$190,494 from last year's fund balance \$6,532,377.

Revenues for the District's governmental funds were \$51,181,774, while total expenditures were \$52,161,204 for the fiscal year ended June 30, 2023. The District additionally had other financing sources of \$788,936 mainly from insurance recoveries for Hurricane Ida clean-up and repairs and proceeds from a new capital financing agreement.

GENERAL FUND

The General Fund includes the primary operations of the District in providing educational services to students from grades Pre-K through 12 including pupil transportation, extra-curricular activities, plant operation and maintenance costs and capital outlay projects.

The following schedule presents a summary of General Fund Revenues.

	Fiscal Year Ended <u>June 30, 2023</u>	Fiscal Year Ended <u>June 30, 2022</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Local Sources:				
Property Tax Levy	\$ 21,593,913	\$ 21,172,579	\$ 421,334	2%
Tuition	8,407,829	8,800,044	(392,215)	-4%
Other	2,109,118	1,602,221	506,897	32%
State Sources	14,314,438	13,197,216	1,117,222	8%
Federal Sources	<u>67,254</u>	<u>55,528</u>	<u>11,726</u>	21%
 Total General Fund Revenues	 <u>\$ 46,492,552</u>	 <u>\$ 44,827,588</u>	 <u>\$ 1,664,964</u>	 <u>4%</u>

For fiscal year 2023, total General Fund revenues increased \$1,664,964, or 4%, from the previous year.

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2023 and 2022.

	Fiscal Year Ended <u>June 30, 2023</u>	Fiscal Year Ended <u>June 30, 2022</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Instruction	\$ 27,911,479	\$ 26,157,558	\$ 1,753,921	7%
Support Services	17,317,296	17,355,127	(37,831)	0%
Debt Service	413,793	1,086,603	(672,810)	-62%
Capital Outlay	<u>1,521,143</u>	<u>1,719,876</u>	<u>(198,733)</u>	-12%
 Total Expenditures	 <u>\$ 47,163,711</u>	 <u>\$ 46,319,164</u>	 <u>\$ 844,547</u>	 <u>2%</u>

For fiscal year 2023, total General Fund expenditures increased \$844,547, or 2%, from the previous year.

In fiscal year 2022 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$49,611. Therefore, the total fund balance of \$6,239,172 at June 30, 2022 increased to a fund balance of \$6,288,783 at June 30, 2023. After deducting restricted and assigned fund balances, the unassigned fund balance decreased \$582,050 to an unassigned fund deficit of (\$27,087) at June 30, 2023.

LEONIA BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2023, the District had \$34,137,220 invested in land, buildings, furniture, equipment and vehicles for governmental activities and \$191,104 for business type activity. For fiscal year 2023 depreciation expense for governmental activities was \$2,706,167 and for business-type activities was \$16,476. The following is a comparison of the June 30, 2023 and 2022 balances:

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land and Land Improvements	\$ 2,452,763	\$ 2,583,458			\$ 2,452,763	\$ 2,583,458
Construction in Progress	377,134	308,995			377,134	308,995
Building and Building Improvements	28,407,825	29,576,048	\$ 11,474	\$ 12,908	28,419,299	29,588,956
Machinery and Equipment	2,524,078	2,592,297	179,630	117,710	2,703,708	2,710,007
Right-to-Use Equipment and IT Software	375,420	-	-	-	375,420	-
	<u>375,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,420</u>	<u>-</u>
Total Capital Assets	\$ 34,137,220	\$ 35,060,798	\$ 191,104	\$ 130,618	\$ 34,328,324	\$ 35,191,416

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

LONG TERM LIABILITIES

At June 30, 2023 and 2022 the District had \$19,887,078 and \$21,619,118, respectively of total outstanding long term liabilities. For fiscal year 2022/2023 total outstanding long-term liabilities decreased by \$1,732,040. The following is a comparison of the June 30, 2023 and 2022 balances:

Outstanding Long-Term Liabilities as of June 30, 2023 and 2022

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Serial Bonds (including unamortized premium)	\$ 10,607,664	\$ 12,961,033
Capital Financing Agreements	2,705,862	3,059,911
Compensated Absences	383,374	398,862
Leases Payable	134,458	189,731
Net Pension Liability	<u>6,055,720</u>	<u>5,009,581</u>
Total Long-Term Liabilities	\$ 19,887,078	\$ 21,619,118

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

LEONIA BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

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

For fiscal year 2023 General Fund budgetary revenues and other financing sources exceeded budgetary expenditures and other financing uses increasing budgetary fund balance \$210,037. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance decreased \$421,624 from an unassigned fund balance of \$1,265,384 at June 30, 2022 to \$843,760 at June 30, 2023. In addition, at June 30, 2023 the District had restricted fund balances for capital reserve of \$2,926,261 maintenance reserve of \$1,325,000, unemployment compensation reserve of \$181,643 and excess surplus of \$550,000.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

Many factors were considered by the District's administration during the process of developing the fiscal year 2023-2024 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2023-2024. Budgeted expenditures in the General Fund increased approximately 10% to \$41,925,919 for fiscal year 2023-2024. A majority of the increase was related to capital outlay projects funded from capital reserve.

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, Leonia Board of Education, 570 Grand Ave., NJ 07605.

BASIC FINANCIAL STATEMENTS

**LEONIA BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 8,433,943	\$ 536,931	\$ 8,970,874
Receivables, Net	2,729,694	39,917	2,769,611
Internal Balances	7,415	(7,415)	-
Inventory		19,186	19,186
Capital Assets, Not Being Depreciated	486,502		486,502
Capital Assets, Being Depreciated, net	<u>33,650,718</u>	<u>191,104</u>	<u>33,841,822</u>
Total Assets	<u>45,308,272</u>	<u>779,723</u>	<u>46,087,995</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Amounts on Refunding on Debt	50,650		50,650
Deferred Amounts on Net Pension Liability	<u>667,289</u>	<u>-</u>	<u>667,289</u>
Total Deferred Outflow of Resources	<u>717,939</u>	<u>-</u>	<u>717,939</u>
Total Assets and Deferred Outflow of Resources	<u>46,026,211</u>	<u>779,723</u>	<u>46,805,934</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,947,110	49,552	1,996,662
Intergovernmental Payable	6,650		6,650
Accrued Interest on Bonds	219,404		219,404
Unearned Revenue	2,875,409	117,685	2,993,094
Noncurrent Liabilities			
Due Within One Year	2,880,975		2,880,975
Due Beyond One Year	<u>17,006,103</u>	<u>-</u>	<u>17,006,103</u>
Total Liabilities	<u>24,935,651</u>	<u>167,237</u>	<u>25,102,888</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	1,294,146		1,294,146
Deferred Commodities Revenue	<u>-</u>	<u>3,477</u>	<u>3,477</u>
Total Deferred Inflows of Resources	<u>1,294,146</u>	<u>3,477</u>	<u>1,297,623</u>
Total Liabilities and Deferred Inflows of Resources	<u>26,229,797</u>	<u>170,714</u>	<u>26,400,511</u>
NET POSITION			
Net Investment in Capital Assets	20,739,886	191,104	20,930,990
Restricted for:			
Capital Projects	2,926,261		2,926,261
Plant Maintenance	1,325,000		1,325,000
Unemployment Compensation	181,643		181,643
Student Activities	167,898		167,898
Other Purposes	8,671		8,671
Unrestricted (Deficit)	<u>(5,552,945)</u>	<u>417,905</u>	<u>(5,135,040)</u>
Total Net Position	<u>\$ 19,796,414</u>	<u>\$ 609,009</u>	<u>\$ 20,405,423</u>

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

**LEONIA BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Governmental Activities:							
Instruction							
Regular	\$ 19,153,443	\$ 6,453,099	\$ 3,730,224		\$ (8,970,120)		\$ (8,970,120)
Special Education	6,675,758	1,954,730	2,582,488		(2,138,540)		(2,138,540)
Other Instruction	1,161,788		257,110		(904,678)		(904,678)
School Sponsored Activities and Athletics	1,391,545	401,783	25,785		(963,977)		(963,977)
Support Services							
Student and Instruction Related Services	6,673,247	341,238	1,416,250		(4,915,759)		(4,915,759)
General Administrative Services	1,200,530		73,608		(1,126,922)		(1,126,922)
School Administrative Services	2,571,616		315,046		(2,256,570)		(2,256,570)
Central Services and Info. Technology	1,648,455		81,200		(1,567,255)		(1,567,255)
Plant Operations and Maintenance	3,924,642	89,330	131,521	\$ 79,922	(3,623,869)		(3,623,869)
Student Transportation	1,522,371	1,448,203	46,393		(27,775)		(27,775)
Interest on Long-Term Debt	221,851	-	88,694	-	(133,157)	-	(133,157)
Total Governmental Activities	<u>46,145,246</u>	<u>10,688,383</u>	<u>8,748,319</u>	<u>79,922</u>	<u>(26,628,622)</u>	<u>-</u>	<u>(26,628,622)</u>
Business-Type Activities:							
Food Service	862,802	568,935	433,808			\$ 139,941	139,941
Enrichment Programs	164,563	164,851	-	-	-	288	288
Total Business-Type Activities	<u>1,027,365</u>	<u>733,786</u>	<u>433,808</u>	<u>-</u>	<u>-</u>	<u>140,229</u>	<u>140,229</u>
Total Primary Government	<u>\$ 47,172,611</u>	<u>\$ 11,422,169</u>	<u>\$ 9,182,127</u>	<u>\$ 79,922</u>	<u>(26,628,622)</u>	<u>140,229</u>	<u>(26,488,393)</u>

Continued

**LEONIA BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Total Primary Government (Carried Forward)	\$ (26,628,622)	\$ 140,229	\$ (26,488,393)
General Revenues			
Taxes:			
Property Taxes, Levied for General Purposes, Net	21,593,913		21,593,913
Property Taxes Levied for Debt Service	2,113,531		2,113,531
State Aid - Unrestricted	4,513,561		4,513,561
Federal and State Aid for Debt Service Principal	669,056		669,056
Interest Earnings	24,266	1,395	25,661
Miscellaneous	208,005	-	208,005
Total General Revenues	<u>29,122,332</u>	<u>1,395</u>	<u>29,123,727</u>
Change in Net Position	2,493,710	141,624	2,635,334
Net Position, Beginning of Year	<u>17,302,704</u>	<u>467,385</u>	<u>17,770,089</u>
Net Position, End of Year	<u>\$ 19,796,414</u>	<u>\$ 609,009</u>	<u>\$ 20,405,423</u>

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

FUND FINANCIAL STATEMENTS

**LEONIA 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</u>
ASSETS					
Cash and Cash Equivalents	\$ 6,250,257	\$ 176,569	\$ 2,007,117		\$ 8,433,943
Receivables From Other Governments	1,837,187	437,040	453,875		2,728,102
Other Accounts Receivable	205	1,387			1,592
Due From Other Funds	<u>331,851</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>331,851</u>
Total Assets	<u>\$ 8,419,500</u>	<u>\$ 614,996</u>	<u>\$ 2,460,992</u>	<u>\$ -</u>	<u>\$ 11,495,488</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 732,187	\$ 62,944			\$ 795,131
Accrued Salaries and Wages	16,683				16,683
Compensated Absences Payable	31,450				31,450
Payroll Deductions and Withholdings Payable	263,744				263,744
Employee Deposits Payable	712,004				712,004
Payable to Other Government		6,650			6,650
Other Liabilities	128,098				128,098
Due to Other Funds	614	323,822			324,436
Unearned Revenue	<u>245,937</u>	<u>45,011</u>	<u>2,584,461</u>	<u>-</u>	<u>2,875,409</u>
Total Liabilities	<u>2,130,717</u>	<u>438,427</u>	<u>2,584,461</u>	<u>-</u>	<u>5,153,605</u>
Fund Balances					
Restricted					
Capital Reserve	1,222,500				1,222,500
Capital Reserve - Designated for Subsequent Year's Expenditures	1,703,761				1,703,761
Maintenance Reserve	1,050,000				1,050,000
Maintenance Reserve - Designated for Subsequent Year's Expenditures	275,000				275,000
Unemployment Compensation Reserve	181,643				181,643
Excess Surplus	550,000				550,000
Student Activities		167,898			167,898
Scholarships		8,671			8,671
Committed					
Year-End Encumbrances	54,575				54,575
Assigned					
Year-End Encumbrances	680,824				680,824
Designated for Subsequent Year' Expenditures	575,000				575,000
Insurance Recovery Expenditures	22,567				22,567
Unassigned	<u>(27,087)</u>	<u>-</u>	<u>(123,469)</u>	<u>-</u>	<u>(150,556)</u>
Total Fund Balances	<u>6,288,783</u>	<u>176,569</u>	<u>(123,469)</u>	<u>-</u>	<u>6,341,883</u>
Total Liabilities and Fund Balances	<u>\$ 8,419,500</u>	<u>\$ 614,996</u>	<u>\$ 2,460,992</u>	<u>\$ -</u>	<u>\$ 11,495,488</u>

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

Total Fund Balance (Exhibit B-1) \$ 6,341,883

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 \$64,654,334 and the accumulated depreciation is \$30,517,114. 34,137,220

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over life of the debt. 50,650

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	\$ 667,289	
Deferred Inflows of Resources	<u>(1,294,146)</u>	(626,857)

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (219,404)

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

General Obligation Bonds (including unamortized premium)	(10,607,664)	
Capital Financing Agreements Payable	(2,705,862)	
Leases Payable	(134,458)	
Compensated Absences	(383,374)	
Net Pension Liability	<u>(6,055,720)</u>	<u>(19,887,078)</u>

Total Net Assets of Governmental Activities (Exhibit A-1) \$ 19,796,414

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

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 21,593,913			\$ 2,113,531	\$ 23,707,444
Tuition	8,407,829				8,407,829
Transportation	1,448,203				1,448,203
Miscellaneous	660,915	\$ 435,357	\$ 1,924	-	1,098,196
	<u>32,110,860</u>	<u>435,357</u>	<u>1,924</u>	<u>2,113,531</u>	<u>34,661,672</u>
Total - Local Sources					
State Sources	14,314,438	58,301		403,750	14,776,489
Federal Sources	67,254	1,676,359	-	-	1,743,613
	<u>46,492,552</u>	<u>2,170,017</u>	<u>1,924</u>	<u>2,517,281</u>	<u>51,181,774</u>
Total Revenues					
EXPENDITURES					
Instruction					
Regular	19,807,592	290,394			20,097,986
Special Education	6,078,792	638,580			6,717,372
Other Instruction	1,152,030	45,315			1,197,345
School Sponsored Activities and Athletics	873,065	489,637			1,362,702
Support Services					
Student and Instruction Related Services	6,433,556	378,456			6,812,012
General Administrative Services	1,206,468				1,206,468
School Administrative Services	2,521,786				2,521,786
Central Services and Info. Technology	1,678,474				1,678,474
Plant Operations and Maintenance	3,941,373				3,941,373
Student Transportation	1,535,639				1,535,639
Debt Service					
Principal	385,895	338,827		2,065,000	2,789,722
Interest	27,898	15,173		459,747	502,818
Capital Outlay	1,521,143	63,760	212,604	-	1,797,507
	<u>47,163,711</u>	<u>2,260,142</u>	<u>212,604</u>	<u>2,524,747</u>	<u>52,161,204</u>
Total Expenditures					
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(671,159)</u>	<u>(90,125)</u>	<u>(210,680)</u>	<u>(7,466)</u>	<u>(979,430)</u>
OTHER FINANCING SOURCES (USES)					
Capital Financing Agreement Proceeds	315,400				315,400
Insurance Recoveries	473,536				473,536
Transfers In		68,166			68,166
Transfers Out	(68,166)	-	-	-	(68,166)
	<u>720,770</u>	<u>68,166</u>	<u>-</u>	<u>-</u>	<u>788,936</u>
Total Other Financing Sources (Uses)					
Net Change in Fund Balances	49,611	(21,959)	(210,680)	(7,466)	(190,494)
Fund Balance, Beginning of Year	6,239,172	198,528	87,211	7,466	6,532,377
Fund Balance, End of Year	<u>\$ 6,288,783</u>	<u>\$ 176,569</u>	<u>\$ (123,469)</u>	<u>\$ -</u>	<u>\$ 6,341,883</u>

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

**LEONIA BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (190,494)

Amounts reported for governmental activities in the statement of activities (A-2) 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 allocated over their estimated useful lives as annual depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.

Capital Outlay	\$ 1,797,507	
Depreciation Expense	<u>(2,706,167)</u>	(908,660)

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

Donated Capital Assets	16,162	
Loss on Disposal of Capital Assets	<u>(31,080)</u>	(14,918)

The issuance of long-term debt provides current financial resources to governmental funds, however, the transaction has no effect on net position

Debt Issued or Incurred: Capital Financing Agreement Proceeds		(315,400)
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Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Principal Repayments:		
General Obligations Bonds	2,065,000	
Capital Financing Agreements	669,449	
Leases Payable	<u>55,273</u>	2,789,722

In the statement of activities, certain amounts related to the issuance of long term debt re deferred and amortized over the term of the debt. In the governmental funds, these amounts either provide or use current resources. These amounts represent the current year amortization of the costs related to the issuance of long term debt.

Deferred Amounts on Refunding of Debt	(45,896)	
Original Issue Premium	<u>288,369</u>	242,473

In the statement of activities, certain operating expenses - compensated absences and pension expense - are measured by the amounts earned or incurred during the year. In the governmental funds however, expenditures for these items are measured by the amount of financial resources used (paid). When the earned or incurred amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

Decrease in Compensated Absences	15,488	
Decrease in Pension Expense	<u>837,005</u>	852,493

In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation.

		<u>38,494</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) \$ 2,493,710

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

	Business-Type Activities		
	Enterprise Funds		
	<u>Food Services</u>	<u>Non-Major Enrichment Program</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 427,248	\$ 109,683	\$ 536,931
Intergovernmental Receivable	20,281		20,281
Other Accounts Receivable	19,636		19,636
Due From Other Funds	614		614
Inventories	19,186	-	19,186
Total Current Assets	<u>486,965</u>	<u>109,683</u>	<u>596,648</u>
Noncurrent Assets			
Capital Assets			
Building Improvement	14,342		14,342
Furniture, Machinery and Equipment	511,693	19,876	531,569
Less: Accumulated Depreciation	<u>(346,855)</u>	<u>(7,952)</u>	<u>(354,807)</u>
Total Noncurrent Assets	<u>179,180</u>	<u>11,924</u>	<u>191,104</u>
Total Assets	<u>666,145</u>	<u>121,607</u>	<u>787,752</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	49,198	354	49,552
Due to Other Funds		8,029	8,029
Unearned Revenue	27,034	90,651	117,685
Total Current Liabilities	<u>76,232</u>	<u>99,034</u>	<u>175,266</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Commodities Revenue	<u>3,477</u>	<u>-</u>	<u>3,477</u>
Total Liabilities and Deferred Inflow of Resources	<u>79,709</u>	<u>99,034</u>	<u>178,743</u>
NET POSITION			
Investment in Capital Assets	179,180	11,924	191,104
Unrestricted	<u>407,256</u>	<u>10,649</u>	<u>417,905</u>
Total Net Position	<u>\$ 586,436</u>	<u>\$ 22,573</u>	<u>\$ 609,009</u>

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

	Business-Type Activities		
	Enterprise Funds		
	<u>Food Services</u>	<u>Non-Major Enrichment Program</u>	<u>Total</u>
OPERATING REVENUES			
Charges for Services			
Daily Sales - Reimbursable Programs	\$ 367,895		\$ 367,895
Daily Sales - Non-Reimbursable Programs	201,040		201,040
Program Fees	-	\$ 164,851	164,851
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	568,935	164,851	733,786
OPERATING EXPENSES			
Salaries	255,688	146,140	401,828
Employee Benefits	44,466	9,214	53,680
Cost of Sales - Reimbursable Programs	393,483		393,483
Cost of Sales - Non-Reimbursable Programs	63,047		63,047
Purchased Management Services	30,118		30,118
Other Purchased Services	45,837		45,837
Supplies and Materials	11,186	5,233	16,419
Miscellaneous	6,477		6,477
Depreciation Expense	12,500	3,976	16,476
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	862,802	164,563	1,027,365
Operating Income (Loss)	<hr/> (293,867)	<hr/> 288	<hr/> (293,579)
NON-OPERATING REVENUES			
State Sources			
State School Lunch Program	12,358		12,358
State School Breakfast Program	87		87
Federal Sources			
School Breakfast Program	6,345		6,345
National School Lunch Program	208,747		208,747
Local Food for Schools Cooperative Program	3,914		3,914
Supply Chain Assistance	121,551		121,551
Food Distribution Program	80,806		80,806
Investment Interest			
Interest Income	1,238	157	1,395
	<hr/>	<hr/>	<hr/>
Total Non-Operating Revenues	435,046	157	435,203
Change in Net Position	141,179	445	141,624
Net Position, Beginning of Year	<hr/> 445,257	<hr/> 22,128	<hr/> 467,385
Net Position, End of Year	<hr/> \$ 586,436	<hr/> \$ 22,573	<hr/> \$ 609,009

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

	Business-Type Activities		
	Enterprise Funds		
	<u>Food Services</u>	<u>Non-Major Enrichment Program</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 554,754	\$ 178,720	\$ 733,474
Cash Payments for Employees' Salaries and Benefits	(300,154)	(155,354)	(455,508)
Cash Payments to Suppliers for Goods and Services	(426,431)	(4,999)	(431,430)
Net Cash Provided (Used) By Operating Activities	(171,831)	18,367	(153,464)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Received from State and Federal Subsidy Reimbursements	410,029	-	410,029
Net Cash Provided (Used) by Noncapital and Related Activities	410,029	-	410,029
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(76,962)	-	(76,962)
Net Cash (Used) by Capital and Financing Related Activities	(76,962)	-	(76,962)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Earnings Received	1,238	157	1,395
Net Cash Provided by Investing Activities	1,238	157	1,395
Net Increase in Cash and Cash Equivalents	162,474	18,524	180,998
Cash and Cash Equivalents, Beginning of Year	264,774	91,159	355,933
Cash and Cash Equivalents, End of Year	\$ 427,248	\$ 109,683	\$ 536,931
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (293,867)	\$ 288	\$ (293,579)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation	12,500	3,976	16,476
Non-Cash Commodities	80,806		80,806
Change in Assets, Liabilities and Deferred Inflows of Resources			
(Increase)/Decrease in Other Accounts Receivable	(15,439)		(15,439)
(Increase)/Decrease in Inventory	(2,063)		(2,063)
Increase/(Decrease) in Accounts Payable	44,617	234	44,851
Increase/(Decrease) in Unearned Revenue	1,258	13,869	15,127
Increase/(Decrease) in Deferred Commodities Revenue	357	-	357
Total Adjustments	122,036	18,079	140,115
Net Cash Provided (Used) By Operating Activities	\$ (171,831)	\$ 18,367	\$ (153,464)
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	\$ 81,163		\$ 81,163

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

NOTES TO THE FINANCIAL STATEMENTS

**LEONIA 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 Leonia Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials from the Borough of Leonia and one appointed representative from the Edgewater Board of Education and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade twelve (12) school district.

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

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Leonia Board of Education this includes general operations, food service, after school and summer enrichment programs 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 or 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.

**LEONIA 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 and internal service 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.

LEONIA 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 and food service enterprise 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 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 major proprietary fund which is organized to be self-supporting through user charges:

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

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

The *enrichment program fund* accounts for the activities of the District's after school and summer programs which provides classroom instruction after school during the fall and spring and various programs during the summer recess.

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.

**LEONIA 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

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

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

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

**LEONIA 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)

3. Inventories

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

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

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, the measurement of which is discussed in Note 1. E.8 and 1.E.9. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	50
Building Improvements	20-30
Machinery and Equipment	8-15
Office Equipment and Furniture	5-10
Computer Equipment	5
Right-to-use Leased Equipment	5
Right-to-use IT Software	5

**LEONIA 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)

5. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has and two types which arise only under the accrual basis of accounting that qualify for reporting in this category. One 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. The other item that qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

6. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits.

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

7. Pensions

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

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

**LEONIA 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)

8. *Leases Payable*

Non-cancellable leases for the use of another entity's land, buildings and equipment are recognized as a lease liability and an intangible right-to-use lease asset in the district-wide and proprietary fund type financial statements. The District recognizes lease liabilities with an initial, individual value of \$2,000 or more. The lease liability is subsequently reduced by the principal portion of lease payments made each year. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the asset's useful life. Leases are monitored for changes in circumstances that would require a remeasurement of the lease and the lease assets and liabilities are remeasured if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

In the fund financial statements leases payable are recognized as other financing sources at the initial amount of the lease liability. Intangible right-to-use leased assets are reported as capital outlay expenditures.

9. *Subscription Bases Information Technology Arrangements (SBITAs)*

Subscription arrangements for the use of another party's information technology (IT) software are recognized as a subscription liability and an intangible right-to-use IT subscription asset in the district-wide and proprietary fund type financial statements. The District recognizes subscription liabilities with an initial, individual value of \$2,000 or more. The subscription liability is subsequently reduced by the principal portion of SBITA payments made each year. The IT subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the IT subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the SBITA asset's useful life. SBITAs are monitored for changes in circumstances that would require a remeasurement of the SBITA and the IT subscription assets and liabilities are remeasured if certain changes occur that are expected to significantly affect the amount of the subscription liability. IT subscription assets are reported with other capital assets and subscription liabilities are reported with long-term liabilities on the statement of net position.

In the fund financial statements SBITAs are recognized as other financing sources at the initial amount of the subscription liability. Intangible right-to-use IT subscription assets are reported as capital outlay expenditures.

10. *Financing Agreements*

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

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

11. *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.

LEONIA 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)

12. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

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 2D).

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.

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.

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.

LEONIA 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)

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

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

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

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

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

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

Insurance Recovery Expenditures – Represents fund balance assigned specifically for future expenditures to be funded from available insurance recovery proceeds in the General Fund.

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.

13. *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).

LEONIA 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)

14. *Fund Balance Policies (Continued)*

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.

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted federal and 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 and enrichment program enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

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

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.

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 \$1,573,893 and the Special Revenue Fund by \$2,503,340. The increases were funded by the additional appropriation of capital reserve, maintenance reserve, tuition revenues, transportation fees, related service fees, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional appropriations of capital reserve of \$41,220 and maintenance reserve of \$30,000 from the general fund.

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.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deficit Fund Equity

The District has an accumulated deficit in fund balance of \$123,469 in the Capital Projects Fund as of June 30, 2023. This deficit is the result of the District authorizing but not issuing a capital financing agreement to fund expenditures for certain capital projects. As the District permanently finances these appropriations the District will realize as revenues the proceeds of the financing. This deficit does not indicate that the District is facing financial difficulties and is permitted practice under accounting principles generally accepted in the United States of America.

The District has an unassigned fund deficit of \$27,087 in the General Fund as of June 30, 2023 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2022/2023 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of \$27,087 in the General Fund is less than the delayed state aid payments at June 30, 2023.

C. Capital Reserve

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

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

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

Balance, July 1, 2022		\$ 2,157,844
Increased by		
Deposits Approved in District Budget	\$ 230,500	
Return of Unencumbered Budget Withdrawals	29,963	
Deposits Approved by Board Resolution	<u>931,674</u>	
Total Increases		<u>1,192,137</u>
		3,349,981
Decreased by		
Withdrawals Approved in District Budget	382,500	
Withdrawal Approve by Board Resolution	<u>41,220</u>	
Total Decreases		<u>423,720</u>
Balance, June 30, 2023		<u>\$ 2,926,261</u>

The June 2023 LRFPS balance of the total costs of uncompleted capital projects is estimated by management to be \$28,030,000. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan. \$1,703,761 of the capital reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

D. Maintenance Reserve

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

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

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

Balance, July 1, 2022		\$ 850,000
Increased by		
Deposits Approved by Board Resolution	<u>780,000</u>	
		1,630,000
Decreased by		
Withdrawals Approved in District Budget	\$ 275,000	
Withdrawal Approve by Board Resolution	<u>30,000</u>	
		<u>305,000</u>
Balance, June 30, 2023		<u>\$ 1,325,000</u>

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve (Continued)

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,918,385. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. \$275,000 of the maintenance reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 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 surplus fund balance at June 30, 2023 is \$550,000, all of which will be designated and appropriated in the 2024/2025 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for 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 were \$8,970,874 and bank and brokerage firm balances of the Board’s deposits amounted to \$9,475,369. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” are categorized as:

Depository Account

Insured	\$ 8,453,490
Uninsured and Collateralized	<u>1,021,879</u>
	<u>\$ 9,475,369</u>

**LEONIA 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)

Cash Deposits (Continued)

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 \$1,021,879 was exposed to custodial credit risk as follows:

Depository Account

	<u>Fair Value</u>
Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department but not in the Board's name	<u>\$ 1,021,879</u>

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.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk.

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.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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>Food Service</u>	<u>Total</u>
Receivables:					
Intergovernmental-					
Federal		\$ 437,040		\$ 19,357	\$ 456,397
State	\$ 137,808		\$ 453,875	924	592,607
Local	1,699,379				1,699,379
Accounts	<u>205</u>	<u>1,387</u>	<u>-</u>	<u>19,636</u>	<u>21,228</u>
Gross Receivables	1,837,392	438,427	453,875	39,917	2,769,611
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 1,837,392</u>	<u>\$ 438,427</u>	<u>\$ 453,875</u>	<u>\$ 39,917</u>	<u>\$ 2,769,611</u>

C. Unearned Revenue

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

General Fund	
Prepaid Tuition	\$ 73,212
Unrealized FEMA Reimbursement	172,725
Special Revenue Fund	
Unencumbered Grant Draw Downs	45,011
Capital Projects Fund	
Unencumbered Grant Draw Downs	768,960
Grant Draw Downs for Year-End Encumbrances	<u>1,815,501</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 2,875,409</u>

**LEONIA 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

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

	Balance <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 109,368			\$ 109,368
Construction in Progress	<u>308,995</u>	<u>\$ 377,134</u>	<u>\$ (308,995)</u>	<u>377,134</u>
Total Capital Assets, Not Being Depreciated	<u>418,363</u>	<u>377,134</u>	<u>(308,995)</u>	<u>486,502</u>
Capital Assets, Being Depreciated:				
Land Improvements	3,042,684			3,042,684
Buildings and Building Improvements	54,239,576	518,054		54,757,630
Machinery and Equipment	4,905,062	918,481	(43,275)	5,780,268
Right-to-Use Leased Equipment	280,872			280,872
Right-to-Use IT Software	<u>-</u>	<u>306,378</u>	<u>-</u>	<u>306,378</u>
Total Capital Assets Being Depreciated	<u>62,468,194</u>	<u>1,742,913</u>	<u>(43,275)</u>	<u>64,167,832</u>
Less Accumulated Depreciation for:				
Land Improvements	(568,594)	(130,695)		(699,289)
Buildings and Building Improvements	(24,663,528)	(1,686,277)		(26,349,805)
Machinery and Equipment	(2,499,267)	(771,735)	14,812	(3,256,190)
Right-to-Use Leased Equipment	(94,370)	(56,184)	-	(150,554)
Right-to-Use IT Software	<u>-</u>	<u>(61,276)</u>	<u>-</u>	<u>(61,276)</u>
Total Accumulated Depreciation	<u>(27,825,759)</u>	<u>(2,706,167)</u>	<u>14,812</u>	<u>(30,517,114)</u>
Total Capital Assets, Being Depreciated, Net	<u>34,642,435</u>	<u>(963,254)</u>	<u>(28,463)</u>	<u>33,650,718</u>
Governmental Activities Capital Assets, Net	<u>\$ 35,060,798</u>	<u>\$ (586,120)</u>	<u>\$ (337,458)</u>	<u>\$ 34,137,220</u>

**LEONIA 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:				
Building Improvement	\$ 14,342			\$ 14,342
Machinery and Equipment	466,607	\$ 76,962	\$ (12,000)	531,569
Total Capital Assets, Being Depreciated	<u>480,949</u>	<u>76,962</u>	<u>(12,000)</u>	<u>545,911</u>
Less Accumulated Depreciation for:				
Building Improvement	(1,434)	(1,434)		(2,868)
Machinery and Equipment	(348,897)	(15,042)	12,000	(351,939)
Total Accumulated Depreciation	<u>(350,331)</u>	<u>(16,476)</u>	<u>12,000</u>	<u>(354,807)</u>
Total Capital Assets, Being Depreciated, Net	<u>130,618</u>	<u>60,486</u>	<u>-</u>	<u>191,104</u>
Business-Type Activities Capital Assets, Net	<u>\$ 130,618</u>	<u>\$ 60,486</u>	<u>\$ -</u>	<u>\$ 191,104</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 1,205,254
Special Education	376,233
Other Instruction	75,002
School-Sponsored Activities and Athletics	<u>66,881</u>
Total Instruction	<u>1,723,370</u>
Support Services	
Student and Instruction Related Services	391,450
General Administrative Services	44,532
School Administrative Services	244,087
Central Administrative Services	44,195
Plant Operations and Maintenance	203,364
Student Transportation	<u>55,169</u>
Total Support Services	<u>982,797</u>
Total Governmental Funds	<u>\$ 2,706,167</u>
Business-Type Activities:	
Food Service Fund	\$ 12,500
Enrichment Program Fund	<u>3,976</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 16,476</u>

**LEONIA 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 and other significant commitments as of June 30, 2023:

<u>Project</u>	<u>Remaining Commitment</u>
Acquisition of Electric Buses	\$ 2,291,696
Installation of Electric Vehicle Charging Stations	<u>199,060</u>
	<u>\$ 2,490,756</u>

Insurance Proceeds

The District had insurance policies in effect at the time of Hurricane Ida for comprehensive property damage (including flood), casualty, business interruption and other coverages. As of June 30, 2023, the insurers have remitted \$2,399,944. These funds are recorded as other financing sources in the General Fund as of June 30, 2023. A portion of these funds have been committed by the District to be used for the repair of District facilities and replacement of equipment destroyed by the Hurricane Ida damage. As of June 30, 2023, \$22,567 of the proceeds are unspent and have been reported as Assigned Fund Balance as the District has constrained these funds to be used to replace the items specified in the insurance claim. The District estimates that a significant portion of the Hurricane Ida related losses will also be covered through grants from the Federal Emergency Management Association (FEMA) and through additional insurance recoveries.

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	\$ 323,822
General Fund	Enrichment Program Fund	8,029
Food Service Fund	General Fund	<u>614</u>
Total		<u>\$ 332,465</u>

The above balances are the result of revenues earned or deposited in one fund which are due to another fund, expenditures paid by one fund on behalf of another fund or to cover cash balances which were in an overdraft position.

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers (Continued)

Interfund Transfers

	Transfer In:
	Special Revenue
Transfer Out:	
General Fund	\$ <u>68,166</u>

The above transfers are the result of revenues earned and/or funds available in one fund to finance expenditures in another fund.

F. Leases Payable

On October 15, 2019 the District entered into a five year lease agreement as lessee for the use of a water cooler. An initial lease liability was recorded in the amount of \$3,366. The lease has an interest rate of 2.00%. The District is required to make monthly payments of \$59. In addition, the District has the option to purchase the equipment for fair market value at the end of the lease term. As of June 30, 2023 the value of the lease liability was \$931. The equipment has a five year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$3,366 and had accumulated depreciation of \$2,468.

On May 8, 2020, the District entered into a five year lease agreement as lessee for the use of a phone system. An initial lease liability was recorded in the amount of \$231,075. The lease has an interest rate of 2.50%. The District is required to make monthly payments of \$4,101. In addition, the District has the option to purchase the equipment for fair market value at the end of the lease term. As of June 30, 2023 the value of the lease liability was \$103,685. The equipment has a five year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$231,075 and had accumulated depreciation of \$130,943.

On July 9, 2021, the District entered into a five year lease agreement as lessee for the use of postage machines. An initial lease liability was recorded in the amount of \$29,040. The lease has an interest rate of 2.00%. The District is required to make monthly payments of \$509. As of June 30, 2023 the value of the lease liability was \$17,771. The equipment has a five year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$29,040 and had accumulated depreciation of \$11,616.

On October 20, 2021, the District entered into a five year lease agreement as lessee for the use of a postage machine. An initial lease liability was recorded in the amount of \$8,736. The lease has an interest rate of 2.00%. The District is required to make monthly payments of \$154. As of June 30, 2023 the value of the lease liability was \$5,760. The equipment has a five year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$8,736 and had accumulated depreciation of \$3,075.

On January 13, 2022, the District entered into a five year lease agreement as lessee for the use of a postage machine. An initial lease liability was recorded in the amount of \$8,655. The lease has an interest rate of 2.50%. The District is required to make monthly payments of \$154. As of June 30, 2023 the value of the lease liability was \$6,311. The equipment has a five year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$8,655 and had accumulated depreciation of \$2,452.

**LEONIA 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. Leases Payable (Continued)

The future principal and interest lease payments as of June 30, 2023 were as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 57,112	\$ 2,607	\$ 59,719
2025	57,989	1,208	59,197
2026	17,830	171	18,001
2027	<u>1,527</u>	<u>10</u>	<u>1,537</u>
 Total	 <u>\$ 134,458</u>	 <u>\$ 3,996</u>	 <u>\$ 138,454</u>

G. Financing Agreements

Capital Financing Agreements

The District entered into the following agreements to finance the construction of major capital facilities and other capital assets under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the District’s approved budget.

Capital financing agreements at June 30, 2023 are comprised of the following:

\$390,000, fiscal year 2019 Agreement for the acquisition of photo copiers for a term of 5 years due in monthly principal installments of \$8,143 to \$8,285 through September 1, 2023 interest at 10.36%	\$ 24,641
\$333,076, fiscal year 2019 Agreement for the acquisition of school buses for a term of 5 years due in a final annual principal installment of \$69,015 on July 15, 2023 interest at 2.93%	69,015
\$1,732,400 fiscal year 2021 Agreement for technology infrastructure upgrades for a term of 5 years due in annual principal installments of \$343,533 to \$351,119 through July 15, 2025, interest at 1.10%	1,041,957

**LEONIA 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. Financing Agreements (Continued)

Capital Financing Agreements (Continued)

\$1,500,000, fiscal year 2021 Shared Service Agreement for the installation of a turf field and related site improvements for a term of 10 years due in annual principal installments of \$147,500 to \$175,000 through July 1, 2030 interest at 2.50%	\$ 1,282,500
\$315,400, fiscal year 2023 Agreement for the acquisition of photo copiers for a term of 5 years due in monthly principal installments of \$4,686 to \$6,027 through December 31, 2027 interest at 5.71%	<u>287,749</u>
Total	<u>\$ 2,705,862</u>

Shared Service Agreement - The Board has entered into a shared service agreement with the Borough of Leonia to jointly undertake a project to make certain improvements to the school fields, including but not limited to installation of synthetic turf surface, appropriate site drainage and accessory buildings and appurtenances, including but not limited to field house, snack bar, locker rooms, rest rooms, press box, bleachers, field lighting and markings (“the Project”). The Borough will jointly fund the Project with the Board in exchange for use of the school fields. The Board and the Borough will each be responsible to fund fifty percent of the total costs of the Project. The total estimated cost of the project is \$3 million. The Borough adopted a bond ordinance on June 15, 2020 for \$3,000,000 to provide the funding for the Project. The shared service agreement is reported as a capital financing agreement.

The maturity schedule of the remaining capital financing agreement payments for principal and interest is as follows:

Governmental Activities:

Fiscal Year Ending June 30,	<u>Capital Financing Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 642,413	\$ 60,902	\$ 703,315
2025	558,414	47,604	606,018
2026	570,812	36,455	607,267
2027	225,987	24,931	250,918
2028	198,236	17,411	215,647
2029-2031	<u>510,000</u>	<u>25,750</u>	<u>535,750</u>
Total	<u>\$ 2,705,862</u>	<u>\$ 213,053</u>	<u>\$ 2,918,915</u>

H. Subscription – Based Information Technology Arrangements (SBITAs)

On November 16, 2021, the District entered into a five year SBITA for the use of technology security software. The District prepaid \$306,378 for the 5 year right-to-use software beginning in fiscal year 2023. The SBITA has a five year estimated useful life. The value of the right-to-use IT subscription asset as of June 30, 2023 is \$306,378 and had accumulated depreciation of \$61,276.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

I. 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:

\$11,685,000, 2011 Refunding Bonds, with a final principal installment of \$1,305,000 due August 15, 2023 interest at 3.854%	\$1,305,000
\$9,725,000, 2020 Refunding Bonds, due in annual installments of \$845,000 to \$1,225,000 through July 15, 2030, interest at 4.00 to 5.00%	<u>8,160,000</u>
Total	<u>\$ 9,465,000</u>

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 2,150,000	\$ 379,747	\$ 2,529,747
2025	890,000	319,900	1,209,900
2026	935,000	283,400	1,218,400
2027	980,000	245,100	1,225,100
2028	1,035,000	199,625	1,234,625
2029-3033	<u>3,475,000</u>	<u>267,125</u>	<u>3,742,125</u>
Total	<u>\$ 9,465,000</u>	<u>\$ 1,694,897</u>	<u>\$ 11,159,897</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:

4% of Equalized Valuation Basis (Municipal)	\$ 65,989,555
Less: Net Debt Issued and Authorized But Not Issued	<u>9,465,000</u>
Remaining Borrowing Power	<u>\$ 56,524,555</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

J. Other Long-Term Liabilities

Changes in Long-Term Liabilities

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

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 11,530,000		\$ 2,065,000	\$ 9,465,000	\$ 2,150,000
Add: Unamortized Premium	<u>1,431,033</u>	<u>-</u>	<u>288,369</u>	<u>1,142,664</u>	<u>-</u>
	12,961,033	-	2,353,369	10,607,664	2,150,000
Capital Financing Agreements	3,059,911	\$ 315,400	669,449	2,705,862	642,413
Compensated Absences	398,862	52,887	68,375	383,374	31,450
Leases Payable	189,731		55,273	134,458	57,112
Net Pension Liability	<u>5,009,581</u>	<u>1,552,160</u>	<u>506,021</u>	<u>6,055,720</u>	<u>-</u>
Governmental Activity					
Long-Term Liabilities	<u>\$ 21,619,118</u>	<u>\$ 1,920,447</u>	<u>\$ 3,652,487</u>	<u>\$ 19,887,078</u>	<u>\$ 2,880,975</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the School Alliance Insurance Fund (SAIF or Fund). The SAIF is a joint insurance fund established to provide an alternative to traditional insurance programs. The Fund provides various types of insurance coverages and risk management services to member districts.

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

**LEONIA 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)

SAIF 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>Earnings</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2023	None	\$ 92,128	\$ 722	\$ 107,382	\$ 181,643
2022	None	60,947	714	52,507	180,921
2021	None	54,608	1,255		180,207

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.

Pending Litigation – There are three pending cases in which allegations of sexual abuse committed by a former teacher in which the alleged abuse occurred between the years of 1967 and 1980. The complaint allege that the District knew or should have known about the alleged abuse. At this time plaintiffs have made claims of \$45 million total for all three plaintiffs. The District expert architect is negotiating with each respective insurance company to determine coverage limits. In the opinion of the Board Attorney these demands are far in excess of the case value even if all of the allegations can be proven true. In the opinion of the Board Attorney the odds of success will be determined by the evidence, or lack thereof. While expert discovery is just getting underway, in the opinion of the Board Attorney the potential exposure in all these matters could be in the range of \$2,750,000 to \$7,500,000 should they proceed to a full trial.

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.

**LEONIA 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.

**LEONIA 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)

Teachers' Pension and Annuity Fund (TPAF) (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.

**LEONIA 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.

**LEONIA 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	\$ 506,021	\$ 5,731,502	\$ 93,926
2022	495,235	5,892,269	82,638
2021	440,797	4,132,217	75,801

**LEONIA 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 \$2,577, \$2,480 and \$2,644, 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 \$1,268,995 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 \$6,055,720 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 .04013 percent, which was a decrease of .00216 percent from its proportionate share measured as of June 30, 2021 of .04229 percent.

**LEONIA 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 \$330,984 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	\$ 43,707	\$ 38,544
Changes of Assumptions	18,763	906,781
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	250,641	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>354,178</u>	<u>348,821</u>
Total	<u>\$ 667,289</u>	<u>\$ 1,294,146</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:

Year Ending <u>June 30,</u>	<u>Total</u>
2023	\$ (571,076)
2024	(316,847)
2025	(191,606)
2026	194,482
2027	258,190
Thereafter	<u>-</u>
	<u>\$ (626,857)</u>

**LEONIA 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.

LEONIA 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%

**LEONIA 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)

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.

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>7,779,826</u>	\$ <u>6,055,720</u>	\$ <u>4,588,436</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.

**LEONIA 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)

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.

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 \$1,959,814 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 \$72,820,916. 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 .14114 percent, which was an increase of .00164 percent from its proportionate share measured as of June 30, 2021 of .13950 percent.

**LEONIA 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)

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.

**LEONIA 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.

**LEONIA 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 85,384,071</u>	<u>\$ 72,820,916</u>	<u>\$ 62,238,036</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.

**LEONIA 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.

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.

**LEONIA 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)

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 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 \$1,505,652, \$1,376,672 and \$1,294,072, 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.

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,718,360. 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 \$58,749,974. 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 .11600 percent, which was a decrease of .00077 percent from its proportionate share measured as of June 30, 2021 of .11677 percent.

**LEONIA 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)

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% Based on Years of Service	2.75% to 4.25% 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 disabled retirees. Future disabled retirees was based on the Pub-2010 “General” (PERS) and “Teachers” (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 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.

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.

**LEONIA 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)

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	\$ <u>70,069,531</u>
Changes Recognized for the Fiscal Year:	
Service Cost	3,797,737
Interest on the Total OPEB Liability	1,556,939
Differences Between Expected and Actual Experience	578,695
Changes of Assumptions	(15,760,208)
Gross Benefit Payments	(1,542,194)
Contributions from the Member	49,474
Net Changes	\$ <u>(11,319,557)</u>
Balance, June 30, 2022 Measurement Date	\$ <u><u>58,749,974</u></u>

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.

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>69,054,415</u>	\$ <u>58,749,974</u>	\$ <u>50,491,480</u>

**LEONIA 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 (Continued)

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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 48,560,444</u>	<u>\$ 58,749,974</u>	<u>\$ 72,134,540</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. Subsequent Events

Appropriation of Fund Balance

On September 19 2023 the Board approved the appropriation of an additional \$27,952 of capital reserve fund balance to the 2023/2024 General Fund budget. On December 12, 2023 the Board approved the appropriation of an additional \$22,000 of maintenance reserve fund balance to the 2023/2024 General Fund budget.

G. Tax Abatements

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

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

**LEONIA 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 \$2,233,941 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULES

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

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 21,593,913		\$ 21,593,913	\$ 21,593,913	
Tuition from Individuals	330,322	\$ 56,075	386,397	544,510	\$ 158,113
Tuition from Other LEA's within the State	7,893,965		7,893,965	7,850,621	(43,344)
Tuition from Summer School				12,698	12,698
Transportation Fees from Other LEA's	633,935	320,725	954,660	1,448,203	493,543
Rents and Royalties	175,000		175,000	89,330	(85,670)
Interest Earned on Capital Reserve Funds	3,000		3,000		(3,000)
Interest Earned on Maintenance Reserve	1,500		1,500		(1,500)
Interest on Unemployment Reserve				722	722
Miscellaneous Revenue	184,960	47,303	232,263	570,863	338,600
Total Local Sources	<u>30,816,595</u>	<u>424,103</u>	<u>31,240,698</u>	<u>32,110,860</u>	<u>870,162</u>
State Sources					
Equalization Aid	4,624,037		4,624,037	4,624,037	-
Security Aid	36,798		36,798	36,798	-
Special Education Aid	928,663		928,663	928,663	-
Extraordinary Aid	270,000		270,000	365,118	95,118
Homeless Tuition Reimbursement				11,522	11,522
TPAF On-Behalf Contributions					
Pension Contribution				5,653,072	5,653,072
Pension - NCGI Premium				78,430	78,430
Post-Retirement Medical Benefits				1,505,652	1,505,652
Long Term Disability Insurance				2,577	2,577
TPAF Social Security Reimbursements (On-Behalf)	-	-	-	1,268,995	1,268,995
Total State Sources	<u>5,859,498</u>	<u>-</u>	<u>5,859,498</u>	<u>14,474,864</u>	<u>8,615,366</u>
Federal Source					
FFCRA/SEMI				6,155	6,155
Medicaid Reimbursement	53,517	-	53,517	61,099	7,582
Total Federal Sources	<u>53,517</u>	<u>-</u>	<u>53,517</u>	<u>67,254</u>	<u>13,737</u>
Total Revenues	<u>36,729,610</u>	<u>424,103</u>	<u>37,153,713</u>	<u>46,652,978</u>	<u>9,499,265</u>
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	196,900	\$ 52,200	249,100	249,100	-
Kindergarten	339,303	14,197	353,500	353,500	-
Grades 1-5	2,725,033	(114,601)	2,610,432	2,610,432	-
Grades 6-8	2,761,137	73,385	2,834,522	2,834,521	1
Grades 9-12	4,766,815	101,066	4,867,881	4,867,881	-
Regular Programs - Home Instruction					
Salaries of Teachers	50,000	(18,358)	31,642	31,642	-
Purchased Professional Educational Services	10,000	931	10,931	10,703	228
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	144,407	23,987	168,394	168,394	-
Purchased Professional-Educational Services	5,000	(5,000)			-
Other Purchased Services	86,812	5,728	92,540	92,540	-
General Supplies	514,500	52,514	567,014	455,360	111,654
General Supplies - Insurance Recovery Expenditures (Non-Budgeted)				362,013	(362,013)
Textbooks	121,700	(8,379)	113,321	102,848	10,473
Other Objects	17,250	(9,683)	7,567	6,862	705
Total Regular Programs	<u>11,738,857</u>	<u>167,987</u>	<u>11,906,844</u>	<u>12,145,796</u>	<u>(238,952)</u>

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

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 405,905	\$ (53,031)	\$ 352,874	\$ 352,235	\$ 639
Other Salaries for Instruction	87,472	(21,498)	65,974	65,852	122
General Supplies	2,500	726	3,226	1,271	1,955
Textbooks	1,600	84	1,684	346	1,338
Total Learning and/or Language Disabilities	<u>497,477</u>	<u>(73,719)</u>	<u>423,758</u>	<u>419,704</u>	<u>4,054</u>
Multiple Disabilities					
Salaries of Teachers	361,142	17,635	378,777	359,752	19,025
Other Salaries for Instruction	400,887	(4,301)	396,586	393,497	3,089
Purchased Professional-Educational Services		34,500	34,500	13,748	20,752
General Supplies	3,800	2,348	6,148	3,535	2,613
Textbooks	1,900	708	2,608	101	2,507
Total Multiple Disabilities	<u>767,729</u>	<u>50,890</u>	<u>818,619</u>	<u>770,633</u>	<u>47,986</u>
Resource Room/Resource Center					
Salaries of Teachers	1,285,628	(107,929)	1,177,699	1,134,799	42,900
Other Salaries for Instruction	342,687	92,340	435,027	433,183	1,844
General Supplies	2,600	1,040	3,640	628	3,012
Textbooks	-	140	140	107	33
Total Resource Room	<u>1,630,915</u>	<u>(14,409)</u>	<u>1,616,506</u>	<u>1,568,717</u>	<u>47,789</u>
Autistic Program					
Salaries of Teachers	131,875	48,065	179,940	179,596	344
Other Salaries of Instruction	168,665	37,138	205,803	205,699	104
Purchased Professional-Educational Services	8,100	2,600	10,700	800	9,900
General Supplies	1,200	11,802	13,002	11,021	1,981
Textbooks	1,000	702	1,702	-	1,702
Total Autistic Program	<u>310,840</u>	<u>100,307</u>	<u>411,147</u>	<u>397,116</u>	<u>14,031</u>
Preschool Disabilities - Full-Time					
Salaries of Teachers	61,875	(150)	61,725	56,609	5,116
Other Salaries for Instruction	113,050	(21,503)	91,547	79,775	11,772
General Supplies	1,100	462	1,562	265	1,297
Other Objects	600	-	600	-	600
Total Preschool Disabilities - Full-Time	<u>176,625</u>	<u>(21,191)</u>	<u>155,434</u>	<u>136,649</u>	<u>18,785</u>
Home Instruction					
Salaries		17,500	17,500	8,832	8,668
Purchased Professional-Educational Services	11,500	(3,660)	7,840	716	7,124
Other Purchased Services	-	5,080	5,080	3,980	1,100
Total Home Instruction	<u>11,500</u>	<u>18,920</u>	<u>30,420</u>	<u>13,528</u>	<u>16,892</u>
Total Special Education	<u>3,395,086</u>	<u>60,798</u>	<u>3,455,884</u>	<u>3,306,347</u>	<u>149,537</u>
Basic Skills/Remedial					
Salaries of Teachers	395,883	-	395,883	354,222	41,661
Other Purchased Services	1,000	-	1,000		1,000
General Supplies	900	2,100	3,000	1,443	1,557
Textbooks	1,750	(1,490)	260	-	260
Total Basic Skills/Remedial	<u>399,533</u>	<u>610</u>	<u>400,143</u>	<u>355,665</u>	<u>44,478</u>

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

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Bilingual Education					
Salaries of Teachers	\$ 333,661	\$ 13,780	\$ 347,441	\$ 332,460	\$ 14,981
General Supplies	5,000	(2,017)	2,983	811	2,172
Textbooks	3,000	566	3,566	1,819	1,747
Total Bilingual Education	<u>341,661</u>	<u>12,329</u>	<u>353,990</u>	<u>335,090</u>	<u>18,900</u>
School Sponsored Co-Curricular Activities					
Salaries	125,000	18,589	143,589	143,589	-
Supplies & Materials	5,000	(4,507)	493	-	493
Other Objects	-	385	385	-	385
Total School Sponsored Co-Curricular Activities	<u>130,000</u>	<u>14,467</u>	<u>144,467</u>	<u>143,589</u>	<u>878</u>
School Sponsored Athletics - Instruction					
Salaries	377,150	17,625	394,775	394,775	-
Purchased Services	2,500	39,285	41,785	41,030	755
Supplies & Materials	86,500	321	86,821	79,765	7,056
Other Objects	10,000	5,611	15,611	15,559	52
Total School Sponsored Athletics - Instruction	<u>476,150</u>	<u>62,842</u>	<u>538,992</u>	<u>531,129</u>	<u>7,863</u>
Total - Instruction	<u>16,481,287</u>	<u>319,033</u>	<u>16,800,320</u>	<u>16,817,616</u>	<u>(17,296)</u>
Undistributed Expenditures					
Instruction (Tuition)					
Tuition to Other LEAs within the State-Regular		5,869	5,869	5,125	744
Tuition to Other LEAs within the State-Special	265,711	(228,449)	37,262	8,984	28,278
Tuition to County Vocational School District-Regular	265,896	(22,688)	243,208	228,942	14,266
Tuition to County Vocational School District-Special	81,000	-	81,000	81,000	-
Tuition to CSSD and Regular Day Schools	220,995	307,205	528,200	525,211	2,989
Tuition to APSSD within State	822,570	(346,408)	476,162	329,425	146,737
Total Undistributed Expenditures - Instruction (Tuition)	<u>1,656,172</u>	<u>(284,471)</u>	<u>1,371,701</u>	<u>1,178,687</u>	<u>193,014</u>
Attendance and Social Work					
Salaries	124,571	6,404	130,975	129,765	1,210
Salaries of Community / School Coordinators		9,000	9,000	6,000	3,000
Purchased Professional & Technical Services	1,500	-	1,500	-	1,500
Other Purchased Services		1,000	1,000	319	681
Travel	1,000	(1,000)	-	-	-
Total Attendance and Social Work	<u>127,071</u>	<u>15,404</u>	<u>142,475</u>	<u>136,084</u>	<u>6,391</u>
Health Services					
Salaries	362,492	(35,078)	327,414	320,592	6,822
Purchased Professional & Technical Services	20,000	2,550	22,550	20,442	2,108
Other Purchased Services		150	150	-	150
Supplies and Materials	12,550	24,343	36,893	32,545	4,348
Total Health Services	<u>395,042</u>	<u>(8,035)</u>	<u>387,007</u>	<u>373,579</u>	<u>13,428</u>
Speech, OT, PT & Related Services					
Salaries	719,325	23,525	742,850	719,567	23,283
Purchased Professional/Educational Services	209,180	(107,832)	101,348	72,251	29,097
Supplies and Materials	2,500	2,148	4,648	2,676	1,972
Other Objects	-	984	984	984	-
Total Speech, OT, PT & Related Services	<u>931,005</u>	<u>(81,175)</u>	<u>849,830</u>	<u>795,478</u>	<u>54,352</u>
Extra Services					
Salaries	406,485	(33,328)	373,157	370,834	2,323
Purchased Professional-Educational Services	33,000	243,915	276,915	218,879	58,036
Supplies and Materials	1,200	234	1,434	725	709
Other Objects	500	(276)	224	224	-
Total Extra Services	<u>441,185</u>	<u>210,545</u>	<u>651,730</u>	<u>590,662</u>	<u>61,068</u>

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

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Guidance					
Salaries of Other Professional Staff	\$ 584,333	\$ 25,919	\$ 610,252	\$ 610,252	-
Salaries of Secretarial and Clerical Assistants	69,040	-	69,040	69,040	-
Other Purchased Prof. and Tech. Services		1,925	1,925	1,925	-
Other Purchased Services	6,255	(2,026)	4,229	4,229	-
Travel	1,400	(1,149)	251	251	-
Supplies and Materials	19,150	(10,771)	8,379	1,979	\$ 6,400
Other Objects	300	160	460	444	16
Total Guidance	<u>680,478</u>	<u>14,058</u>	<u>694,536</u>	<u>688,120</u>	<u>6,416</u>
Child Study Teams					
Salaries of Other Professional Staff	1,005,862	(176,751)	829,111	817,893	11,218
Salaries of Secretarial and Clerical Assistants	64,815	2,330	67,145	67,145	-
Purchased Professional-Educational Services	17,000	113,698	130,698	59,936	70,762
Other Purchased Prof. and Tech. Services	21,000	14,935	35,935	31,099	4,836
Misc. Purchased Services	5,571	(392)	5,179	4,998	181
Supplies and Materials	9,500	9,651	19,151	13,019	6,132
Other Objects	-	945	945	945	-
Total Child Study Teams	<u>1,123,748</u>	<u>(35,584)</u>	<u>1,088,164</u>	<u>995,035</u>	<u>93,129</u>
Improvement of Instruction Services/ Other Support Services-Instructional Staff					
Salaries of Supervisors of Instruction	391,089	-	391,089	384,849	6,240
Salaries of Other Professional Staff	15,000	(300)	14,700	14,578	122
Supplies and Materials		4,162	4,162	139	4,023
Other Objects	-	4,225	4,225	4,225	-
Total Improvement of Instruction Services/ Other Support Services-Instructional Staff	<u>406,089</u>	<u>8,087</u>	<u>414,176</u>	<u>403,791</u>	<u>10,385</u>
Educational Media Services/School Library					
Salaries	82,027	1,450	83,477	83,077	400
Salaries of Technology Coordinators	129,503	(66,066)	63,437	63,437	-
Purchased Professional-Educational Services	6,500	(1,422)	5,078	5,078	-
Other Purchased Services	2,500	(1,249)	1,251	560	691
Supplies and Materials	17,670	2,660	20,330	19,424	906
Other Objects	-	423	423	423	-
Total Educational Media Services/School Library	<u>238,200</u>	<u>(64,204)</u>	<u>173,996</u>	<u>166,921</u>	<u>7,075</u>
Instructional Staff Training Services					
Purchased Professional-Educational Services	10,000	11,270	21,270	20,245	1,025
Travel	25,000	(12,295)	12,705	7,828	4,877
Supplies and Materials	6,000	(2,734)	3,266	-	3,266
Total Instructional Staff Training Services	<u>41,000</u>	<u>(3,759)</u>	<u>37,241</u>	<u>28,073</u>	<u>9,168</u>
Support Services General Administration					
Salaries	483,738	(11,363)	472,375	465,254	7,121
Unused Vacation Payment		8,363	8,363	8,363	-
Legal Services	45,000	349,338	394,338	99,953	294,385
Audit Fees	45,000	37,300	82,300	42,000	40,300
Architectural/Engineering Services	45,000	(43,400)	1,600	1,600	-
Other Purchased Professional Services	25,000	25,179	50,179	44,355	5,824
Rent		21,646	21,646	8,670	12,976
Communications/Telephone	144,300	(27,090)	117,210	99,444	17,766
Travel	5,000	(1,475)	3,525	2,981	544
BOE Other Purchased Services	2,000	1,475	3,475	3,298	177
Misc. Purchased Services	332,740	(48,458)	284,282	281,434	2,848
Supplies and Materials	5,000	12,291	17,291	11,324	5,967
Judgments against the School District		3,325	3,325	3,325	-
Miscellaneous Expenditures	25,000	(11,218)	13,782	5,771	8,011
BOE Membership Dues and Fees	25,000	(11,060)	13,940	12,932	1,008
Total Support Services General Administration	<u>1,182,778</u>	<u>304,853</u>	<u>1,487,631</u>	<u>1,089,104</u>	<u>398,527</u>

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

EXPENDITURES	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CURRENT EXPENDITURES (Continued)					
Support Services School Administration					
Salaries of Principals/Asst. Principals	\$ 919,180	896	\$ 920,076	\$ 920,076	-
Salaries of Other Professional Staff	296,189	\$ 107,667	403,856	387,788	\$ 16,068
Salaries of Secretarial and Clerical Assistants	364,918	(81,494)	283,424	282,233	1,191
Purchased Professional and Technical Services		1,925	1,925	1,925	-
Other Purchased Services	17,855	4,931	22,786	22,636	150
Travel	14,000	(10,751)	3,249	2,524	725
Supplies and Materials	44,500	(5,295)	39,205	16,305	22,900
Other Objects	12,500	19,541	32,041	31,592	449
Total Support Services School Administration	<u>1,669,142</u>	<u>37,420</u>	<u>1,706,562</u>	<u>1,665,079</u>	<u>41,483</u>
Central Services					
Salaries	382,658	103,880	486,538	486,538	-
Purchased Professional Services	2,000	33,551	35,551	31,729	3,822
Purchased Technical Services	70,000	6,928	76,928	70,012	6,916
Misc. Purchased Services	2,000	1,099	3,099	997	2,102
Travel	2,500	-	2,500	2,082	418
Supplies and Materials	15,000	19,517	34,517	23,833	10,684
Interest on Lease Purchase Agreements	36,600	(32,164)	4,436	4,436	-
Miscellaneous Expenditures	2,000	155	2,155	2,155	-
Total Central Services	<u>512,758</u>	<u>132,966</u>	<u>645,724</u>	<u>621,782</u>	<u>23,942</u>
Administration - Information Technology Services					
Salaries	330,602	45,125	375,727	368,555	7,172
Purchased Technical Services	100,000	162,398	262,398	259,085	3,313
Other Purchased Services		1,251	1,251	560	691
Supplies and Materials	3,000	69,509	72,509	71,523	986
Other Objects	-	423	423	423	-
Total Administration Information Technology Svcs.	<u>433,602</u>	<u>278,706</u>	<u>712,308</u>	<u>700,146</u>	<u>12,162</u>
Required Maintenance for School Facilities					
Salaries	264,462	46,682	311,144	311,144	-
Cleaning, Repair and Maintenance Services	14,500	162,436	176,936	140,511	36,425
Cleaning, Repair and Maintenance Services - Insurance Recovery Expenditures (Non-Budgeted)				26,030	(26,030)
General Supplies	335,323	(195,086)	140,237	126,424	13,813
Other Objects	-	650	650	150	500
Total Required Maint. For School Facilities	<u>614,285</u>	<u>14,682</u>	<u>628,967</u>	<u>604,259</u>	<u>24,708</u>
Custodial Services					
Salaries	1,079,140	58,699	1,137,839	1,120,738	17,101
Salaries - Non-Instructional Aides	184,043	(14,837)	169,206	164,431	4,775
Purchased Professional and Technical Services	7,000	-	7,000	625	6,375
Cleaning, Repair and Maintenance Services	24,583	2,702	27,285	20,461	6,824
Other Purchased Property Services	58,337	7,000	65,337	62,961	2,376
Insurance	230,000	40,293	270,293	270,293	-
Miscellaneous Purchased Services		1,425	1,425	460	965
General Supplies	87,625	32,517	120,142	95,981	24,161
Energy (Natural Gas)	215,000	12,400	227,400	170,771	56,629
Energy (Electricity)	420,000	(15,639)	404,361	325,258	79,103
Energy (Gasoline)	17,000	6,000	23,000	16,466	6,534
Other Objects	1,000	(290)	710	650	60
Total Custodial Services	<u>2,323,728</u>	<u>130,270</u>	<u>2,453,998</u>	<u>2,249,095</u>	<u>204,903</u>
Care and Upkeep of Grounds					
Salaries	78,449	-	78,449	64,613	13,836
Cleaning, Repair and Maintenance Svc.	2,500	(1,140)	1,360	70	1,290
General Supplies	20,000	1,801	21,801	19,571	2,230
Other Objects	-	90	90	-	90
Total Care and Upkeep of Grounds	<u>100,949</u>	<u>751</u>	<u>101,700</u>	<u>84,254</u>	<u>17,446</u>

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

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Security					
Salaries	\$ 224,985	\$ 44,294	\$ 269,279	\$ 269,279	-
Purchased Professional and Technical Services	10,000	(2,367)	7,633	6,269	\$ 1,364
Total Security	<u>234,985</u>	<u>41,927</u>	<u>276,912</u>	<u>275,548</u>	<u>1,364</u>
Student Transportation Services					
Salaries Non-Instructional Aides	110,959	6,959	117,918	115,643	2,275
Salaries for Pupil Trans (Bet. Home & Sch)-Regular	337,600	27,862	365,462	352,921	12,541
Salaries for Pupil Trans (Bet. Home & Sch)-Sp. Ed.	364,946	54,212	419,158	406,887	12,271
Salaries for Pupil Trans (Other than Bet. Home & Sch)	91,945	29,285	121,230	93,174	28,056
Cleaning, Repair and Maintenance Services	125,000	(52,538)	72,462	34,446	38,016
Lease Purchase Payments - School Buses	71,041	-	71,041	71,041	-
Contracted Services - Aid in Lieu Payments Charter School Students		715	715		715
Contracted Services - Aid in Lieu Payments Choice School Students		2,044	2,044	2,044	-
Misc. Purchased Services - Transportation	62,000	53,784	115,784	115,784	-
Transportation Supplies		52,263	52,263	47,111	5,152
Other Objects	3,000	8,565	11,565	10,763	802
Total Student Transportation Services	<u>1,166,491</u>	<u>183,151</u>	<u>1,349,642</u>	<u>1,249,814</u>	<u>99,828</u>
Unallocated Benefits - Employee Benefits					
Social Security Contributions	550,000	49,976	599,976	599,976	-
Other Retirement Contribution-PERS	500,000	6,021	506,021	506,021	-
Other Retirement Contribution-Regular	95,474	(1,519)	93,955	93,926	29
Worker's Compensation	215,000	(6,677)	208,323	208,323	-
Health Benefits	4,891,909	72,213	4,964,122	4,568,384	395,738
Tuition Reimbursement	56,000	3,876	59,876	37,601	22,275
Other Employee Benefits	150,000	23,285	173,285	142,605	30,680
Unused Sick Payments to Staff	30,000	38,375	68,375	68,375	-
Total Unallocated Benefits - Employee Benefits	<u>6,488,383</u>	<u>185,550</u>	<u>6,673,933</u>	<u>6,225,211</u>	<u>448,722</u>
TPAF On-Behalf Contributions (Non-Budgeted)					
Pension Contribution				5,653,072	(5,653,072)
Pension - NCGI Premium				78,430	(78,430)
Post Retirement Medical Benefits				1,505,652	(1,505,652)
Long Term Disability Insurance				2,577	(2,577)
TPAF Social Security Reimbursements (Non-Budgeted)	-	-	-	1,268,995	(1,268,995)
	-	-	-	8,508,726	(8,508,726)
Total Undistributed Expenditures	<u>20,767,091</u>	<u>1,081,142</u>	<u>21,848,233</u>	<u>28,629,448</u>	<u>(6,781,215)</u>
Interest Earned on Maintenance Reserve	1,500	-	1,500	-	1,500
Total Current Expenditures	<u>37,249,878</u>	<u>1,400,175</u>	<u>38,650,053</u>	<u>45,447,064</u>	<u>(6,797,011)</u>
CAPITAL OUTLAY					
Equipment					
Grades 1-5	165,000	(59,640)	105,360	105,360	-
Grades 6-8	85,000	30,896	115,896	115,896	-
Grades 9-12		46,344	46,344	46,344	-
Required Maintenance of School Facilities - Insurance Recovery Expenditures (Non-Budgeted)				35,891	(35,891)
Undistributed Expenditures					
Administrative Information Technology		14,831	14,831	14,831	-
Required Maintenance of School Facilities	37,439	(8,226)	29,213	29,213	-
Care and Upkeep of Grounds	8,000	1,281	9,281	9,280	1
School Buses - Regular		6,684	6,684	6,684	-
School Buses - Special	-	31,914	31,914	31,914	-
Total Equipment	<u>295,439</u>	<u>64,084</u>	<u>359,523</u>	<u>395,413</u>	<u>(35,890)</u>

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
CAPITAL OUTLAY (Continued)					
Facilities and Acquisitions					
Salaries		\$ 47,172	\$ 47,172	\$ 46,362	\$ 810
Architectural/Engineering Services	\$ 20,000	90,144	110,144	106,019	4,125
Construction Services	60,000	32,432	92,432	42,782	49,650
Construction Services - Insurance Recovery Expenditures (Non-Budgeted)				551,709	(551,709)
Supplies	160,000	(66,579)	93,421	63,458	29,963
Lease Purchase Agreements - Principal	142,500	-	142,500	142,500	-
Other Objects		800	800		800
Assessment for Debt Service on SDA Funding	44,993	-	44,993	44,993	-
Total Facilities and Acquisitions	427,493	103,969	531,462	997,823	(466,361)
Increase in Capital Reserve	230,500	-	230,500	-	230,500
Interest on Capital Reserve	3,000	-	3,000	-	3,000
Assets Acquired under Capital Financing Agreements					
Leased Equipment - Guidance Services				15,020	(15,020)
Leased Equipment - General Administration				30,040	(30,040)
Leased Equipment - School Administration				60,078	(60,078)
Leased Equipment - Custodial Services				15,020	(15,020)
Leased Equipment - Regular Instruction	-	-	-	195,242	(195,242)
Total Assets Acquired under Capital Financing Agreements Payable	-	-	-	315,400	(315,400)
Total Capital Outlay	956,432	168,053	1,124,485	1,708,636	(584,151)
Transfer of Funds to Charter Schools	-	8,011	8,011	8,011	-
Total Expenditures - General Fund	38,206,310	1,576,239	39,782,549	47,163,711	(7,381,162)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,476,700)	(1,152,136)	(2,628,836)	(510,733)	2,118,103
Other Financing Sources (Uses)					
Capital Financing Agreement Proceeds		-		315,400	315,400
Insurance Recoveries		-		473,536	473,536
Transfer Out - Special Revenue	(73,000)	2,346	(70,654)	(68,166)	2,488
Total Other Financing Sources (Uses)	(73,000)	2,346	(70,654)	720,770	791,424
Net Change in Fund Balances	(1,549,700)	(1,149,790)	(2,699,490)	210,037	2,909,527
Fund Balance, Beginning of Year	6,949,593	-	6,949,593	6,949,593	-
Fund Balance, End of Year	\$ 5,399,893	\$ (1,149,790)	\$ 4,250,103	\$ 7,159,630	\$ 2,909,527
Recapitulation of Fund Balance					
Restricted					
Capital Reserve				\$ 1,222,500	
Capital Reserve - Designated for Subsequent Year's Expenditures				1,703,761	
Maintenance Reserve				1,050,000	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				275,000	
Unemployment Compensation Reserve				181,643	
Excess Surplus				550,000	
Committed					
Year-End Encumbrances				54,575	
Assigned					
Year-End Encumbrances				680,824	
Designated for Subsequent Year's Expenditures				575,000	
Insurance Recovery Expenditures				22,567	
Unassigned					
				843,760	
Fund Balance Per State Budgetary Basis of Accounting				7,159,630	
Reconciliation to Governmental Funds Statements (GAAP)					
Less: State Aid not Recognized on a GAAP Basis				(870,847)	
Fund Balance per Governmental Funds (GAAP)				\$ 6,288,783	

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

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State		\$ 58,301	\$ 58,301	\$ 58,301	-
Federal	\$ 473,207	1,948,484	2,421,691	1,676,359	\$ (745,332)
Local	-	498,901	498,901	434,694	(64,207)
Total Revenues	<u>473,207</u>	<u>2,505,686</u>	<u>2,978,893</u>	<u>2,169,354</u>	<u>(809,539)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	130,551	(4,144)	126,407	62,522	63,885
Purchased Prof. Tech. Svc.	17,727	78,654	96,381	68,621	27,760
Tuition	356,476	262,261	618,737	618,737	-
Other Purchased Services	16,303	(16,303)	-	-	-
General Supplies		307,943	307,943	212,565	95,378
Co-Curricular / Extracurricular Activities		430,083	430,083	430,083	-
Athletic Activities		59,554	59,554	59,554	-
Other Objects	-	1,193	1,193	1,193	-
Total Instruction	<u>521,057</u>	<u>1,119,241</u>	<u>1,640,298</u>	<u>1,453,275</u>	<u>187,023</u>
Support Services					
Other Salaries		172,711	172,711	134,186	38,525
Personal Services - Employee Benefits		15,943	15,943	9,988	5,955
Purchased Professional and Technical Services	25,150	159,580	184,730	117,808	66,922
Purchased Property Services		795,172	795,172	360,796	434,376
Other Purchased Services		55,081	55,081	40,301	14,780
Supplies and Materials		112,762	112,762	74,163	38,599
Scholarship Awards		4,500	4,500	4,500	-
Other Objects	-	702	702	702	-
Total Support Services	<u>25,150</u>	<u>1,316,451</u>	<u>1,341,601</u>	<u>742,444</u>	<u>599,157</u>
Capital Outlay					
Construction Services		51,641	51,641	51,641	-
Instructional Equipment		2,500	2,500		2,500
Non-Instructional Equipment	-	13,507	13,507	12,119	1,388
Total Capital Outlay	<u>-</u>	<u>67,648</u>	<u>67,648</u>	<u>63,760</u>	<u>3,888</u>
Total Expenditures	<u>546,207</u>	<u>2,503,340</u>	<u>3,049,547</u>	<u>2,259,479</u>	<u>790,068</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(73,000)	2,346	(70,654)	(90,125)	(19,471)
OTHER FINANCING SOURCES (USES)					
Transfers In - General Fund	73,000	(2,346)	70,654	68,166	(2,488)
Net Change in Fund Balance	-	-	-	(21,959)	(21,959)
Fund Balance, Beginning of Year	198,528	-	198,528	198,528	-
Fund Balance, End of Year	<u>\$ 198,528</u>	<u>\$ -</u>	<u>\$ 198,528</u>	<u>\$ 176,569</u>	<u>(21,959)</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance					
Student Activities				\$ 167,898	
Scholarships				8,671	
				<u>\$ 176,569</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULES

**LEONIA 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.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual revenue amounts (budgetary basis) (Exhibits C-1 and C-2)	\$ 46,652,978	\$ 2,169,354
Difference - Budget to GAAP:		
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements (2022-23)	(870,847)	
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements (2021-22)	710,421	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances - June 30, 2022		663
Encumbrances - June 30, 2023	-	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 46,492,552</u>	<u>\$ 2,170,017</u>
Uses/Outflows of Resources		
Actual expenditure amounts (budgetary basis) (Exhibits C-1 and C-2)	\$ 47,163,711	\$ 2,259,479
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.		
Adjust for Encumbrances:		
Encumbrances - June 30, 2022		\$ 663
Encumbrances - June 30, 2023	-	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 47,163,711</u>	<u>\$ 2,260,142</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

Last Ten Fiscal Years*

	<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)	0.04013%	0.04229%	0.04029%	0.04009%	0.04046%	0.03769%	0.03766%	0.04003%	0.04161%	0.04079%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,055,720	\$ 5,009,581	\$ 6,570,897	\$ 7,224,080	\$ 7,966,743	\$ 8,773,866	\$ 11,153,434	\$ 8,985,629	\$ 7,790,670	\$ 7,796,000
District's Covered Payroll	\$ 3,007,977	\$ 3,014,496	\$ 2,947,835	\$ 2,777,848	\$ 2,643,762	\$ 2,651,491	\$ 2,459,534	\$ 2,439,335	\$ 2,566,468	\$ 2,566,468
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	201.32%	166.18%	222.91%	260.06%	301.34%	330.90%	453.48%	368.36%	303.56%	303.76%
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.

LEONIA BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Ten Fiscal Years

	<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	\$ 506,021	\$ 495,235	\$ 440,797	\$ 389,985	\$ 402,465	\$ 349,167	\$ 334,552	\$ 344,139	\$ 343,033	\$ 307,353
Contributions in Relation to the Contractually Required Contribution	<u>506,021</u>	<u>495,235</u>	<u>440,797</u>	<u>389,985</u>	<u>402,465</u>	<u>349,167</u>	<u>334,552</u>	<u>344,139</u>	<u>343,033</u>	<u>307,353</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 Payroll	\$ 3,262,208	\$ 3,007,977	\$ 3,014,496	\$ 2,947,835	\$ 2,777,848	\$ 2,643,762	\$ 2,651,491	\$ 2,459,534	\$ 2,439,335	\$ 2,566,468
Contributions as a Percentage of Covered Payroll	15.51%	16.46%	14.62%	13.23%	14.49%	13.21%	12.62%	13.99%	14.06%	11.98%

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

Teachers Pension and Annuity Fund

Last Ten Fiscal Years*

	<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)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>72,820,916</u>	<u>67,064,364</u>	<u>91,243,313</u>	<u>84,789,749</u>	<u>86,999,731</u>	<u>89,966,565</u>	<u>105,229,126</u>	<u>86,975,627</u>	<u>73,937,267</u>	<u>71,863,561</u>
Total	<u>\$ 72,820,916</u>	<u>\$ 67,064,364</u>	<u>\$ 91,243,313</u>	<u>\$ 84,789,749</u>	<u>\$ 86,999,731</u>	<u>\$ 89,966,565</u>	<u>\$ 105,229,126</u>	<u>\$ 86,975,627</u>	<u>\$ 73,937,267</u>	<u>\$ 71,863,561</u>
District's Covered Payroll	16,181,242	16,107,131	16,017,099	15,061,809	14,759,297	14,418,312	13,796,178	13,801,527	13,286,892	13,286,892
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered 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.

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

**LEONIA 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.

**LEONIA 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>
Total OPEB Liability						
Service Cost	\$ 3,797,737	\$ 4,311,181	\$ 2,359,758	\$ 2,215,784	\$ 2,513,156	\$ 3,067,118
Interest on Total OPEB Liability	1,556,939	1,817,677	1,728,773	2,053,152	2,218,628	1,895,658
Changes of Benefit Terms		\$ (74,580)				
Differences Between Expected and Actual Experience	578,695	(13,284,902)	13,802,855	(7,408,581)	(6,064,997)	
Changes of Assumptions	(15,760,208)	69,129	14,360,511	711,086	(5,914,564)	(7,942,606)
Gross Benefit Payments	(1,542,194)	(1,431,821)	(1,368,646)	(1,463,991)	(1,378,183)	(1,463,960)
Contribution from the Member	49,474	46,469	41,484	43,397	47,632	53,907
Net Change in Total OPEB Liability	(11,319,557)	(8,546,847)	30,924,735	(3,849,153)	(8,578,328)	(4,389,883)
Total OPEB Liability - Beginning	<u>70,069,531</u>	<u>78,616,378</u>	<u>47,691,643</u>	<u>51,540,796</u>	<u>60,119,124</u>	<u>64,509,007</u>
Total OPEB Liability - Ending	<u>\$ 58,749,974</u>	<u>\$ 70,069,531</u>	<u>\$ 78,616,378</u>	<u>\$ 47,691,643</u>	<u>\$ 51,540,796</u>	<u>\$ 60,119,124</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>58,749,974</u>	<u>70,069,531</u>	<u>78,616,378</u>	<u>47,691,643</u>	<u>51,540,796</u>	<u>60,119,124</u>
Total OPEB Liability - Ending	<u>\$ 58,749,974</u>	<u>\$ 70,069,531</u>	<u>\$ 78,616,378</u>	<u>\$ 47,691,643</u>	<u>\$ 51,540,796</u>	<u>\$ 60,119,124</u>
District's Covered Payroll	\$ 19,189,219	\$ 19,121,627	\$ 18,964,934	\$ 17,839,657	\$ 17,403,059	\$ 17,069,803
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 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.

**LEONIA 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.

SPECIAL REVENUE FUND

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

	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>ARP IDEA Preschool</u>	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>Title IV</u>	<u>From Exhibit E-1A</u>	<u>From Exhibit E-1B</u>	<u>Total</u>
REVENUES											
Local									\$ 434,694	-	\$ 434,694
State									58,301	-	58,301
Federal	\$ 504,075	\$ 13,666	\$ 7,949	\$ 229,436	\$ 30,725	\$ 30,578	\$ 5,438	\$ 13,763	228,305	\$ 612,424	1,676,359
Total Revenues	\$ 504,075	\$ 13,666	\$ 7,949	\$ 229,436	\$ 30,725	\$ 30,578	\$ 5,438	\$ 13,763	\$ 721,300	\$ 612,424	\$ 2,169,354
EXPENDITURES											
Instruction											
Salaries of Teachers		\$ 4,753							\$ 14,160	\$ 43,609	\$ 62,522
Purchased Professional and Technical Services				\$ 48,235		\$ 10,801		\$ 5,000	2,585	2,000	68,621
Tuition	\$ 473,777		\$ 7,949						137,011	-	618,737
General Supplies	6,177	8,913		38,532		9,629	\$ 4,640	7,763	26,714	110,197	212,565
Co-Curricular / Extracurricular Activities									430,083	-	430,083
Athletic Activities									59,554	-	59,554
Other Objects	-	-	-	-	-	-	-	-	1,193	-	1,193
Total Instruction	479,954	13,666	7,949	86,767	-	20,430	4,640	12,763	671,300	155,806	1,453,275
Support Services											
Other Salaries				96,002	\$ 6,698	6,175			12,511	12,800	134,186
Personal Services - Employee Benefits				7,344		473			1,116	1,055	9,988
Purchased Professional and Technical Services	2,783			39,323	4,200			1,000	-	70,502	117,808
Purchased Property Services									6,796	354,000	360,796
Other Purchased Services					18,225	3,500			315	18,261	40,301
Supplies and Materials	15,558				900		798		56,907	-	74,163
Scholarship Awards					702				4,500	-	4,500
Other Objects	-	-	-	-	-	-	-	-	-	-	702
Total Support Services	18,341	-	-	142,669	30,725	10,148	798	1,000	82,145	456,618	742,444
Capital Outlay											
Construction Services									51,641	-	51,641
Non-Instructional Equipment	5,780	-	-	-	-	-	-	-	6,339	-	12,119
Total Capital Outlay	5,780	-	-	-	-	-	-	-	57,980	-	63,760
Total Expenditures	504,075	13,666	7,949	229,436	30,725	30,578	5,438	13,763	811,425	612,424	2,259,479
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures											
	-	-	-	-	-	-	-	-	(90,125)	-	(90,125)
OTHER FINANCING SOURCES (USES)											
Transfers In - General Fund	-	-	-	-	-	-	-	-	68,166	-	68,166
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	68,166	-	68,166
Net Change in Fund Balance	-	-	-	-	-	-	-	-	(21,959)	-	(21,959)
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	198,528	-	198,528
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 176,569	\$ -	\$ 176,569

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

	Perkins Secondary	CRRSA - ESSER II			ACSERS	SDA Emergent & Capital Maint. Needs	Climate Change Awareness	Local Donations	Student Activities	Scholarships	To Exhibit E-1
		ESSER II	Learning Acceleration	Mental Health							
REVENUES											
Local							\$ 30,682	\$ 401,783	\$ 2,229	\$ 434,694	
State						\$ 51,641	\$ 6,660			58,301	
Federal	\$ 10,644	\$ 51,479	\$ 17,673	\$ 7,261	\$ 141,248	-	-	-	-	228,305	
Total Revenues	\$ 10,644	\$ 51,479	\$ 17,673	\$ 7,261	\$ 141,248	\$ 51,641	\$ 6,660	\$ 30,682	\$ 401,783	\$ 2,229	\$ 721,300
EXPENDITURES											
Instruction											
Salaries of Teachers	\$ 1,080		\$ 8,280	\$ 4,800							\$ 14,160
Purchased Professional and Technical Services	2,585										2,585
Tuition					\$ 137,011						137,011
General Supplies	5,703	\$ 2,191	2,069	344			\$ 6,660	\$ 9,747			26,714
Co-Curricular / Extracurricular Activities									\$ 430,083		430,083
Athletic Activities									59,554		59,554
Other Objects	1,193	-	-	-	-	-	-	-	-	-	1,193
Total Instruction	10,561	2,191	10,349	5,144	137,011	-	6,660	9,747	489,637	-	671,300
Support Services											
Other Salaries			5,750	2,117	3,644			1,000			12,511
Personal Services - Employee Benefits	83		440		593						1,116
Purchased Property Services								6,796			6,796
Other Purchased Services								315			315
Supplies and Materials		49,288	1,134					6,485			56,907
Scholarship Awards	-	-	-	-	-	-	-	-	-	\$ 4,500	4,500
Total Support Services	83	49,288	7,324	2,117	4,237	-	-	14,596	-	4,500	82,145
Capital Outlay											
Construction Services						\$ 51,641					51,641
Non-Instructional Equipment	-	-	-	-	-	-	-	6,339	-	-	6,339
Total Capital Outlay	-	-	-	-	-	51,641	-	6,339	-	-	57,980
Total Expenditures	10,644	51,479	17,673	7,261	141,248	51,641	6,660	30,682	489,637	4,500	811,425
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	-	-	(87,854)	(2,271)	(90,125)
OTHER FINANCING SOURCES (USES)											
Transfers In - General Fund	-	-	-	-	-	-	-	-	68,166	-	68,166
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	68,166	-	68,166
Net Change in Fund Balance	-	-	-	-	-	-	-	-	(19,688)	(2,271)	(21,959)
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	187,586	10,942	198,528
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,898	\$ 8,671	\$ 176,569

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

American Rescue Plan - ESSER III

	<u>ESSER III</u>	<u>Accelerated Learning Coach and Educator Support</u>	<u>Evidence-Based Summer Learning and Enrichment</u>	<u>Evidence-Based Comprehensive Beyond the School Day</u>	<u>NJTSS</u>	<u>To Exhibit E-1</u>
REVENUES						
Local						-
State						-
Federal	\$ 480,439	\$ 83,922	\$ 7,622	\$ 35,600	\$ 4,841	\$ 612,424
Total Revenues	<u>\$ 480,439</u>	<u>\$ 83,922</u>	<u>\$ 7,622</u>	<u>\$ 35,600</u>	<u>\$ 4,841</u>	<u>\$ 612,424</u>
EXPENDITURES						
Instruction						
Salaries of Teachers	\$ 11,789		\$ 3,420	\$ 28,400		\$ 43,609
Purchased Professional and Technical Services	2,000					2,000
General Supplies	109,595	-	602	-	-	110,197
Total Instruction	<u>123,384</u>	<u>-</u>	<u>4,022</u>	<u>28,400</u>	<u>-</u>	<u>155,806</u>
Support Services						
Other Salaries	2,000		3,600	7,200		12,800
Personal Services - Employee Benefits	1,055					1,055
Purchased Professional and Technical Services		\$ 67,602			\$ 2,900	70,502
Purchased Property Services	354,000					354,000
Other Purchased Services	-	16,320	-	-	1,941	18,261
Total Support Services	<u>357,055</u>	<u>83,922</u>	<u>3,600</u>	<u>7,200</u>	<u>4,841</u>	<u>456,618</u>
Total Expenditures	<u>480,439</u>	<u>83,922</u>	<u>7,622</u>	<u>35,600</u>	<u>4,841</u>	<u>612,424</u>
Net Change in Fund Balance	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

THIS SCHEDULE IS NOT APPLICABLE

CAPITAL PROJECTS FUND

**LEONIA BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2023</u>
		<u>Prior Year</u>	<u>Current Year</u>	
Technology Infrastructure Upgrade Project	\$ 1,820,479	\$ 1,731,344	\$ 86,975	\$ 2,160
Acquisition of EV Buses and Chargers	2,616,385	1,815,501	125,629	675,255
FEMA Mitigation Project	<u>890,730</u>	<u>-</u>	<u>-</u>	<u>890,730</u>
	<u>\$ 5,327,594</u>	<u>\$ 3,546,845</u>	<u>\$ 212,604</u>	<u>\$ 1,568,145</u>

Reconciliation to GAAP Basis

Project Balances, June 30, 2023	\$ 1,568,145
Add: Grant Drawdowns For Year-End Encumbrances	1,815,501
Less: Unrealized Grant Revenue	(2,706,231)
Less: Capital Financing Agreement Authorized But Not Issued	<u>(800,884)</u>
Fund Balance, June 30, 2023 GAAP Basis	<u>\$ (123,469)</u>

Recapitulation of Fund Balance

Restricted For Capital Projects:	
Year-End Encumbrances	\$ 2,490,756
Available for Capital Projects Expenditures	<u>(2,614,225)</u>
Total Fund Balance - Restricted for Capital Projects	<u>\$ (123,469)</u>

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

REVENUES AND OTHER FINANCING SOURCES

Revenues

Interest Income	1,924
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Total Revenues	1,924
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EXPENDITURES AND OTHER FINANCING USES

Capital Outlay

Construction Services	86,975
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Supplies and Materials	125,629
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Total Expenditures and Other Financing Uses	212,604
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Excess (Deficiency) of Revenues and Other Financing Sources

Over (Under) Expenditures and Other Financing Uses	(210,680)
--	-----------

Fund Balance, Beginning of Year	87,211
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Fund Balance, End of Year	\$ (123,469)
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Reconciliation to GAAP

Fund Balance, June 30, 2023 - Budgetary Basis	\$ (123,469)
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Add: Grant Drawdowns For Year-End Encumbrances	1,815,501
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Less: Unrealized NJ DEP Grant Revenue	(1,815,501)
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Fund Balance, June 30, 2023 GAAP Basis	\$ (123,469)
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**LEONIA BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
TECHNOLOGY INFRASTRUCTURE UPGRADE PROJECT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Financing Agreement Proceeds	\$ 1,732,400		\$ 1,732,400	\$ 1,732,400
Transfer from Capital Reserve Fund	85,919		85,919	85,919
Earnings on Investments	236	\$ 1,924	2,160	2,160
	<u>1,818,555</u>	<u>1,924</u>	<u>1,820,479</u>	<u>1,820,479</u>
Expenditures and Other Financing Uses				
Construction Services	312,328	86,975	399,303	400,479
Supplies and Materials	1,419,016	-	1,419,016	1,420,000
	<u>1,731,344</u>	<u>86,975</u>	<u>1,818,319</u>	<u>1,820,479</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 87,211</u>	<u>\$ (85,051)</u>	<u>\$ 2,160</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,732,400			
Additional Authorized Cost	88,079			
Revised Authorized Cost	<u>\$ 1,820,479</u>			
Percentage Increase over Original Authorized Cost	5%			
Percentage Completion	100%			
Original Target Completion Date	6/30/2024			
Revised Target Completion Date	6/30/2024			

**LEONIA BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
ACQUISITION OF ELECTRIC BUS AND CHARGERS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - NJ DEP Grant	\$ 1,815,501		\$ 1,815,501	\$ 1,815,501
Capital Financing Agreement Proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>800,884</u>
 Total Revenues	 <u>1,815,501</u>	 <u>-</u>	 <u>1,815,501</u>	 <u>2,616,385</u>
Expenditures and Other Financing Uses				
Construction Services			-	199,060
Supplies and Materials		125,629	125,629	125,629
Acquisition of Equipment - Buses	<u>1,815,501</u>	<u>\$ -</u>	<u>1,815,501</u>	<u>2,291,696</u>
 Total Expenditures and Other Financing Uses	 <u>1,815,501</u>	 <u>125,629</u>	 <u>1,941,130</u>	 <u>2,616,385</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ -</u>	 <u>\$ (125,629)</u>	 <u>\$ (125,629)</u>	 <u>\$ -</u>
 Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
 Original Authorized Cost	 \$ 2,616,385			
Additional Authorized Cost	<u>-</u>			
Revised Authorized Cost	<u>\$ 2,616,385</u>			
 Percentage Increase over Original Authorized Cost	 0%			
Percentage Completion	74%			
Original Target Completion Date	6/30/2024			
Revised Target Completion Date	6/30/2024			

**LEONIA BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
FEMA MITIGATION PROJECT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Federal Sources - FEMA Grant	-	\$ -	\$ -	\$ 890,730
 Total Revenues	 -	 -	 -	 890,730
Expenditures and Other Financing Uses				
Architectual/Engineering Services			-	205,000
Construction Services	-	-	-	685,730
 Total Expenditures and Other Financing Uses	 -	 -	 -	 890,730
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 \$ -	 \$ -	 \$ -	 \$ -
 Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
 Original Authorized Cost	 \$	 890,730		
Additional Authorized Cost		-		
Revised Authorized Cost	\$	890,730		
 Percentage Increase over Original Authorized Cost	 0%			
Percentage Completion	0%			
Original Target Completion Date	6/30/2024			
Revised Target Completion Date	6/30/2024			

ENTERPRISE FUNDS

LEONIA BOARD OF EDUCATION
ENRICHMENT PROGRAM ENTERPRISE FUND
COMBINING SCHEDULE OF ENRICHMENT PROGRAM NET POSITION
AS OF JUNE 30, 2023

	Programs				Total Enrichment Program Fund
	Afterschool Enrichment	LMS Here We Come	SAT Prep	SMILE	
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 8,179	\$ 7,760	\$ 7,419	\$ 86,325	\$ 109,683
Total Current Assets	<u>8,179</u>	<u>7,760</u>	<u>7,419</u>	<u>86,325</u>	<u>109,683</u>
Noncurrent Assets					
Capital Assets					
Furniture, Machinery and Equipment		4,969		14,907	19,876
Less: Accumulated Depreciation	-	(1,988)	-	(5,964)	(7,952)
Total Noncurrent Assets	<u>-</u>	<u>2,981</u>	<u>-</u>	<u>8,943</u>	<u>11,924</u>
Total Assets	<u>8,179</u>	<u>10,741</u>	<u>7,419</u>	<u>95,268</u>	<u>121,607</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	354				354
Due to Other Funds			8,029		8,029
Unearned Revenue	-	6,723	-	83,928	90,651
Total Current Liabilities	<u>354</u>	<u>6,723</u>	<u>8,029</u>	<u>83,928</u>	<u>99,034</u>
NET POSITION					
Investment in Capital Assets		2,981		8,943	11,924
Unrestricted	7,825	1,037	(610)	2,397	10,649
Total Net Position	<u>\$ 7,825</u>	<u>\$ 4,018</u>	<u>\$ (610)</u>	<u>\$ 11,340</u>	<u>\$ 22,573</u>

LEONIA BOARD OF EDUCATION
ENRICHMENT PROGRAM ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Programs				Total Enrichment Program Fund
	<u>Afterschool Enrichment</u>	<u>LMS Here We Come</u>	<u>SAT Prep</u>	<u>SMILE</u>	
OPERATING REVENUES					
Charges for Services Program Fees	\$ 49,984	\$ 5,689	\$ 18,446	\$ 90,732	\$ 164,851
Total Operating Revenues	<u>49,984</u>	<u>5,689</u>	<u>18,446</u>	<u>90,732</u>	<u>164,851</u>
OPERATING EXPENSES					
Salaries	42,400	6,500	12,240	85,000	146,140
Employee Benefits	2,463	403	848	5,500	9,214
Supplies and Materials	1,191	213	1,039	2,790	5,233
Depreciation Expense	-	994	-	2,982	3,976
Total Operating Expenses	<u>46,054</u>	<u>8,110</u>	<u>14,127</u>	<u>96,272</u>	<u>164,563</u>
Operating Income (Loss)	<u>3,930</u>	<u>(2,421)</u>	<u>4,319</u>	<u>(5,540)</u>	<u>288</u>
NONOPERATING REVENUES					
Investment Interest Interest Income	35	9	38	75	157
Total Nonoperating Revenues	<u>35</u>	<u>9</u>	<u>38</u>	<u>75</u>	<u>157</u>
Change in Net Position	3,965	(2,412)	4,357	(5,465)	445
Net Position, Beginning of Year	<u>3,860</u>	<u>6,430</u>	<u>(4,967)</u>	<u>16,805</u>	<u>22,128</u>
Net Position, End of Year	<u>\$ 7,825</u>	<u>\$ 4,018</u>	<u>\$ (610)</u>	<u>\$ 11,340</u>	<u>\$ 22,573</u>

**LEONIA BOARD OF EDUCATION
ENRICHMENT PROGRAM ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Programs				Total Enrichment Program Fund
	After School Enrichment	LMS Here We Come	SAT Prep	SMILE	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 49,984	\$ 7,483	\$ 18,446	\$ 102,807	\$ 178,720
Cash Payments for Employees' Salaries and Benefits	(44,863)	(6,903)	(13,088)	(90,500)	(155,354)
Cash Payments to Suppliers for Goods and Services	(957)	(213)	(1,039)	(2,790)	(4,999)
Net Cash Provided (Used) By Operating Activities	<u>4,164</u>	<u>367</u>	<u>4,319</u>	<u>9,517</u>	<u>18,367</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Earnings Received	<u>35</u>	<u>9</u>	<u>38</u>	<u>75</u>	<u>157</u>
Net Cash Provided by Investing Activities	<u>35</u>	<u>9</u>	<u>38</u>	<u>75</u>	<u>157</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,199	376	4,357	9,592	18,524
Cash and Cash Equivalents, Beginning of Year	<u>3,980</u>	<u>7,384</u>	<u>3,062</u>	<u>76,733</u>	<u>91,159</u>
Cash and Cash Equivalents, End of Year	<u>\$ 8,179</u>	<u>\$ 7,760</u>	<u>\$ 7,419</u>	<u>\$ 86,325</u>	<u>\$ 109,683</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 3,930	\$ (2,421)	\$ 4,319	\$ (5,540)	\$ 288
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Depreciation	-	994	-	2,982	3,976
Change in Assets, Liabilities and Deferred Inflows of Resources					
Increase/(Decrease) in Accounts Payable	234				234
Increase/(Decrease) in Unearned Revenue	-	1,794	-	12,075	13,869
Total Adjustments	<u>234</u>	<u>2,788</u>	<u>-</u>	<u>15,057</u>	<u>18,079</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ 4,164</u>	<u>\$ 367</u>	<u>\$ 4,319</u>	<u>\$ 9,517</u>	<u>\$ 18,367</u>

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

**LEONIA BOARD OF EDUCATION
LONG TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
School Refunding Bonds	12/1/2011	\$ 11,685,000	8/15/2023	\$ 1,305,000	3.854 %	\$ 2,570,000		\$ 1,265,000	\$ 1,305,000
School Refunding Bonds	7/16/2020	9,725,000	7/15/2023	845,000	4.000				
			7/15/2024	890,000	4.000				
			7/15/2025	935,000	4.000				
			7/15/2026	980,000	4.000				
			7/15/2027	1,035,000	5.000				
			7/15/2028	1,095,000	5.000				
			7/15/2029	1,155,000	5.000				
			7/15/2030	1,225,000	5.000				
						<u>8,960,000</u>	<u>-</u>	<u>800,000</u>	<u>8,160,000</u>
						<u>\$ 11,530,000</u>	<u>\$ -</u>	<u>\$ 2,065,000</u>	<u>\$ 9,465,000</u>
								<u>\$ 2,065,000</u>	
									Paid by Budget Appropriation

**LEONIA BOARD OF EDUCATION
LONG TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS
AND LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Amount of Original <u>Issue</u>	Interest <u>Rate</u>	Balance, <u>July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	Balance, <u>June 30, 2023</u>
<u>Capital Financing Agreements</u>						
Copier Machines - 2021	\$ 390,000	10.36%	\$ 117,089		\$ 92,448	\$ 24,641
Bus Lease	333,076	2.93%	136,063		67,048	69,015
Technology Infrastructure Project	1,732,400	1.10%	1,381,759		339,802	1,041,957
Installation of a Turf Field (Shared Service Agreement)	1,500,000	2.50%	1,425,000	-	142,500	1,282,500
Copier Machines - 2023	315,400	5.71%	-	<u>\$ 315,400</u>	<u>27,651</u>	<u>287,749</u>
			<u>\$ 3,059,911</u>	<u>\$ 315,400</u>	<u>\$ 669,449</u>	<u>\$ 2,705,862</u>
<u>Leases Payable</u>						
Water Cooler Lease	3,366	2.00%	1,613		682	931
Phone System	231,075	2.50%	149,679		45,994	103,685
Postage Machines - Various Locations	29,040	2.00%	22,992		5,221	17,771
Postage Machine - High School	8,736	2.00%	7,473		1,713	5,760
Postage Machine - BOE Office	8,655	2.50%	<u>7,974</u>	<u>-</u>	<u>1,663</u>	<u>6,311</u>
			<u>\$ 189,731</u>	<u>\$ -</u>	<u>\$ 55,273</u>	<u>\$ 134,458</u>

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

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 2,113,531		\$ 2,113,531	\$ 2,113,531	
State Sources					
Debt Service Aid Type II	403,750	-	403,750	403,750	-
Total Revenues	<u>2,517,281</u>	<u>-</u>	<u>2,517,281</u>	<u>2,517,281</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	2,065,000		2,065,000	2,065,000	
Interest	459,747	-	459,747	459,747	-
Total Expenditures	<u>2,524,747</u>	<u>-</u>	<u>2,524,747</u>	<u>2,524,747</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(7,466)</u>	<u>-</u>	<u>(7,466)</u>	<u>(7,466)</u>	<u>-</u>
Net Change in Fund Balance	(7,466)	-	(7,466)	(7,466)	-
Fund Balance, Beginning of Year	<u>7,466</u>	<u>-</u>	<u>7,466</u>	<u>7,466</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

This part of the Leonia 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 government'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 government'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.

LEONIA 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	\$ 5,712,963	\$ 7,133,247	\$ 9,058,650	\$ 6,633,571	\$ 8,561,795	\$ 11,995,055	\$ 13,693,257	\$ 15,024,079	\$ 19,033,880	\$ 20,739,886
Restricted	8,361,485	7,878,190	3,465,366	4,307,587	3,093,100	983,807	1,759,722	3,577,531	3,394,759	4,609,473
Unrestricted	<u>1,230,478</u>	<u>(6,255,467)</u>	<u>(3,410,681)</u>	<u>(4,461,001)</u>	<u>(4,891,357)</u>	<u>(6,741,339)</u>	<u>(8,232,390)</u>	<u>(6,785,464)</u>	<u>(5,125,935)</u>	<u>(5,552,945)</u>
Total Governmental Activities Net Position	<u>\$ 15,304,926</u>	<u>\$ 8,755,970</u>	<u>\$ 9,113,335</u>	<u>\$ 6,480,157</u>	<u>\$ 6,763,538</u>	<u>\$ 6,237,523</u>	<u>\$ 7,220,589</u>	<u>\$ 11,816,146</u>	<u>\$ 17,302,704</u>	<u>\$ 19,796,414</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 81,694	\$ 70,160	\$ 56,877	\$ 33,088	\$ 40,822	\$ 82,977	\$ 85,030	\$ 84,024	\$ 130,618	\$ 191,104
Unrestricted	<u>79,817</u>	<u>120,881</u>	<u>158,752</u>	<u>220,327</u>	<u>224,262</u>	<u>228,187</u>	<u>166,482</u>	<u>70,683</u>	<u>336,767</u>	<u>417,905</u>
Total Business-Type Activities Net Position	<u>\$ 161,511</u>	<u>\$ 191,041</u>	<u>\$ 215,629</u>	<u>\$ 253,415</u>	<u>\$ 265,084</u>	<u>\$ 311,164</u>	<u>\$ 251,512</u>	<u>\$ 154,707</u>	<u>\$ 467,385</u>	<u>\$ 609,009</u>
District-Wide										
Net Investment in Capital Assets	\$ 5,794,657	\$ 7,203,407	\$ 9,115,527	\$ 6,666,659	\$ 8,602,617	\$ 12,078,032	\$ 13,778,287	\$ 15,108,103	\$ 19,164,498	\$ 20,930,990
Restricted	8,361,485	7,878,190	3,465,366	4,307,587	3,093,100	983,807	1,759,722	3,577,531	3,394,759	4,609,473
Unrestricted	<u>1,310,295</u>	<u>(6,134,586)</u>	<u>(3,251,929)</u>	<u>(4,240,674)</u>	<u>(4,667,095)</u>	<u>(6,513,152)</u>	<u>(8,065,908)</u>	<u>(6,714,781)</u>	<u>(4,789,168)</u>	<u>(5,135,040)</u>
Total District Net Position	<u>\$ 15,466,437</u>	<u>\$ 8,947,011</u>	<u>\$ 9,328,964</u>	<u>\$ 6,733,572</u>	<u>\$ 7,028,622</u>	<u>\$ 6,548,687</u>	<u>\$ 7,472,101</u>	<u>\$ 11,970,853</u>	<u>\$ 17,770,089</u>	<u>\$ 20,405,423</u>

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

Note 2 - Net Position at June 30, 2021 has been restated to reflect the implementation of GASB Statement No. 87 "Leases".

**LEONIA 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	\$ 13,034,616	\$ 15,046,198	\$ 18,037,432	\$ 21,369,913	\$ 20,668,300	\$ 19,137,844	\$ 17,595,069	\$ 19,710,908	\$ 18,717,220	\$ 19,153,443
Special Education	4,067,369	4,343,963	6,087,129	7,050,114	6,864,974	6,118,212	6,745,698	6,189,802	6,529,666	6,675,758
Other Instruction	1,477,424	1,700,584	765,954	1,151,573	1,178,530	1,148,647	1,058,401	773,611	990,982	1,161,788
School Sponsored Activities and Athletics			1,068,739	1,276,705	1,237,176	1,151,268	1,279,518	1,350,608	1,252,229	1,391,545
Support Services:										
Tuition	939,292	1,201,853								
Student and Instruction Related Services	3,738,145	4,357,902	4,402,031	5,084,897	5,185,269	5,970,517	5,887,388	6,671,478	6,426,527	6,673,247
General Administration	862,726	975,965	1,027,863	1,038,399	1,005,807	1,114,915	923,605	1,204,657	1,375,099	1,200,530
School Administrative Services	2,256,390	2,631,735	2,746,612	3,551,790	3,400,669	3,404,662	3,392,760	3,809,080	2,564,731	2,571,616
Central Services and Info. Technology	875,076	586,761	672,407	776,196	774,779	662,263	647,616	668,540	1,315,606	1,648,455
Plant Operations And Maintenance	2,951,108	3,070,387	3,377,650	3,647,477	3,567,740	3,555,113	4,064,800	4,357,316	2,737,850	3,924,642
Pupil Transportation	735,952	1,219,968	1,010,974	1,229,918	1,159,054	1,163,416	1,032,284	642,324	1,611,325	1,522,371
Interest On Long-Term Debt	1,174,041	971,609	963,811	910,328	859,269	867,139	763,656	551,298	278,505	221,851
Unallocated Depreciation	613,111	1,245,092	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	32,725,250	37,352,017	40,160,602	47,087,310	45,901,567	44,293,996	43,390,795	45,929,622	43,799,740	46,145,246
Business-Type Activities										
Food Service	594,031	610,360	599,559	598,168	636,420	621,841	541,572	417,894	767,561	862,802
Enrichment Programs	-	-	41,143	35,075	44,192	49,359	146,480	90,027	145,295	164,563
Total Business-Type Activities Expense	594,031	610,360	640,702	633,243	680,612	671,200	688,052	507,921	912,856	1,027,365
Total District Expenses	\$ 33,319,281	\$ 37,962,377	\$ 40,801,304	\$ 47,720,553	\$ 46,582,179	\$ 44,965,196	\$ 44,078,847	\$ 46,437,543	\$ 44,712,596	\$ 47,172,611
Program Revenues										
Governmental Activities										
Charges For Services	\$ 7,059,374	\$ 7,072,840	\$ 8,079,596	\$ 8,390,205	\$ 7,952,896	\$ 7,929,941	\$ 9,093,029	\$ 10,807,764	\$ 10,542,784	\$ 10,688,383
Operating Grants and Contributions	4,200,899	7,942,538	9,270,239	12,074,642	13,350,686	10,840,497	9,727,628	13,525,396	10,497,942	8,748,319
Capital Grants and Contributions	-	-	-	-	-	160,703	11,440	3,000	1,137,831	79,922
Total Governmental Activities Program Revenues	11,260,273	15,015,378	17,349,835	20,464,847	21,303,582	18,931,141	18,832,097	24,336,160	22,178,557	19,516,624
Business-Type Activities										
Charges For Services										
Food Service	402,676	404,103	407,154	425,997	447,251	469,379	341,262	2,980	84,675	568,935
Enrichment Program	32,885	50,190	57,750	42,985	53,919	63,350	99,279	103,403	143,151	164,851
Operating Grants And Contributions	182,932	185,976	200,385	202,047	189,718	182,226	185,864	303,842	997,301	433,808
Total Business Type Activities Program Revenues	618,493	640,269	665,289	671,029	690,888	714,955	626,405	410,225	1,225,127	1,167,594
Total District Program Revenues	\$ 11,878,766	\$ 15,655,647	\$ 18,015,124	\$ 21,135,876	\$ 21,994,470	\$ 19,646,096	\$ 19,458,502	\$ 24,746,385	\$ 23,403,684	\$ 20,684,218
Net (Expense)/Revenue										
Governmental Activities	\$ (21,464,977)	\$ (22,336,639)	\$ (22,810,767)	\$ (26,622,463)	\$ (24,597,985)	\$ (25,362,855)	\$ (24,558,698)	\$ (21,593,462)	\$ (21,621,183)	\$ (26,628,622)
Business-Type Activities	24,462	29,909	24,587	37,786	10,276	43,755	(61,647)	(97,696)	312,271	140,229
Total District-Wide Net Expenses	\$ (21,440,515)	\$ (22,306,730)	\$ (22,786,180)	\$ (26,584,677)	\$ (24,587,709)	\$ (25,319,100)	\$ (24,620,345)	\$ (21,691,158)	\$ (21,308,912)	\$ (26,488,393)

LEONIA 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
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Property Taxes Levied For General Purposes, Net	\$ 17,392,417	\$ 17,740,265	\$ 18,095,075	\$ 18,671,582	\$ 19,373,545	\$ 19,761,016	\$ 20,156,236	\$ 20,777,801	\$ 21,172,579	\$ 21,593,913
Property Taxes Levied For Debt Service	2,337,877	2,334,694	2,329,197	2,317,874	2,025,161	1,930,170	1,907,645	2,272,403	2,154,981	2,113,531
Federal and State Aid - Unrestricted	2,638,407	2,647,508	2,667,743	2,672,428	2,702,251	2,633,415	2,573,253	2,557,344	3,278,503	4,513,561
Federal and State Aid Restricted	399,928	411,785	271,843	286,683	303,189	316,701	332,615	351,432	315,758	669,056
Miscellaneous Income	437,312	449,432	45,936	40,718	477,220	195,538	138,200	231,792	185,920	232,271
Transfers	-	-	-	-	-	-	-	261	-	-
Total Governmental Activities	23,205,941	23,583,684	23,409,794	23,989,285	24,881,366	24,836,840	25,107,949	26,191,033	27,107,741	29,122,332
Business-Type Activities										
Miscellaneous Income	-	-	-	-	1,393	2,325	1,995	1,152	407	1,395
Transfers	-	-	-	-	-	-	-	(261)	-	-
Total Business-Type Activities	-	-	-	-	1,393	2,325	1,995	891	407	1,395
Total District-Wide	\$ 23,205,941	\$ 23,583,684	\$ 23,409,794	\$ 23,989,285	\$ 24,882,759	\$ 24,839,165	\$ 25,109,944	\$ 26,191,924	\$ 27,108,148	\$ 29,123,727
Change in Net Position										
Governmental Activities	\$ 1,740,964	\$ 1,247,045	\$ 599,027	\$ (2,633,178)	\$ 283,381	\$ (526,015)	\$ 549,251	\$ 4,597,571	\$ 5,486,558	\$ 2,493,710
Business-Type Activities	24,462	29,909	24,587	37,786	11,669	46,080	(59,652)	(96,805)	312,678	141,624
Total District	\$ 1,765,426	\$ 1,276,954	\$ 623,614	\$ (2,595,392)	\$ 295,050	\$ (479,935)	\$ 489,599	\$ 4,500,766	\$ 5,799,236	\$ 2,635,334

LEONIA 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	\$ 7,399,276	\$ 7,332,373	\$ 8,183,692	\$ 9,033,535	\$ 4,996,501	\$ 3,238,778	\$ 2,786,135	\$ 4,595,996	\$ 3,788,765	\$ 4,982,904
Committed										54,575
Assigned	657,372	1,520,191	606,319	85,917	560,253	365,823	35,250	583,764	1,895,444	1,278,391
Unassigned	<u>413,393</u>	<u>288,445</u>	<u>128,003</u>	<u>133,461</u>	<u>228,233</u>	<u>215,853</u>	<u>80,428</u>	<u>678,173</u>	<u>554,963</u>	<u>(27,087)</u>
Total General Fund	<u>\$ 8,470,041</u>	<u>\$ 9,141,009</u>	<u>\$ 8,918,014</u>	<u>\$ 9,252,913</u>	<u>\$ 5,784,987</u>	<u>\$ 3,820,454</u>	<u>\$ 2,901,813</u>	<u>\$ 5,857,933</u>	<u>\$ 6,239,172</u>	<u>\$ 6,288,783</u>
All Other Governmental Funds										
Restricted	\$ 962,209	\$ 959,618	\$ 1,028,416	\$ 4,466,564	\$ 2,859,066	\$ 433,340	\$ 315,370	\$ 1,988,954	\$ 293,205	\$ 176,569
Committed	879,928	115,546								
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(123,469)</u>
Total All Other Governmental Funds	<u>\$ 1,842,137</u>	<u>\$ 1,075,164</u>	<u>\$ 1,028,416</u>	<u>\$ 4,466,564</u>	<u>\$ 2,859,066</u>	<u>\$ 433,340</u>	<u>\$ 315,370</u>	<u>\$ 1,988,954</u>	<u>\$ 293,205</u>	<u>\$ 53,100</u>

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

LEONIA 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										
Tax Levy	\$ 19,730,294	\$ 20,074,959	\$ 20,424,272	\$ 20,989,456	\$ 21,398,706	\$ 21,691,186	\$ 22,063,881	\$ 23,050,204	\$ 23,327,560	\$ 23,707,444
Tuition Charges	6,513,234	6,515,773	7,079,285	7,465,217	7,075,917	7,019,357	8,149,884	9,588,769	8,800,044	8,407,829
Transportation	546,141	557,067	482,141	539,967	586,457	650,494	540,589	903,790	1,118,834	1,448,203
Miscellaneous	499,934	496,979	575,702	429,541	795,821	474,880	542,290	554,792	816,337	1,098,196
State Sources	6,646,566	7,173,278	7,350,182	7,968,115	8,744,904	9,433,065	9,650,376	10,898,645	13,645,543	14,776,489
Federal Sources	530,046	546,460	608,387	656,210	597,568	614,349	653,373	846,146	1,337,362	1,743,613
Total Revenues	34,466,215	35,364,516	36,519,969	38,048,506	39,199,373	39,883,331	41,600,393	45,842,346	49,045,680	51,181,774
Expenditures										
Instruction										
Regular Instruction	9,354,753	9,460,612	14,496,750	14,663,848	15,574,159	16,588,249	15,698,675	16,668,932	18,627,217	20,097,986
Special Education Instruction	3,048,556	2,774,242	5,195,515	5,281,141	5,495,539	5,449,268	6,248,634	5,422,765	6,420,809	6,717,372
Other Instruction	1,040,983	1,028,180	603,795	760,353	878,046	984,940	938,447	634,382	978,513	1,197,345
School Sponsored Activities and Athletics			874,030	897,077	951,417	1,007,357	1,156,439	1,179,840	1,203,194	1,362,702
Support Services										
Tuition	939,292	1,201,853								
Student and Inst. Related Services	2,968,482	3,205,119	4,086,234	4,131,579	4,427,404	5,231,714	5,340,461	5,756,452	6,375,507	6,812,012
General Administrative Services	723,608	750,821	997,939	934,715	920,643	1,030,327	875,143	993,592	1,369,128	1,206,468
School Administrative Services	1,604,448	1,631,558	2,360,078	2,615,302	2,709,609	2,939,240	3,048,979	3,234,150	2,462,339	2,521,786
Central Services & Info. Technology	438,579	365,639	595,405	614,669	641,536	599,517	604,841	593,016	1,301,905	1,678,474
Plant Operations And Maintenance	2,677,331	2,555,360	3,251,440	3,197,781	3,194,917	3,317,336	3,939,745	4,053,607	4,515,518	3,941,373
Student Transportation Services	733,727	883,266	975,778	1,111,305	1,056,321	1,091,891	998,920	576,382	1,583,768	1,535,639
Unallocated Employee Benefits	7,274,017	7,890,539								
Capital Outlay	458,958	966,653	348,458	1,325,907	4,768,691	2,775,454	804,329	1,511,481	3,499,103	1,797,507
Debt Service										
Principal	1,685,000	1,740,000	1,876,647	1,957,436	2,791,081	2,784,648	2,964,461	3,131,653	3,401,267	2,789,722
Interest	1,060,742	1,006,478	964,967	900,044	865,434	863,649	784,821	690,432	594,761	502,818
Cost of Issuance	-	-	-	-	-	-	-	123,635	-	-
Total Expenditures	34,008,476	35,460,520	36,627,036	38,391,157	44,274,797	44,663,590	43,403,895	44,570,319	52,333,029	52,161,204
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	457,739	(96,004)	(107,067)	(342,651)	(5,075,424)	(4,780,259)	(1,803,502)	1,272,027	(3,287,349)	(979,430)
Other Financing Sources (Uses)										
Capital Financing Agreement Proceeds			281,629	4,115,698		390,000	333,076	3,232,400		315,400
Leases Issued									46,431	
Insurance Recoveries									1,926,408	473,536
Bond Proceeds								9,725,000		
Premium on Bonds Issued								1,788,150		
Payments to Refunding Bond Escrow Agent								(11,388,114)		
Transfers In						358,510	356,516	30,478	221,214	68,166
Transfers Out						(358,510)	(356,516)	(30,217)	(221,214)	(68,166)
Total Other Financing Sources (Uses)	-	-	281,629	4,115,698	-	390,000	333,076	3,357,697	1,972,839	788,936
Net Change in Fund Balances	\$ 457,739	\$ (96,004)	\$ 174,562	\$ 3,773,047	\$ (5,075,424)	\$ (4,390,259)	\$ (1,470,426)	\$ 4,629,724	\$ (1,314,510)	\$ (190,494)
Debt Service as a Percentage of Noncapital Expenditures	8.18%	7.96%	7.83%	7.71%	9.26%	8.71%	8.80%	8.88%	8.18%	6.54%

* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Rental of Facilities</u>	<u>Refunds</u>	<u>Related Service Fees</u>	<u>Sale of SRECS</u>	<u>Miscellaneous</u>	<u>Total</u>
2014	\$ 14,341	\$ 203,486				\$ 219,483	\$ 437,310
2015	10,301	239,719				199,412	449,432
2016	11,639	225,198		\$ 292,972		34,297	564,106
2017	18,146	266,149		118,872		20,819	423,986
2018	63,765	109,711	\$ 5,706	180,811	\$ 359,841	27,886	747,720
2019	49,086	184,578	241	75,512	97,835	40,764	448,016
2020	21,007	175,393		227,163	65,046	50,164	538,773
2021	23,209	84,150		81,236	135,285	69,145	393,025
2022	16,715	85,533		211,610	98,743	70,786	483,387
2023	22,342	89,330	13,046	341,238	105,360	89,599	660,915

Source: School District's Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2014	\$ 5,473,900	\$ 1,053,103,100	\$ 76,487,100	\$ 23,924,900	\$ 62,869,300	\$ 1,221,858,300	\$ 840,140	\$ 1,222,698,440	\$ 1,290,672,611	\$ 1.630
2015	5,530,300	1,054,144,600	75,982,400	23,443,500	62,924,300	1,222,025,100	839,562	1,222,864,662	1,290,894,000	1.659
2016	5,259,900	1,055,626,500	74,161,400	23,243,500	62,839,300	1,221,130,600	804,032	1,221,934,632	1,352,790,640	1.620
2017	6,798,300	1,057,674,500	74,877,100	22,654,500	62,789,800	1,224,794,200	809,114	1,225,603,314	1,378,384,722	1.730
2018	6,899,700	1,059,436,700	75,357,100	22,654,500	62,789,800	1,227,137,800	797,016	1,227,934,816	1,408,651,881	1.755
2019	5,360,900	1,062,463,000	75,307,100	22,654,500	70,884,800	1,236,670,300	791,103	1,237,461,403	1,443,730,820	1.768
2020	5,404,100	1,065,767,800	75,426,400	22,454,500	70,884,800	1,239,937,600	773,613	1,240,711,213	1,506,477,130	1.843
2021	6,222,800	1,067,258,700	75,091,400	22,454,500	70,884,800	1,241,912,200	772,624	1,242,684,824	1,559,500,435	1.928
2022	6,193,100	1,067,367,200	75,152,900	22,454,500	70,884,800	1,242,052,500	720,729	1,242,773,229	1,655,855,761	1.891
2023	5,106,000	1,069,823,900	73,952,900	22,454,500	72,585,100	1,243,922,400	717,629	1,244,640,029	1,751,306,570	1.957

a Tax rates are per \$100

Source: County Abstract of Ratables

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

Calendar Year	School	Overlapping Rates		Total Direct and Overlapping Tax Rate
		Municipality	County	
2014	\$ 1.630	\$ 0.877	\$ 0.239	\$ 2.746
2015	1.659	0.879	0.253	2.791
2016	1.620	0.893	0.272	2.785
2017	1.730	0.898	0.283	2.911
2018	1.755	0.910	0.281	2.946
2019	1.768	0.929	0.285	2.982
2020	1.843	0.945	0.302	3.090
2021	1.928	0.956	0.317	3.201
2022	1.891	0.971	0.322	3.184
2023	1.957	1.067	0.337	3.361

Source: County Abstract of Ratables

**LEONIA 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
Ambrose DC Assets, LLC	\$ 9,000,000	0.72%	\$ 10,200,000	0.76%
Puck Leonia, LLC/ST Leonia, LLC	9,794,400	0.79%		
313 Woodlance Place, LLC	8,280,000	0.67%		
Center Point Willow Trees, LLC	8,000,000	0.64%	8,400,000	0.63%
Kurtz, Anthony & Nora III, LLC	7,974,900	0.64%	8,089,000	0.61%
400 Willow Tree, LLC	7,300,000	0.59%	7,300,000	0.55%
Fairlawn Co c/o Garret Management	7,207,000	0.58%	7,207,000	0.54%
Home Properties			6,468,000	0.48%
Leonia Manor Associates, LLC	5,250,000	0.42%	5,250,000	0.39%
Kurtz, Anthony & D. II, LLC			4,108,000	0.31%
CVS Pharmacy	4,250,000	0.34%	4,030,000	0.30%
Southwind Farms c/o Solgar Vitamins	3,740,000	0.30%	3,740,000	0.28%
	<u>\$ 70,796,300</u>	<u>5.69%</u>	<u>\$ 64,792,000</u>	<u>4.86%</u>

Source: Municipal Tax Assessor

**LEONIA 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	Total Collections to Date	
		Amount	Percentage of Levy		Amount Collected	Percentage of Levy
2014	\$ 19,730,294	\$ 19,730,294	100.00%		\$ 19,730,294	100.00%
2015	20,074,959	20,074,959	100.00%		20,074,959	100.00%
2016	20,424,272	20,424,272	100.00%		20,424,272	100.00%
2017	20,989,456	20,989,456	100.00%		20,989,456	100.00%
2018	21,398,706	19,676,235	91.95%	\$ 1,722,471	21,398,706	100.00%
2019	21,691,186	21,691,186	100.00%		21,691,186	100.00%
2020	22,063,881	22,063,881	100.00%		22,063,881	100.00%
2021	23,050,204	23,050,204	100.00%		23,050,204	100.00%
2022	23,327,560	23,327,560	100.00%		23,327,560	100.00%
2023	23,707,444	23,707,444	100.00%		23,707,444	100.00%

**LEONIA 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	Leases Payable				
2014	\$ 28,545,000	\$ 62,714		\$ 28,607,714	9,060	\$ 3,158	
2015	26,805,000	31,919		26,836,919	9,072	2,958	
2016	25,010,000	231,901		25,241,901	9,098	2,774	
2017	23,155,000	4,245,163		27,400,163	9,088	3,015	
2018	21,245,000	3,364,082		24,609,082	9,106	2,703	
2019	19,295,000	2,798,296		22,093,296	9,074	2,435	
2020	17,270,000	2,191,911		19,461,911	9,035	2,154	
2021	13,545,000	4,392,658	\$ 196,820	18,134,478	8,988	2,018	
2022	11,530,000	3,059,911	189,731	14,779,642	9,243	1,599	
2023	9,465,000	2,705,862	134,458	12,305,320	9,245	1,331	

Source: District records

* Estimated

LEONIA 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	\$ 28,545,000		\$ 28,545,000	2.33%	\$ 3,151
2015	26,805,000		26,805,000	2.19%	2,955
2016	25,010,000		25,010,000	2.05%	2,749
2017	23,155,000		23,155,000	1.89%	2,548
2018	21,245,000		21,245,000	1.73%	2,333
2019	19,295,000	\$ 18,300	19,276,700	1.56%	2,124
2020	17,270,000		17,270,000	1.39%	1,911
2021	13,545,000	7,466	13,537,534	1.09%	1,506
2022	11,530,000	7,466	11,522,534	0.93%	1,247
2023	9,465,000		9,465,000	0.76%	1,024

Source: District records

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

Gross Debt

Municipal Debt: (1)	
Leonia Board of Education (As of June 30, 2023)	\$ 9,465,000
Borough of Leonia	<u>32,981,379</u>
	<u>42,446,379</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County	
County of Bergen (A)	12,834,693
Bergen County Utilities Authority (B)	<u>2,790,681</u>
	<u>15,625,374</u>
Total Direct and Overlapping Debt	<u><u>\$ 58,071,753</u></u>

Source:

(1) Borough of Leonia's 2022 Annual Debt Statement

(A) The debt for this entity was apportioned to Leonia by dividing the municipality's 2022 equalized value by the total 2022 equalized value for Bergen County.

(B) The debt was computed based upon usage.

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

	For the Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 51,530,502	\$ 52,355,102	\$ 53,497,645	\$ 54,980,489	\$ 56,009,943	\$ 57,679,464	\$ 59,687,756	\$ 62,682,734	\$ 62,682,734	\$ 65,989,555
Total Net Debt Applicable to Limit	<u>26,805,000</u>	<u>25,010,000</u>	<u>23,155,000</u>	<u>21,245,000</u>	<u>19,295,000</u>	<u>17,270,000</u>	<u>13,545,000</u>	<u>11,530,000</u>	<u>11,530,000</u>	<u>9,465,000</u>
Legal Debt Margin	<u>\$ 24,725,502</u>	<u>\$ 27,345,102</u>	<u>\$ 30,342,645</u>	<u>\$ 33,735,489</u>	<u>\$ 36,714,943</u>	<u>\$ 40,409,464</u>	<u>\$ 46,142,756</u>	<u>\$ 51,152,734</u>	<u>\$ 51,152,734</u>	<u>\$ 56,524,555</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	52.02%	47.77%	43.28%	38.64%	34.45%	29.94%	22.69%	18.39%	18.39%	14.34%

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized Valuation Basis

2022	\$ 1,745,191,092
2021	1,652,357,903
2020	<u>1,551,667,626</u>

\$ 4,949,216,621

3 Year Average \$ 1,649,738,874

4% of Avg. Equalized Valuation	\$ 65,989,555
Less: Net Debt	<u>9,465,000</u>

Remaining Borrowing Power \$ 56,524,555

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

**LEONIA BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income (2)</u>	<u>Population</u>
2014	4.5%	\$ 73,883	9,060
2015	3.7%	77,323	9,072
2016	3.3%	78,836	9,098
2017	3.1%	81,024	9,088
2018	2.9%	85,191	9,106
2019	2.1%	88,241	9,074
2020	2.1% *	91,972	9,035
2021	9.0%	97,343	8,988
2022	5.3%	97,343 *	9,243
2023	2.7%	97,343 *	9,245

Source: (1) NJ Department of Labor, Bureau of Labor Force Statistics
(2) County Per Capital Personal Income
* Estimated

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

INFORMATION NOT AVAILABLE

**LEONIA 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										
Regular	147	145	145	146	147	180	182	142	149	148
Special Education	49	44	44	46	46	26	28	55	67	70
Other Instruction								4	10	13
Support Services:										
General Administrative Services	10	10	10	10	10	6	6	4	5	5
School Administrative Services	17	12	12	12	12	11	11	19	16	15
Plant Operations and Maintenance	26	23	23	23	23	30	34	41	42	39
Total	<u>249</u>	<u>234</u>	<u>234</u>	<u>237</u>	<u>238</u>	<u>253</u>	<u>261</u>	<u>265</u>	<u>289</u>	<u>290</u>

Source: District Personnel Records

N/A - Not Available

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Pupil/Teacher Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
2014	1,796	\$ 30,803,776	\$ 17,151	3.43%	166	3.73	2.9	4.19	1,825	1,758	8.18%	96.33%
2015	1,797	31,747,389	17,667	3.01%	166	3.7	2.93	4.13	1,824	1,757	-0.05%	96.33%
2016	1,794	33,436,964	18,638	5.50%	166	3.68	3.01	4.13	1,820	1,760	-0.22%	96.70%
2017	1,812	34,207,770	18,878	1.29%	181	9.46	10.51	10.36	1,822	1,739	0.11%	95.44%
2018	1,878	35,849,591	19,089	1.12%	181	3.66	2.95	3.78	1,884	1,792	3.40%	95.12%
2019	1,959	38,239,839	19,520	2.26%	N/A	N/A	N/A	N/A	1,939	1,841	2.92%	94.95%
2020	2,027	38,850,284	19,166	-1.81%	177	N/A	N/A	N/A	2,021	1,965	4.23%	97.23%
2021	2,082	39,113,118	18,786	-1.98%	175	11:1	11:1	12:1	2,073	2,031	2.57%	97.97%
2022	2,091	44,837,898	21,443	14.14%	186	11:1	10:1	10:1	2,097	2,009	1.16%	95.80%
2023	2,104	47,071,157	22,372	4.33%	187	14:1	13:1	12:1	2,109	1,995	0.57%	94.59%

Sources: District records

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

N/A - Information not available

**LEONIA 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>										
Anna C. Scott										
Square Feet	82,346	82,346	82,346	82,346	82,346	82,346	82,346	82,346	80,545	80,545
Capacity (students)	720	720	720	720	720	720	720	720	576	612
Enrollment	639	639	641	649	673	686	718	728	610	605
<u>Middle School</u>										
Leonida Middle School										
Square Feet	115,540	115,540	115,540	115,540	115,540	115,540	115,540	115,540	117,649	117,649
Capacity (students)	550	550	550	550	550	550	550	550	696	532
Enrollment	490	490	499	515	533	534	525	534	615	654
<u>High School</u>										
Leonida High School										
Square Feet	120,790	120,790	120,790	120,790	120,790	120,790	134,996	134,996	121,773	121,773
Capacity (students)	700	700	700	700	700	700	700	700	724	728
Enrollment	616	616	675	659	687	739	784	820	838	845
<u>Other</u>										
Central Administration										
Square Feet	1,800	1,800	1,800	1,800	1,800	1,800	2,500	2,500	2,500	2,500
Number of Schools at June 30, 2022										
Elementary = 1										
Middle School = 1										
Senior High School = 1										

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October district count.

LEONIA BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(Unaudited)

	<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>
<u>School Facilities</u>										
Anna C. Scott	\$ 287,314	\$ 256,955	\$ 240,027	\$ 249,715	\$ 187,057	\$ 219,120	\$ 273,317	\$ 301,659	\$ 253,045	\$ 144,043
Middle School	256,253	229,176	239,222	186,815	134,033	157,007	195,840	216,148	181,314	213,821
High School	<u>232,957</u>	<u>208,342</u>	<u>309,115</u>	<u>225,730</u>	<u>121,426</u>	<u>142,240</u>	<u>177,421</u>	<u>195,819</u>	<u>164,261</u>	<u>243,507</u>
	776,524	694,473	788,364	662,260	442,516	518,367	646,578	713,626	598,620	601,371
Other Facilities	-	-	-	-	-	-	-	-	-	2,888
Grand Total	<u>\$ 776,524</u>	<u>\$ 694,473</u>	<u>\$ 788,364</u>	<u>\$ 662,260</u>	<u>\$ 442,516</u>	<u>\$ 518,367</u>	<u>\$ 646,578</u>	<u>\$ 713,626</u>	<u>\$ 598,620</u>	<u>\$ 604,259</u>

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

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
School Alliance Insurance Fund:		
Commercial Package Policy		
Property - Blanket Building and Contents	\$ 99,365,556	\$ 2,500
Flood (Subject to FEMA Deductible in Flood Zone "A&V")	25,000,000	NFIP Limit
Flood Zones (Non A&V)	10,000,000	
Earthquake	25,000,000	Excess 5% of location value
Boiler and Machinery	100,000,000	2,500
Crime Coverage		
Blanket Employee Dishonesty	500,000	1,000
Forgery and Alterations	50,000	1,000
Theft, Disappearance and Destruction - Inside/Outside	50,000	1,000
Computer Fraud	50,000	1,000
General Liability		
General Aggregate	50,000,000	
Each Occurrence	5,000,000	
Pro/Completed Oper.	5,000,000	
Personal Injury	5,000,000	
Fire Damage	2,500,000	
Medical Expense	5,000	
Employee Benefit Liability	5,000,000	
Aggregate (Claims Made)	5,000,000	
Sexual Molestation Limit	3,000,000	
Automobile Coverage		
	5,000,000	
Hired/Non Owned	5,000,000	
Uninsured/Underinsured	15/30/5,000	
Comprehensive		
Collision		1,000

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

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
School Leaders - AIG		
Liability & Employment Practices Liability		
Each Claim/Each Insured, Aggregate/Each Insured	\$ 5,000,000	
Each Claim/All Insureds	10,000,000	
Maximum Policy Agg.	20,000,000	
Retention-SLLL, EPL		\$ 5,000
 Excess Liability - School Alliance Insurance Fund		
Each Occurrence	15,000,000	
E & O/Each Loss	15,000,000	
Each Policy Year	15,000,000	
 Excess Liability (CAP) - Fireman's Fund		
Each Occurrence		
Aggregate		
 Environmental - Chubb		
Per Claim	1,000,000	
Legal Defense Expense Limit	25,000,000	
SIR: Per Pollution Condition		10,000
 Public Official Bond - Selective Insurance Co.		
Eric Thomasevich	500,000	
 Public Official Bond - Selective Insurance Co.		
Antoinette Kelly	500,000	

Source: District Records

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Leonia Board of Education
Leonia, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Leonia 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 Leonia Board of Education's basic financial statements and have issued our report thereon dated February 8, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Leonia 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 Leonia Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Leonia 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 Leonia 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 Leonia Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated February 8, 2024.

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

LERCH, VINCI & BLISS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
February 8, 2024



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Education
Leonia Board of Education
Leonia, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Leonia 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 Leonia Board of Education’s major federal and state programs for the fiscal year ended June 30, 2023. The Leonia 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 Leonia 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 Leonia 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 Leonia 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 Leonia 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 Leonia 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 Leonia 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 Leonia 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 Leonia 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 Leonia 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.

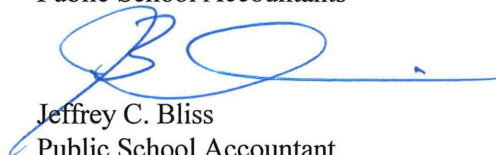
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable 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 Leonia 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 February 8, 2024, 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

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
February 8, 2024

LEONIA BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES 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	Balance, July 1, 2022		Carryover		Cash Received	Budgetary Expenditures	Adjustments:		Balance, June 30, 2023			Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Unearned Revenue	(Accounts Receivable)			Accounts Receivable	Unearned Revenue	Accounts Receivable	Unearned Revenue	Due to Grantor	
U.S. Department of Agriculture																
Passed-through State Department of Education																
Enterprise Funds																
Food Distribution Commodities Program	10.555	231NJ304N1099	7/1/22-6/30/23	\$ 81,163					\$ 81,163	\$ 77,686				\$ 3,477		\$ -
Food Distribution Commodities Program	10.555	221NJ304N1099	7/1/21-6/30/22	57,661		\$ 3,120				3,120				-		-
National School Lunch Program	10.555	231NJ304N1099	7/1/22-6/30/23	208,747					193,526	208,747		\$ (15,221)				(15,221)
National School Lunch Program	10.555	221NJ304N1099	7/1/21-6/30/22	882,753	\$ (72,694)				72,694							-
Supply Chain Assistance	10.555	231NJ304N1099	7/1/22-6/30/23	121,551					121,551	121,551						-
Local Food for Schools Cooperative	10.815	231NJ304N1099	7/1/22-6/30/23	3,914					373	3,914		(3,541)				(3,541)
National School Breakfast Program	10.553	231NJ304N1099	7/1/22-6/30/23	6,345					5,750	6,345		(595)				(595)
National School Breakfast Program	10.553	221NJ304N1099	7/1/21-6/30/22	33,215	(2,941)				2,941							-
Total U.S. Department of Agriculture - Child Nutrition Program Cluster					(75,635)	3,120			477,998	421,363			(19,357)	3,477		(19,357)
Total Enterprise Fund					(75,635)	3,120			477,998	421,363			(19,357)	3,477		(19,357)
U.S. Department of Education																
Passed-through State Department																
Special Revenue Fund																
ESEA																
Title I	84.010	S010A220030	7/1/22-9/30/23	203,082			\$ 30,463	\$ (30,463)	164,776	229,436			(68,769)	4,109		(64,660)
Title I	84.010	S010A210030	7/1/21-9/30/22	141,657	(98,338)	30,463	(30,463)	30,463	67,875							-
Total ESEA Title I					(98,338)	30,463			232,651	229,436			(68,769)	4,109		(64,660)
Title II, Part A	84.367A	S367A220029	7/1/22-9/30/23	23,834			196	(196)	23,790	24,030			(240)			(240)
Title II, Part A	84.367A	S367A210029	7/1/21-9/30/22	29,588	(16,119)	13,541	(196)	196	15,923	6,695					\$ 6,650	-
Total ESEA Title II, Part A					(16,119)	13,541			39,713	30,725			(240)		6,650	(240)
Title III	84.365	S365A2200030	7/1/22-9/30/23	20,772			6,273	(6,273)	20,053	19,777			(6,992)	7,268		-
Title III	84.365	S365A2100030	7/1/21-9/30/22	19,180	(17,438)	17,074	(6,273)	6,273	11,165	10,801						-
Title III Immigrant	84.365	S365A2200030	7/1/22-9/30/23	9,841					3,031	5,438			(6,810)	4,403		(2,407)
Total ESEA Title III Cluster					(17,438)	17,074			34,249	36,016			(13,802)	11,671		(2,407)
Title IV	84.424	S424A2200031	7/1/22-9/30/23	12,177			2,086	(2,086)	7,408	13,763			(6,855)	500		(6,355)
Title IV	84.424	S424A2100031	7/1/21-9/30/22	11,139	(11,726)	2,086	(2,086)	2,086	9,640							-
Total ESEA Title IV					(11,726)	2,086			17,048	13,763			(6,855)	500		(6,355)
I.D.E.A. Part B, Basic Regular	84.027	H027A230100	7/1/22-9/30/23	436,565			71,415	(71,415)	339,408	504,075			(168,572)	3,905		(164,667)
I.D.E.A. Part B, Basic Regular	84.027	H027A220100	7/1/21-9/30/22	419,383	(188,470)	71,415	(71,415)	71,415	117,055							-
I.D.E.A. Part B, ARP Basic	84.027X	H027X210100	7/1/21-9/30/22	93,208	(37,742)								(37,742)			(37,742)
I.D.E.A. Part B, Preschool	84.173	H173A230114	7/1/22-9/30/23	14,021					12,900	13,666			(1,121)	355		(766)
I.D.E.A. Part B, Preschool	84.173	H173A220114	7/1/21-9/30/22	11,933	(3,582)				3,582							-
I.D.E.A. Part B, ARP Preschool	84.173X	H173X210114	7/1/21-9/30/22	7,949	(7,949)	7,949				7,949			(7,949)			(7,949)
Total Special Education Cluster IDEA					(237,743)	79,364			472,945	525,690			(215,384)	4,260		(211,124)
Perkins Secondary	84.048A	V048A220030	7/1/22-6/30/23	12,735					9,810	10,644	\$ 2,091	\$ (2,091)	(834)			(834)
Perkins Secondary	84.048A	V048A210030	7/1/20-6/30/21	11,776	(996)	996						(996)				-
Perkins Secondary	84.048A	V048A210030	7/1/20-6/30/21	11,614	(284)							284				-
					(1,280)	996			9,810	10,644	3,371	(3,087)	(834)			(834)
Elementary and Secondary School Emergency Relief (ESSER II)																
Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act																
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	500,121	(58,472)	52,830			56,411	51,479			(2,061)	1,351		\$ (710)
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	32,096	(23,376)	18,743			15,060	17,673			(8,316)	1,070		(7,246)
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(26,028)	7,261			26,028	7,261						-
American Rescue Plan																
ARP ESSER III	84.425U	S425U210027	3/13/20-9/30/24	1,123,989	(1,123,989)	1,123,989			478,482	480,439			(645,507)	643,550		(1,957)
Accelerated Learning Coach & Educator Support	84.425U	S425U210027	3/13/20-9/30/24	135,352	(135,352)	135,352			24,940	83,922			(110,412)	51,430		(58,982)
Evidence-Based Summer Learning & Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000			7,020	7,622			(32,980)	32,378		(602)
Evidence-Based Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000			27,200	35,600			(12,800)	4,400		(8,400)
NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	(45,000)	45,000			1,941	4,841			(43,059)	40,159		(2,900)
Total ESSER Cluster					(1,492,217)	1,463,175			637,082	688,837			(855,135)	774,338		(80,797)

**LEONIA BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES 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	Balance, July 1, 2022		Carryover		Cash Received	Budgetary Expenditures	Adjustments:		Balance, June 30, 2023			Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Unearned Revenue	(Accounts Receivable)			Accounts Receivable	Unearned Revenue	Accounts Receivable	Unearned Revenue	Due to Grantor	
Coronavirus State and Local Fiscal Recovery Additional or Compensatory Special Education and Related Services	21.027 21.027	SLFRDOEISES SLFRDOEISES	7/1/22-6/30/23 7/1/21-6/30/22	\$ 141,248 50,922	<u>\$ (25,461)</u>	-	-	-	\$ 70,625 25,461	\$ 141,248 -	-	-	\$ (70,623) -	-	-	\$ (70,623) -
Total ACSERS					<u>(25,461)</u>	-	-	-	96,086	141,248	-	-	(70,623)	-	-	(70,623)
Total Special Revenue Fund					<u>\$ (1,900,322)</u>	<u>\$ 1,606,699</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,539,584</u>	<u>\$ 1,676,359</u>	<u>\$ 3,371</u>	<u>\$ (3,087)</u>	<u>\$ (1,231,642)</u>	<u>\$ 794,878</u>	<u>\$ 6,650</u>	<u>\$ (437,040)</u>
U.S. Department of Health and Human Services General Fund																
FFCRA/SEMI	93.778	2005NJSMAP	1/1/21-12/31/21	6,155					6,155	6,155			-	-		-
Medicaid Assistance Program	93.778	2005NJSMAP	7/1/22-6/30/23	61,099					61,099	61,099			-	-		-
Medicaid Assistance Program	93.778	1805NJSMAP	7/1/20-6/30/21	55,528	<u>(9,195)</u>	-	-	-	9,195	-	-	-	-	-	-	-
Total General Fund					<u>(9,195)</u>	-	-	-	76,449	67,254	-	-	-	-	-	-
U.S. Department of Homeland Security General Fund																
FEMA - Public Assistance Grant - Hurricane IDA	97.036	N/A	N/A	172,725					172,725					172,725		
Capital Projects Fund																
FEMA - Public Assistance Grant - Flood Mitigation	97.036	N/A	N/A	890,730	-	-	-	-	768,960	-	-	-	(121,770)	890,730	-	-
Total FEMA Cluster					-	-	-	-	941,685	-	-	-	(121,770)	1,063,455	-	-
Total Federal Financial Awards					<u>\$ (1,985,152)</u>	<u>\$ 1,609,819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,035,716</u>	<u>\$ 2,164,976</u>	<u>\$ 3,371</u>	<u>\$ (3,087)</u>	<u>\$ (1,372,769)</u>	<u>\$ 1,861,810</u>	<u>\$ 6,650</u>	<u>\$ (456,397)</u>

LEONIA BOARD OF EDUCATION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022				Balance, June 30, 2023		Memo	
				(Accounts Receivable)	Unearned Revenue	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue	GAAP Receivable	Cumulative Total Expenditures
State Department of Education											
<i>General Fund</i>											
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	\$ 4,624,037			\$ 4,205,661	\$ 4,624,037	\$ (418,376)		\$ 4,624,037	
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	3,349,441	\$ (307,900)		307,900					
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	928,663			844,639	928,663	(84,024)		928,663	
Special Education Categorical Aid	22-495-034-5120-089	7/1/21-6/30/22	928,663	(85,368)		85,368					
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	36,798			33,469	36,798	(3,329)		36,798	
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	36,798	(3,383)		3,383					
Total State Aid Public Cluster				(396,651)		5,480,420	5,589,498	(505,729)		5,589,498	
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	365,118				365,118	(365,118)		365,118	
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	313,770	(313,770)		313,770					
Payment for Institutionalized Children - Unknown District of Residence	23-495-034-5120-005	7/1/22-6/30/23	11,522				11,522	(11,522)	\$ (11,522)	11,522	
School Security Grant	Not Available	7/1/20-6/30/22	111,838	(111,838)		111,838					
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	1,268,995			1,142,709	1,268,995	(126,286)	(126,286)	1,268,995	
Reimbursed TPAF Social Security Contributions On Behalf TPAF Pension and OPEB	22-495-034-5094-003	7/1/21-6/30/22	1,205,907	(58,719)		58,719					
Pension Benefit Contribution	23-495-034-5094-002	7/1/22-6/30/23	5,653,072			5,653,072	5,653,072			5,653,072	
Pension - NCGI Premium	23-495-034-5094-004	7/1/22-6/30/23	78,430			78,430	78,430			78,430	
Post-Retirement Medical Benefit Contribution	23-495-034-5094-001	7/1/22-6/30/23	1,505,652			1,505,652	1,505,652			1,505,652	
Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	2,577			2,577	2,577			2,577	
Total General Fund				(880,978)		14,347,187	14,474,864	(1,008,655)		(137,808)	14,474,864
<i>Special Revenue Fund</i>											
New Jersey Schools Development Authority Emergent and Capital Maintenance Needs	N/A	N/A	51,641			51,641	51,641				51,641
Climate Change Awareness Pilot	23E00220	4/1/23-6/30/23	6,660			6,660	6,660				6,660
Total Special Revenue Fund						58,301	58,301				58,301
State Department of Environment Protection											
<i>Capital Projects Fund</i>											
Equipment Modernization Program - Electric School Buses	22-71H-042-4801-006	N/A	1,815,501	(1,815,501)		1,361,626		(453,875)		(453,875)	1,815,501
State Department of Education											
<i>Debt Service Fund</i>											
Debt Service Aid - Type II	23-495-034-5120-017	7/1/22-6/30/23	403,750			403,750	403,750				403,750
State Department of Agriculture											
<i>Enterprise Fund</i>											
State School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	87			76	87	(11)		(11)	87
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	12,358			11,445	12,358	(913)		(913)	12,358
State School Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	20,704	(1,673)		1,673					
				(1,673)		13,194	12,445	(924)		(924)	12,445
Total State Financial Assistance Subject to Single Audit Determination				(2,698,152)		16,184,058	14,949,360	(1,463,454)		(592,607)	16,764,861
State Financial Assistance Not Subject to Single Audit Determination											
<i>General Fund</i>											
On-Behalf TPAF Pension System Contributions	23-495-034-5094-002	7/1/22-6/30/23	5,653,072			(5,653,072)	(5,653,072)				(5,653,072)
On-Behalf TPAF Pension - NCGI Premium	23-495-034-5094-004	7/1/22-6/30/23	78,430			(78,430)	(78,430)				(78,430)
On-Behalf TPAF Post-Retirement Medical Contribution	23-495-034-5094-001	7/1/22-6/30/23	1,505,652			(1,505,652)	(1,505,652)				(1,505,652)
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	2,577			(2,577)	(2,577)				(2,577)
Total State Financial Assistance Subject to Major Program Determination				\$ (2,698,152)	\$ -	\$ 8,944,327	\$ 7,709,629	\$ (1,463,454)	\$ -	\$ (592,607)	\$ 9,525,130

**LEONIA 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 Leonia 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 \$160,426 for the general fund and an increase of \$663 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	\$ 67,254	\$ 14,314,438	\$ 14,381,692
Special Revenue Fund	1,676,359	58,301	1,734,660
Debt Service Fund		403,750	403,750
Food Service Fund	<u>421,363</u>	<u>12,445</u>	<u>433,808</u>
Total Awards and Financial Assistance	<u>\$ 2,164,976</u>	<u>\$ 14,788,934</u>	<u>\$ 16,953,910</u>

**LEONIA 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

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,268,995 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 \$5,731,502, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,505,652 and TPAF Long-Term Disability Insurance in the amount of \$2,577 represents the amount paid by the State on behalf 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 payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

NOTE 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.

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

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

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

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

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

Federal Awards Section

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance? yes X no

Identification of major federal programs:

<u>AL Number(s)</u>	<u>FAIN</u>	<u>Name of Federal Program or Cluster</u>
84.027 / 84.173 / 84.173X	H027A230100 H173A230114 H173X210114	Individuals with Disabilities Education Act (IDEA) Program Cluster

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

Auditee qualified as low-risk auditee? X yes no

**LEONIA 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

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

X yes _____ no

Internal Control over major programs:

(1) Material weakness(es) identified?

_____ yes X no

(2) Significant deficiencies identified that are not considered to be material weakness(es)?

_____ yes X none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08?

_____ yes X no

Identification of major state programs:

GMIS Number(s):

23-495-034-5094-003

23-495-034-5120-017

Name of State Program:

Reimbursed TPAF Social Security Contributions

Debt Service Aid

**LEONIA 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 reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

There are none.

LEONIA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
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.

LEONIA 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 STATE AWARDS

There are none.

**LEONIA BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT 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 Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

Finding 2022-001

Condition

Our audit revealed net cash reserves exceeded three months of average expenditures at June 30, 2022 in the Food Service Fund.

Current Status

Corrective action has been implemented; however, the District has indicated such plan will take more than one year to eliminate the excess in net cash resources.