

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

New Providence Board of Education

New Providence, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

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

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
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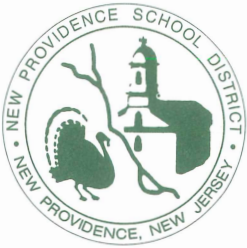
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INTRODUCTORY SECTION



NEW PROVIDENCE SCHOOL DISTRICT

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Fax (908) 464-9041 • www.npsd.k12.nj.us

DAVID M. MICELI, Ed.D.
Superintendent of Schools
908-464-9050 (ext. 4225)

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

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

JONATHAN KEANEY
Director of Curriculum,
Instruction, and Supervision
908-464-9050 (ext. 4221)

November 21, 2023

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

Dear Board Members:

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

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

1) REPORTING ENTITY AND ITS SERVICES: New Providence School District is an independent reporting entity with the criteria adopted by the

GASB as established by GASB Pronouncement Number 14. All funds and account groups of the District are included in this report. The New Providence Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to the grade levels Pre-K through 12. These included regular, vocational as well as special education for handicapped students. The District completed the 2022-2023 fiscal year with an enrollment of 2,386 students, which is sixteen students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last six years.

<u>School Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2018	2,406	
2019	2,437	1.3%
2020	2,445	.3%
2021	2,397	-1.96%
2022	2,370	-1.13%
2023	2,386	.68%

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

3. MAJOR INITIATIVES:

High School

- Addition of:
 - o Advanced Placement World History for 9th Grade
 - o Entrepreneurship courses as Phase 1 of Business Courses
 - o French 4
- Rebranding of the Art Program to include 2D Studio Art and Advanced Sculpture
- Tour of the Classics: Destination Italia - International travel opportunity
- Continuation of a deep dive into AP courses and curriculum

Middle School

- New bell schedule to provide extended instructional periods
- Incorporation of full-year 7th-grade World Language courses
- Introduction of new Academic Electives
- Enhancement of Capstone Project centered around the United Nations Sustainability Goals

Elementary Schools

- Implementation of Full-Day Kindergarten

- Introduction of Sunday phonics and spelling program to higher grades
- Introduction of Math Coach to train teachers in the use of high-impact instructional strategies
- Piloting of new iReady Math Program for 2023-2024 implementation.

District

- Continuation of Personalized Learning Initiative
- Implementation of new K-12 Health Standards and corresponding curriculum modifications
- Introduction of Diversity, Equity, and Inclusion Initiative
- Piloting of a new modern classroom model using flexible and agile furniture
- Piloting of a new mobile educational technology model
- Continuation of Social Emotional Learning, Mental Health, and Trauma-Informed Practices

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgements by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either cancelled or are included as reapportionment of fund balance in the subsequent balance at June 30, 2023.

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

7) DEBT ADMINISTRATION: At June 30, 2023, the District's outstanding debt included \$37,431,000.00 of general obligation bonds. The District issued general obligation bonds in 2006, 2017 and 2023. Proceeds of the bonds issued were placed in the District's capital projects fund for capital improvements to the District's buildings and grounds. These improvements include additions and various renovations at all three school locations. In 2014, the 2006 bonds were refunded and refinanced at a savings to the District.

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

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

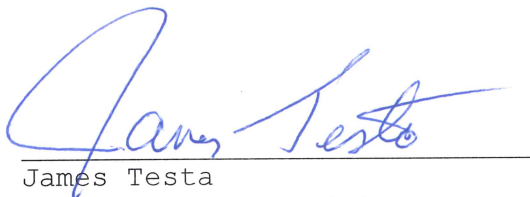
10) OTHER INFORMATION:

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

11) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the New Providence School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished with the efficient dedicated services of our office staff.

Respectfully submitted,

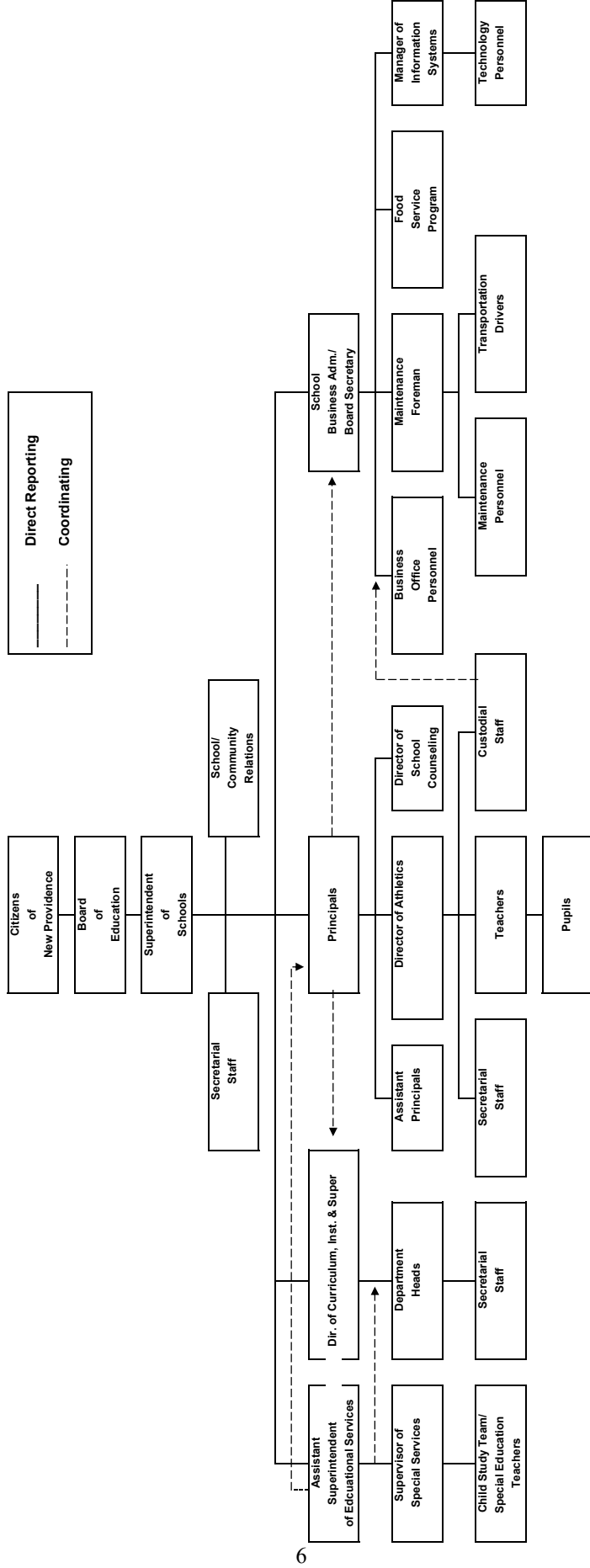


James Testa
School Business Administrator,
Board Secretary



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

New Providence Public Schools Organizational Chart (Unit Control)



**NEW PROVIDENCE SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2023**

Members of the Board of Education

Mary Misiukiewicz, President
Bernadette Cuccaro, Vice President
Rebecca Coniglio
Jennifer Killea
Amanda Marano
Stacey Gunderman
Joseph Walsh

Term Expires

December 2023
December 2025
December 2024
December 2024
December 2023
December 2024
December 2025

Other Officials

David Miceli, Ed.D.
James Testa

Superintendent of Schools
School Business Administrator/
Board Secretary

AUDIT FIRM

Donohue, Gironda, Doria & Tomkins, LLC
1 Harmon Meadow Blvd, Suite 3002
Secaucus, New Jersey 07094

ATTORNEY

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

OFFICIAL DEPOSITORY

Citizens Bank
1260 Springfield Avenue
New Providence, NJ 07974

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Board of Education of the New Providence School District (the "District"), in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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 audit requirements as 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 District, 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 misstatement, 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 District'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 the 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 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, we:

- Exercise professional judgment 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 District'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 District'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, and pension and post-retirement medical benefits information on pages 12 through 20, pages 65 through 69, and pages 72 through 75 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 District's basic financial statements. The combining and individual fund financial statements, long-term debt schedules and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are also not required parts of the basic financial statements.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections 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 basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.



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



MAURICIO CANTO
Certified Public Accountant
Licensed Public School Accountant
No. 2541

Secaucus, New Jersey
November 28, 2023

REQUIRED SUPPLEMENTARY INFORMATION

PART I

**NEW PROVIDENCE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The discussion and analysis of the New Providence School District's financial performance provides an overall review of the New Providence School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the New Providence School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the New Providence School District's financial performance.

Financial Highlights

Key financial highlights for fiscal years 2023 and 2022 are as follows, respectively:

- In total, net positions are \$4,201,597 and \$3,158,727. Net positions of governmental activities are \$3,973,441 and \$2,989,479. Net positions of the business-type activity, which represents food service, are \$228,156 and \$168,248. This reflects a change in net position in the amount of \$1,042,870 and \$2,034,820.
- Governmental activities revenues accounted for \$54,444,707 and \$54,748,671 while the local tax contribution to governmental activities revenue amounts to \$42,243,973. Governmental expenses accounted for \$53,460,745 and \$52,759,788.
- The General fund expenses exceeded revenues and other financing sources of the School District by \$293,635, not taking into account \$1,671,200 of fund balanced anticipated in the 2022/2023 budget. Revenue, in the amount of \$2,436,696 was reserved for tax relief in the 2023/2024 school year and \$981,035 will be reserved for tax relief in the 2024/2025 school year, as required by the State of New Jersey.

Using the Basic Financial Statements

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

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

Reporting the New Providence School District as a Whole

Statement of Net position and Statement of Activities

While this report contains the large number of funds used by the New Providence School District to provide programs and activities, the view of the New Providence School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2023?" The statement of net position and the statement of activities answer's this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash was received or paid.

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

**NEW PROVIDENCE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Reporting the New Providence School District as a Whole (Continued)

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

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

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

Reporting the New Providence School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the New Providence School District's major funds. The New Providence School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the New Providence School District's most significant funds. The New Providence School District's only major governmental fund is the General Fund.

Governmental Funds

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

Enterprise Fund

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

**NEW PROVIDENCE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Reporting the New Providence School District's Most Significant Funds (Continued)

The perspective of the statement of net position is of the New Providence School District as a whole. Table 1 provides a summary of the New Providence School District's net position for the fiscal years 2023 and 2022, respectively.

Total assets equal \$52,717,902 and \$32,281,637. Total assets for governmental activities are \$52,438,955 and \$32,061,716. Total assets for business-type Activity are \$278,947 and \$219,921.

Table 1
Net Position

	Governmental Activities		Business-Type Activity		Total	
	2023	2022	2023	2022	2023	2022
ASSETS						
Current and Other Assets	\$ 29,860,029	\$ 9,158,144	\$ 188,412	\$ 128,748	\$ 30,048,441	\$ 9,286,892
Capital Assets, Net	22,578,926	22,903,572	90,535	91,173	22,669,461	22,994,745
Total Assets	52,438,955	32,061,716	278,947	219,921	52,717,902	32,281,637
DEFERRED OUTFLOWS OF RESOURCES	1,039,051	709,265	-	-	1,039,051	709,265
LIABILITIES						
Current and Other Liabilities	3,881,698	3,839,762	50,791	50,673	3,932,489	3,890,435
Long-Term Liabilities	36,429,539	15,793,820	-	-	36,429,539	15,793,820
Net Pension Liability	7,881,958	5,880,075	-	-	7,881,958	5,880,075
Total Liabilities	48,193,195	25,513,657	50,791	50,673	48,243,986	25,564,330
DEFERRED INFLOWS OF RESOURCES	1,311,370	4,267,845	-	-	1,311,370	4,267,845
NET POSITION						
Net Invested in Capital Assets	(14,852,074)	6,054,733	90,535	91,174	(14,761,539)	6,145,907
Restricted	20,028,798	4,220,096	-	-	20,028,798	4,220,096
Unrestricted	(1,203,283)	(7,285,350)	137,621	78,074	(1,065,662)	(7,207,276)
Total Net Position	\$ 3,973,441	\$ 2,989,479	\$ 228,156	\$ 169,248	\$ 4,201,597	\$ 3,158,727

A large portion of the District's net position reflects its investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment); less any related debt (general obligation bonds payable and obligations under financed purchases less unspent bond proceeds) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to 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.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The largest portion of the restricted net position belongs to capital projects. The remaining balance of unrestricted net position may be used to meet the District's ongoing obligations to students, employees, and creditors. The unrestricted net position includes the amount of long-term obligations that are not invested in capital assets, such as compensated absences.

At the end of the current fiscal year, the District is able to report a positive balance in total net position. The same situation held true for the prior fiscal year.

**NEW PROVIDENCE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Reporting the New Providence School District's Most Significant Funds (Continued)

Table 2 reflects the change in net position for fiscal years 2023 and 2022, respectively.

The total changes in net position for the fiscal years 2023 and 2022 for governmental activities are \$983,962 and \$1,988,883, respectively. The total changes in net position for business-type Activity are \$58,908 and \$45,937. The total changes in net position are \$1,042,870 and \$2,034,820.

	Table 2 Activities					
	Governmental Activities		Business-Type Activity		Total	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program Revenues:						
Charges for Services	\$ 648,307	\$ 424,257	\$ 934,391	\$ 794,947	\$ 1,582,698	\$ 1,219,204
Operating Grants	10,867,372	12,654,928	-	-	10,867,372	12,654,928
Capital Grants	73,133	70,589	-	-	73,133	70,589
Total Program Revenues	<u>11,588,812</u>	<u>13,149,774</u>	<u>934,391</u>	<u>794,947</u>	<u>12,523,203</u>	<u>13,944,721</u>
General Revenues:						
Property Taxes	42,243,973	40,946,241	-	-	42,243,973	40,946,241
Private Sources	109,141	86,175	-	-	109,141	86,175
Interest Earned	252,260	16,330	2,283	146	254,543	16,476
Miscellaneous	250,521	550,151	-	-	250,521	550,151
Total General Revenues	<u>42,855,895</u>	<u>41,598,897</u>	<u>2,283</u>	<u>146</u>	<u>42,858,178</u>	<u>41,599,043</u>
Total Revenues	<u>54,444,707</u>	<u>54,748,671</u>	<u>936,674</u>	<u>795,093</u>	<u>55,381,381</u>	<u>55,543,764</u>
EXPENSES						
Function/Program						
Instruction	30,637,905	30,984,499	-	-	30,637,905	30,984,499
Support Services:						
Pupils and Instructional Staff	10,546,449	10,011,647	-	-	10,546,449	10,011,647
General and Business						
Administrative Services	5,528,496	5,576,199	-	-	5,528,496	5,576,199
Plant Operations and Maintenance	3,791,622	3,675,913	-	-	3,791,622	3,675,913
Pupil Transportation	2,419,760	1,918,298	-	-	2,419,760	1,918,298
Interest on Long-Term Debt	536,513	593,232	-	-	536,513	593,232
Food Service	-	-	877,766	749,156	877,766	749,156
Total Expenses	<u>53,460,745</u>	<u>52,759,788</u>	<u>877,766</u>	<u>749,156</u>	<u>54,338,511</u>	<u>53,508,944</u>
Change in Net Position	983,962	1,988,883	58,908	45,937	1,042,870	2,034,820
Net Position, July 1	<u>2,989,479</u>	<u>1,000,596</u>	<u>169,248</u>	<u>123,311</u>	<u>3,158,727</u>	<u>1,123,907</u>
Net Position, June 30	<u>\$ 3,973,441</u>	<u>\$ 2,989,479</u>	<u>\$ 228,156</u>	<u>\$ 169,248</u>	<u>\$ 4,201,597</u>	<u>\$ 3,158,727</u>

**NEW PROVIDENCE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Governmental Activities

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

Table 3a.
Governmental Activities

	Total Cost of Services		Percent of Total	
	2023	2022	2023	2022
Instruction	\$ 30,637,905	\$ 30,984,499	57.31%	58.72%
Support Services:				
Pupils and Instructional Staff	10,546,449	10,011,647	19.73%	18.98%
School Administrative Services				
General and Business				
Administrative Services	5,528,496	5,576,199	10.34%	10.57%
Plant Operations and Maintenance	3,791,622	3,675,913	7.09%	6.97%
Pupil Transportation	2,419,760	1,918,298	4.53%	3.64%
Interest on Long-Term Debt	536,513	593,232	1.00%	1.12%
Total Expenses	<u>\$ 53,460,745</u>	<u>\$ 52,759,788</u>	<u>100.00%</u>	<u>100.00%</u>

Total expenses for governmental activities for fiscal years 2023 and 2022 were \$53,460,745 and \$52,759,788. Total expenses increased \$700,957. Pupil transportation increased \$501,462 from the previous year, pupils and instructional staff increased \$534,802 while instruction decreased \$346,594, mainly due to a decrease in additional OPEB expense.

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

**NEW PROVIDENCE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Business-Type Activity

Table 3b.
Business-Type Activity

	Total Cost of Services		Percent of Total	
	2023	2022	2023	2022
REVENUES				
Charges for Services	\$ 934,391	\$ 794,947	99.76%	99.98%
Miscellaneous	2,283	146	0.24%	0.02%
Total Revenue	936,674	795,093	100.00%	100.00%
EXPENSES				
Food Service	877,766	749,156	100.00%	100.00%
Total Expenses	877,766	749,156	100.00%	100.00%
 Change in Net Position	 <u>\$ 58,908</u>	 <u>\$ 45,937</u>		

The business-type activity of the New Providence School District is the food service operation. This program had revenues for the fiscal years 2023 and 2022 of \$936,674 and \$795,093 and expenses of \$877,766 and \$749,156, respectively. Total revenues increased by \$141,581 due to an increase in meals served in 2023 compared to 2022. In 2023 the Food Service Program had a net profit of \$58,908. While in 2022 the Food Service Program had a net profit of \$45,937.

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

Sources of Revenue

The local tax revenue increased a small percentage in 2023. For all governmental activities state revenues support over 19.15% and federal revenues support over 2.14%. The community, as a whole, is 77.59% of the support and other revenue accounts for 1.12% of the total cost of programs for the New Providence School District students.

Table 4
Sources of Revenue

Fiscal Year Ended June 30,	Local Tax Levy	Other Local Revenue	Operating Grants	Capital Grants	Total
2023	\$ 42,243,973	\$ 611,922	\$ 11,515,679	\$ 73,133	\$ 54,444,707
2022	40,946,241	652,656	13,079,185	70,589	54,748,671

The total revenue from all governmental sources for the fiscal years 2023 and 2022 are \$54,444,707 and \$54,748,671. Revenues decreased by \$303,964 due mainly to a \$1,297,732 increase of the local tax levy and a decrease of \$1,563,506 in operating grants, mainly from a decrease in on-behalf OPEB contribution.

**NEW PROVIDENCE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The New Providence School District's Funds

The New Providence School District's governmental funds are accounted for using standards established by the Governmental Accounting Standards Board Statement No. 34. Total governmental funds had revenues and other financing sources of \$80,906,873 and expenditures and other financing uses of \$60,198,283. The positive fund balance for the year reflects that the New Providence School District was able to meet current costs.

General Fund Budgeting Highlights

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

During the course of the fiscal year 2023, the New Providence School District amended its General Fund budget as needed. The School District uses a program-based budgeting model and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue was \$54,462,351 compared to the final budgeted estimates of \$43,690,924. This difference was primarily due to the State's On-Behalf TPAF Pension Contributions, Post-Retirement Medical Contributions, the State's Reimbursed TPAF Social Security Contributions and additional extraordinary aid. All are non-budgeted income and expense items, except the additional extraordinary aid.

Capital Assets and Depreciation

Capital Assets

At the end of fiscal years 2023 and 2022, the New Providence School District had \$22,578,926 and \$22,903,572 invested in capital assets (net of depreciation), for governmental activities. More information on capital assets and depreciation is represented in Note 6 to the basic financial statements.

Table 5
Capital Assets and Depreciation

	Balance at July 1, 2022	Additions	Disposals	Balance at June 30, 2023
Governmental Activities:				
Non-Depreciable:				
Land	\$ 1,306,892	\$ -	\$ -	\$ 1,306,892
Total Non-Depreciable	<u>1,306,892</u>	<u>-</u>	<u>-</u>	<u>1,306,892</u>
Depreciable:				
Buildings and Improvements	50,879,340	-	-	50,879,340
Furniture and Equipment	6,193,630	1,697,559	(546,210)	7,344,979
Total at Historical Cost	<u>57,072,970</u>	<u>1,697,559</u>	<u>(546,210)</u>	<u>58,224,319</u>
Less: Accumulated Depreciation:				
Buildings and Improvements	(30,781,363)	(1,668,984)	-	(32,450,347)
Furniture and Equipment	(4,694,927)	(353,221)	546,210	(4,501,938)
Total Accumulated Depreciation	<u>(35,476,290)</u>	<u>(2,022,205)</u>	<u>546,210</u>	<u>(36,952,285)</u>
Depreciable Capital Assets, Net	<u>21,596,680</u>	<u>(324,646)</u>	<u>-</u>	<u>21,272,034</u>
Governmental Activities Capital Assets, Net	<u>\$ 22,903,572</u>	<u>\$ (324,646)</u>	<u>\$ -</u>	<u>\$ 22,578,926</u>

**NEW PROVIDENCE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Capital Assets and Depreciation (Continued)

	Balance at July 1, 2022	Additions	Disposals	Balance at June 30, 2023
Business-type Activity				
Depreciable				
Machinery & Equipment	\$ 362,125	\$ 21,765	\$ -	\$ 383,890
Total at Historical Cost	<u>362,125</u>	<u>21,765</u>	<u>-</u>	<u>383,890</u>
Less: Accumulated Depreciation:				
Machinery & Equipment	(270,952)	(22,403)	-	(293,355)
Total Accumulated Depreciation	<u>(270,952)</u>	<u>(22,403)</u>	<u>-</u>	<u>(293,355)</u>
Business-type Activity Capital Assets, Net	<u>\$ 91,173</u>	<u>\$ (638)</u>	<u>\$ -</u>	<u>\$ 90,535</u>

Depreciation expense was charged to governmental activities as follows:

Instruction:		
Regular		\$ 842,532
Special Education		170,705
Other Special Education		24,006
Other Instruction		63,234
Total Instruction		<u>1,100,477</u>
Support Services:		
Tuition		165,634
Student & Instruction Related Services		277,639
School Administrative Services		86,479
General & Business Administrative Services		120,417
Operation & Maintenance of Plant		155,217
Pupil Transportation		116,342
Total Support Services		<u>921,728</u>
Total Depreciation Expense		<u>\$ 2,022,205</u>

**NEW PROVIDENCE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Debt

At June 30, 2023 and 2022, the New Providence School District had no long-term debt payable from proprietary fund resources. More detailed information about long-term debt is represented in Note 7 to the basic financial statements.

The following is a summary of changes in long-term debt for the fiscal year ending June 30, 2023:

Table 6
Changes in Long-Term Debt

	Balance <u>June 30, 2022</u>	Additions	Deductions	Balance <u>June 30, 2023</u>
Governmental Activities:				
Bonds Payable	\$ 16,820,000	\$ 22,191,000	\$ (1,580,000)	\$ 37,431,000
Financed Purchases	28,839	-	(28,839)	-
Compensated Absences	553,820	163,772	(109,053)	608,539
sub-total	<u>17,402,659</u>	<u>22,354,772</u>	<u>(1,717,892)</u>	<u>38,039,539</u>
Net Pension Liability	<u>5,880,075</u>	<u>2,001,883</u>	<u>-</u>	<u>7,881,958</u>
Total Governmental Activities				
Long-Term Liabilities	<u>\$ 23,282,734</u>	<u>\$ 24,356,655</u>	<u>\$ (1,717,892)</u>	<u>\$ 45,921,497</u>

Current Issues

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

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

Contacting the New Providence School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**NEW PROVIDENCE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023**

EXHIBIT A-1

	Governmental Activities	Business-Type Activity	Totals
ASSETS			
Cash and cash equivalents	\$ 7,289,646	\$ 178,200	\$ 7,467,846
Receivables, net	1,119,266	-	1,119,266
Other receivable	19,782	161	19,943
Inventory	-	10,051	10,051
Restricted cash and cash equivalents	21,431,335	-	21,431,335
Capital assets, net			
Depreciable	21,272,034	90,535	21,362,569
Non-depreciable	1,306,892	-	1,306,892
Total assets	<u>52,438,955</u>	<u>278,947</u>	<u>52,717,902</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	<u>1,039,051</u>	<u>-</u>	<u>1,039,051</u>
LIABILITIES			
Payable to state government	21,302	-	21,302
Accounts payable	1,456,351	50,791	1,507,142
Unearned revenue	166,855	-	166,855
Payroll deductions and withholdings payable	252,481	-	252,481
Other liability for unemployment claims	374,709	-	374,709
Noncurrent liabilities:			
Due within one year	1,610,000	-	1,610,000
Due beyond one year	36,429,539	-	36,429,539
Net pension liability	7,881,958	-	7,881,958
Total liabilities	<u>48,193,195</u>	<u>50,791</u>	<u>48,243,986</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	<u>1,311,370</u>	<u>-</u>	<u>1,311,370</u>
NET POSITION			
Net investment in capital assets	(14,852,074)	90,535	(14,761,539)
Restricted for:			
Capital projects	15,972,904	-	15,972,904
Other purposes	4,055,894	-	4,055,894
Unrestricted	(1,203,283)	137,621	(1,065,662)
Total net position	<u>\$ 3,973,441</u>	<u>\$ 228,156</u>	<u>\$ 4,201,597</u>

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

NEW PROVIDENCE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

EXHIBIT A-2

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 23,412,670	\$ 70,950	\$ 4,987,290	\$ -	\$ (18,354,430)	\$ -	\$ (18,354,430)
Special education	4,846,300	-	839,151	-	(4,007,149)	-	(4,007,149)
Other special instruction	697,517	-	118,009	-	(579,508)	-	(579,508)
Other instruction	1,681,418	-	310,844	-	(1,370,574)	-	(1,370,574)
Support services:							
Tuition	3,243,520	-	814,223	-	(2,429,297)	-	(2,429,297)
Student & instruction related services	7,302,929	577,357	1,303,934	-	(5,421,638)	-	(5,421,638)
School administrative services	2,476,198	-	425,115	-	(2,051,083)	-	(2,051,083)
General and business administrative services	3,052,298	-	591,946	-	(2,460,352)	-	(2,460,352)
Plant operations and maintenance	3,791,622	-	763,018	73,133	(2,955,471)	-	(2,955,471)
Pupil transportation	2,419,760	-	571,913	-	(1,847,847)	-	(1,847,847)
Interest on long-term liabilities	536,513	-	141,929	-	(394,584)	-	(394,584)
Total governmental activities	<u>53,460,745</u>	<u>648,307</u>	<u>10,867,372</u>	<u>73,133</u>	<u>(41,871,933)</u>	<u>-</u>	<u>(41,871,933)</u>
Business-Type activity:							
Food service	877,766	934,391	-	-	-	56,625	56,625
Total business-type activity	<u>877,766</u>	<u>934,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,625</u>	<u>56,625</u>
Total primary government	<u>\$ 54,338,511</u>	<u>\$ 1,582,698</u>	<u>\$ 10,867,372</u>	<u>\$ 73,133</u>	<u>(41,871,933)</u>	<u>56,625</u>	<u>(41,815,308)</u>
General revenues:							
Property taxes, levied for general purpose, net					40,669,610	-	40,669,610
Property taxes, levied for debt service					1,574,363	-	1,574,363
Private sources					109,141	-	109,141
Interest earned					252,260	2,283	254,543
Miscellaneous income					250,521	-	250,521
Total general revenues and special item					<u>42,855,895</u>	<u>2,283</u>	<u>42,858,178</u>
Change in net position					983,962	58,908	1,042,870
Net position, July 1					2,989,479	169,248	3,158,727
Net position, June 30					<u>\$ 3,973,441</u>	<u>\$ 228,156</u>	<u>\$ 4,201,597</u>

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

NEW PROVIDENCE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

EXHIBIT B-1

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 7,289,646	\$ -	\$ -	\$ -	\$ 7,289,646
Intergovernmental accounts receivable:					
Federal	-	512,416	-	-	512,416
State	606,850	-	-	-	606,850
Interfund receivable	999	-	-	-	999
Other receivable	19,782	-	-	-	19,782
Restricted assets:					
Cash and cash equivalents	303,204	76,158	21,051,973	-	21,431,335
Total assets	<u>\$ 8,220,481</u>	<u>\$ 588,574</u>	<u>\$ 21,051,973</u>	<u>\$ -</u>	<u>\$ 29,861,028</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payable to state government	\$ -	\$ 21,302	\$ -	\$ -	\$ 21,302
Accounts payable	550,676	81,398	118,174	-	750,248
Unearned revenue	15,940	150,915	-	-	166,855
Interfund payable	-	-	999	-	999
Payroll deductions and withholdings payable	252,481	-	-	-	252,481
Other liability for unemployment claims	374,709	-	-	-	374,709
Total liabilities	<u>1,193,806</u>	<u>253,615</u>	<u>119,173</u>	<u>-</u>	<u>1,566,594</u>
Fund Balances:					
Restricted for:					
Reserve for excess surplus - designated for subsequent year	2,436,696	-	-	-	2,436,696
Reserve for excess surplus	981,035	-	-	-	981,035
Capital reserve	303,204	-	-	-	303,204
Capital projects fund	-	-	15,972,904	-	15,972,904
Scholarships	-	155,120	-	-	155,120
Student activities	-	179,839	-	-	179,839
Assigned to:					
Year-end encumbrances	1,034,225	-	4,959,896	-	5,994,121
General fund					
Designated for subsequent year's expenditures	1,323,304	-	-	-	1,323,304
Unassigned fund balance	948,211	-	-	-	948,211
Total fund balances	<u>7,026,675</u>	<u>334,959</u>	<u>20,932,800</u>	<u>-</u>	<u>28,294,434</u>
Total liabilities and fund balances	<u>\$ 8,220,481</u>	<u>\$ 588,574</u>	<u>\$ 21,051,973</u>	<u>\$ -</u>	<u>\$ 29,861,028</u>

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

NEW PROVIDENCE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

EXHIBIT B-1

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

Total fund balances - governmental funds (from B-1) \$ 28,294,434

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$59,531,211, and the accumulated depreciation is \$36,952,285.

22,578,926

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

Deferred pension outflows

\$ 1,039,051

Deferred pension inflows

(1,311,370)

(272,319)

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

(706,103)

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

Bonds payable

(37,431,000)

Compensated absences liability

(608,539)

Net pension liability

(7,881,958)

(45,921,497)

Net position of governmental activities

\$ 3,973,441

**NEW PROVIDENCE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

EXHIBIT B-2

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local tax levy	\$ 40,669,610	\$ -	\$ -	\$ 1,574,363	\$ 42,243,973
Tuition	70,950	-	-	-	70,950
Interest earned	123,261	-	128,999	-	252,260
Unrestricted miscellaneous revenue	250,521	-	-	-	250,521
State sources	13,307,506	118,369	-	542,150	13,968,025
Federal sources	-	1,243,646	-	-	1,243,646
Private sources	-	686,498	-	-	686,498
Total revenues	54,421,848	2,048,513	128,999	2,116,513	58,715,873
EXPENDITURES					
Current:					
Regular instruction	14,506,617	1,149,712	-	-	15,656,329
Special education instruction	3,172,116	-	-	-	3,172,116
Other special instruction	446,093	-	-	-	446,093
Other instruction	1,175,035	-	-	-	1,175,035
Support services and undistributed costs:					
Tuition	3,077,886	-	-	-	3,077,886
Student & instruction related services	4,402,980	756,243	-	-	5,159,223
School administrative services	1,606,997	-	-	-	1,606,997
Other administrative services	2,237,646	-	-	-	2,237,646
Operation and maintenance of plant services	2,884,320	-	-	-	2,884,320
Student transportation	2,161,917	-	-	-	2,161,917
Employee benefits	18,806,649	-	-	-	18,806,649
Capital outlay	237,227	73,133	1,387,199	-	1,697,559
Debt Service:					
Principal	-	-	-	1,580,000	1,580,000
Interest	-	-	-	536,513	536,513
Total expenditures	54,715,483	1,979,088	1,387,199	2,116,513	60,198,283
Excess (deficiency) of revenues over expenditures	(293,635)	69,425	(1,258,200)	-	(1,482,410)
OTHER FINANCING SOURCES (USES)					
Bond Proceeds	-	-	22,191,000	-	22,191,000
Total other financing sources (uses)	-	-	22,191,000	-	22,191,000
Net changes in fund balance	(293,635)	69,425	20,932,800	-	20,708,590
Fund balances, July 1	7,320,310	265,534	-	-	7,585,844
Fund balances, June 30	\$ 7,026,675	\$ 334,959	\$ 20,932,800	\$ -	\$ 28,294,434

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

**NEW PROVIDENCE SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
OF THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT B-3

Total net change in fund balances - governmental funds (from B-2) \$ 20,708,590

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

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

Depreciation expense	\$ (2,022,205)	(324,646)
Capital outlays	<u>1,697,559</u>	

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

Repayment of bond principal	1,580,000	
Payment of financed purchases	<u>28,839</u>	1,608,839

Proceeds from debt issues are a financing source in governmental funds. They are not revenues in the statement of activities, issuing debt increases long-term liabilities in the statement of net assets.

Bond Proceeds		(22,191,000)
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In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) and pension liabilities are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned 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 (+).

Change in compensated absences	(54,719)	
Additional PERS pension expense recognized	1,236,898	
Additional on-behalf TPAF pension expense	4,619,710	
Additional on-behalf TPAF pension contribution	(4,619,710)	
Additional on-behalf OPEB expense	(348,544)	
Additional on-behalf OPEB contribution	<u>348,544</u>	<u>1,182,179</u>

Change in net position of governmental activities		<u><u>\$ 983,962</u></u>
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PROPRIETARY FUND

**NEW PROVIDENCE SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023**

EXHIBIT B-4

	Business-Type Activity - <u>Enterprise Fund</u> <u>Food Service</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 178,200
Other receivable	161
Inventory	10,051
Total current assets	<u>188,412</u>
Noncurrent assets:	
Furniture, machinery and equipment	383,891
Less: accumulated depreciation	<u>(293,356)</u>
Total noncurrent assets	<u>90,535</u>
Total assets	<u>278,947</u>
LIABILITIES	
Current liabilities:	
Accounts payable	<u>50,791</u>
NET POSITION	
Net investment in capital assets	90,535
Unrestricted	<u>137,621</u>
Total net position	<u>\$ 228,156</u>

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

**NEW PROVIDENCE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT B-5

	Business-Type Activity - <u>Enterprise Fund</u> <u>Food Service</u>
OPERATING REVENUES	
Charges for services:	
Daily sales - non-reimbursable programs	\$ 927,960
Other	6,431
Total operating revenues	<u>934,391</u>
OPERATING EXPENSES	
Cost of sales - non-reimbursable programs	403,056
Salaries	300,591
Employee benefits	120,818
Miscellaneous	30,898
Depreciation expense	22,403
Total operating expenses	<u>877,766</u>
Operating income	<u>56,625</u>
NONOPERATING REVENUES	
Interest on investments	<u>2,283</u>
Change in net position	58,908
Total net position, July 1	169,248
Total net position, June 30	<u>\$ 228,156</u>

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

**NEW PROVIDENCE SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT B-6

	<u>Business-Type Activity - Enterprise Fund Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 931,286
Other receipts	6,431
Payments to employees	(300,591)
Payments for suppliers	(557,187)
Net cash provided by operating activities	<u>79,939</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Expenditures - payment for equipment	<u>(21,765)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	<u>2,283</u>
Net increase in cash and cash equivalents	60,457
Balance, July 1	117,743
Balance, June 30	<u>\$ 178,200</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 56,625
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation	22,403
Decrease in other accounts receivable	3,326
(Increase) in inventory	(2,533)
Increase in accounts payable	118
Total adjustments	<u>23,314</u>
Net cash provided by operating activities	<u>\$ 79,939</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity:

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

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

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

The New Providence School District is a Type II district located in the County of Union, State of New Jersey. As a Type II district, the School district functions independently through a Board of Education. The Board is comprised of seven members elected to three-year terms. The purpose of the District is to educate students in grades K-12. The New Providence School District had an enrollment at June 30, 2023 of 2,386 students.

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

B. Basic Financial Statements - Government-wide Statements:

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

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

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

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basic Financial Statements - Fund Financial Statements:

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to financed purchases and compensated absences are recorded only when payment is due.

Property taxes, interest, and state equalization monies associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenues are considered to be measurable and available only when the District receives cash.

The District has reported the following major funds:

GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

PROPRIETARY FUND

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

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

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

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

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

The estimated useful lives are as follows:

Food Service Fund:

Equipment	10 Years
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The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The District considers all governmental and business type funds to be major.

D. Measurement Focus and Basis of Accounting:

The Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Amounts reported as program revenues include 1) fees charged to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

E. Budgets/Budgetary Control:

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

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

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

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

**NEW PROVIDENCE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets/Budgetary Control (Continued):

Due to the inclusion of the non-budgeted on-behalf payment made by the State of New Jersey as District expenditures, the District shows an over-expenditure in the General Fund. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States with the exception of the legally mandated revenue recognition of the last two state aid payments for budgetary purposes only and the accounting for the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

	<u>2022 - 2023</u>
Total Revenues (Budgetary Basis)	\$ 2,100,653
Adjustments:	
Add: Prior Year Encumbrances	98,775
Less: Current Year Encumbrances	<u>(150,915)</u>
Total Revenues (GAAP Basis)	<u>\$ 2,048,513</u>
Total Expenditures (Budgetary Basis)	\$ 2,031,228
Adjustments:	
Add: Prior Year Encumbrances	98,775
Less: Current Year Encumbrances	<u>(150,915)</u>
Total Expenditures (GAAP Basis)	<u>\$ 1,979,088</u>

F. Encumbrances:

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

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

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Cash, Cash Equivalents and Investments:

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

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

H. Interfund Receivables/Payables:

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

I. Payables:

Tuition Payable - Tuition charges for the fiscal years 2022 - 2023 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined and certified by the State Department of Education.

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

J. Inventories:

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

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

K. Restricted Assets:

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

L. Capital Assets:

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. The District considers all property, plant, and equipment with a cost over \$2,000 to be a capital asset.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Capital Assets (continued):

Government-wide Statements

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

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

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

Fund Financial Statements

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

M. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned.

N. Funds Held for Unemployment Claims:

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

O. Leases and Financed Purchases:

At the commencement of a lease, the District determines based on the criteria dictated in GASB Statement No. 87 – Leases, if the lease is a financed purchase or a right to use lease liability. Then the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position.

A finance purchased 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. The asset is depreciated on a straight-line basis over the life of the lease which is considered the asset's useful life. The asset is reported with the District capital assets.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB Statement No. 16 (GASB 16), "Accounting for Compensated Absences".

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

In the government-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year.

The liability for these compensated absences is recorded as liabilities in the governmental activities in the government-wide financial statements amounted to \$608,539, at June 30, 2023, representing the District's commitment to fund such cost for future operations. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources only to the amount actually due at year end as a result of employee resignations and retirements. The general fund typically has been used in prior years to liquidate the liability for compensated absences.

Q. Long-Term Obligations:

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

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

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

R. Pensions

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

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

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

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report separate sections for deferred outflows and/or inflows of resources. These separate financial statement elements, deferred outflows and/or inflows of resources, represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) and/or outflow of resources (revenue) until then. The District has one item that qualifies for reporting in this category which is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the government-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

T. Equity Classifications:

Government-wide Statements

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

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

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

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

Governmental Fund Statements

Governmental fund equity is classified as fund balance. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (“GASB 54”) established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balance is further categorized as restricted, committed, assigned, or unassigned fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

Restricted Fund Balance - Amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Excess Surplus - This reserve was created to represent the June 30, 2023 audited excess surplus that is required to be appropriated in the 2024-2025 original budget certified for taxes.

Excess Surplus – Prior Year - Designated for Subsequent Year's Budget - This reserve was created to represent the June 30, 2022 audited excess surplus that will be appropriated in the 2023-2024 original budget certified for taxes.

Capital Reserve – This restriction was created by the District to fund future capital expenditures. Designation of fund balance represent tentative management plans that are subject to change.

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

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Equity Classifications (Continued):

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

Committed Fund Balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the government 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.

Assigned Fund Balance – This designation is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent is expressed by either the Superintendent or Business Administrator.

Year-End Encumbrances - Represents encumbrances outstanding at the end of the year based on purchase orders and contracts awarded for which the goods or services have not yet been received at June 30.

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

Unassigned Fund Balance - All other fund balance that did not meet the definition of restricted, committed, or assigned.

Fund Balance Policies

In the general operating fund and other governmental funds (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.

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 government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board of Education has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board of Education 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.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. Operating and Nonoperating Revenue:

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

V. Expenditures/Expenses:

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

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

Governmental Funds - By Character:	Current (further classified by function)
	Capital Outlay

Proprietary Fund - By Operating and Nonoperating

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

W. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey for social security contributions and pension benefits for members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been increased \$10,237,084 to adjust to the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

X. Use of Estimates:

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

Y. GASB Pronouncements

Recently Adopted Accounting Pronouncements

Effective for the fiscal year ended June 30, 2023, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. The objective of Statement No. 96 is to provide the capitalization criteria for outlays other than subscription payments including implementation costs of a SBITA and the required note disclosures. The District adopted GASB Statement No. 96 effective July 1, 2022, however, management determined that there were no material SBITA that required capitalization for the year ended June 30, 2023.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements to be implemented in future years

The District is currently reviewing the following for applicability and potential impact on the financial statements:

GASB Statement No. 101, *Compensated Absences*. 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.

Effective Date: The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

NOTE 2. DEPOSITS AND INVESTMENTS

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

Deposits

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

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

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

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. As of June 30, 2023, the book value of the District’s deposits was \$28,899,181 and bank balances of the District’s cash and deposits amounted to \$30,028,057.

**NEW PROVIDENCE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

As of June 30, 2023, the District’s deposits which are displayed on the balance sheets and statements of net position as “cash and cash equivalents” are summarized as follows:

Insured - FDIC	\$ 250,000
Insured - GUDPA	7,713,456
NJ Asset & Rebate Management Program	<u>20,935,725</u>
	<u>\$ 28,899,181</u>
Reconciliation to Government-wide Statement of Net Position:	
Unrestricted Cash	\$ 7,467,846
Restricted Cash	<u>21,431,335</u>
	<u>\$ 28,899,181</u>

Investments

The District is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

The NJ Asset & Rebate Management Program (NJARM) is a financial services organization created and run exclusively for New Jersey municipalities, schools, and other local and regional governmental type entities. The Program was designed to help achieve excellence in the governmental unit’s investment program. Created as a joint investment under the Interlocal Services Act, NJARM provides participates with investment and arbitrage rebate compliance services for both bond proceeds and general operating funds. The program is a means for local governments in the State to invest collectively the proceeds of taxable and tax-exempt borrowings and other funds on hand. As of June 30, 2023 the District has a balance of \$20,935,725 in the NJARM Program.

NOTE 3. DEPOSIT AND INVESTMENT RISK

Credit Risk – The District does not have an investment policy regarding the management of credit risk. GASB Statement No. 40 requires that the District disclose the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The District is exempt from this requirement because it does not hold any debt securities.

Concentration of Credit Risk – State law limits as noted above (NJ.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices. The District places no formal limits on the amount they may invest in any one issue.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the District’s name, and are held by either:

- a. The counterparty or
- b. The counterparty’s trust department or agent but not in the District’s name

The District does not have a policy for custodial credit risk other than to maintain safekeeping account for the securities at a financial institution.

**NEW PROVIDENCE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3. DEPOSIT AND INVESTMENT RISK (Continued)

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

Foreign currency risk is the risk that changes in exchange rates will adversely affect investments. The District does not have investments denominated in foreign currency.

At June 30, 2023 the District’s investments were not exposed to custodial credit risk, interest rate risk or foreign currency risk.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are committed 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. A district may also appropriate additional amounts when the approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-5.1(d) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Balance, July 1, 2022	\$ 240,478
Deposits:	
Interest earnings	2,726
Approved by Board Resolution	60,000
Total Deposits	<u>62,726</u>
Balance, June 30, 2023	<u>\$ 303,204</u>

NOTE 5. RECEIVABLES FROM OTHER GOVERNMENTS

Receivables from other governments as reported on the general fund balance sheet amounting to \$606,850 are comprised of entirely from state sources.

Receivables from other governments as reported on the special revenue fund balance sheet amounting to \$512,416 are comprised of entirely from federal sources.

NOTE 6. CAPITAL ASSETS AND DEPRECIATION

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

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 6. CAPITAL ASSETS AND DEPRECIATION (Continued)

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 50 years; improvements, 20 years; equipment, 5 to 20 years.

The following is a summarization of the governmental activities in capital assets for the year fiscal year ended June 30, 2023:

	Balance at July 1, 2022	Additions	Disposals	Balance at June 30, 2023
Governmental Activities:				
Non-Depreciable:				
Land	\$ 1,306,892	\$ -	\$ -	\$ 1,306,892
Total Non-Depreciable	<u>1,306,892</u>	<u>-</u>	<u>-</u>	<u>1,306,892</u>
Depreciable:				
Buildings and Improvements	50,879,340	-	-	50,879,340
Furniture and Equipment	<u>6,193,630</u>	<u>1,697,559</u>	<u>(546,210)</u>	<u>7,344,979</u>
Total at Historical Cost	<u>57,072,970</u>	<u>1,697,559</u>	<u>(546,210)</u>	<u>58,224,319</u>
Less: Accumulated Depreciation:				
Buildings and Improvements	(30,781,363)	(1,668,984)	-	(32,450,347)
Furniture and Equipment	<u>(4,694,927)</u>	<u>(353,221)</u>	<u>546,210</u>	<u>(4,501,938)</u>
Total Accumulated Depreciation	<u>(35,476,290)</u>	<u>(2,022,205)</u>	<u>546,210</u>	<u>(36,952,285)</u>
Depreciable Capital Assets, Net	<u>21,596,680</u>	<u>(324,646)</u>	<u>-</u>	<u>21,272,034</u>
Governmental Activities Capital Assets, Net	<u>\$ 22,903,572</u>	<u>\$ (324,646)</u>	<u>\$ -</u>	<u>\$ 22,578,926</u>

* Depreciation expense was charged to Governmental Activities for the year fiscal year ended June 30, 2023 as follows:

Instruction:	
Regular	\$ 842,532
Special Education	170,705
Other Special Education	24,006
Other Instruction	<u>63,234</u>
Total Instruction	<u>1,100,477</u>
Support Services:	
Tuition	165,634
Student & Instruction Related Services	277,639
School Administrative Services	86,479
General & Business Administrative Services	120,417
Operation & Maintenance of Plant	155,217
Pupil Transportation	<u>116,342</u>
Total Support Services	<u>921,728</u>
Total Depreciation Expense	<u>\$ 2,022,205</u>

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 6. CAPITAL ASSETS AND DEPRECIATION (Continued)

Capital asset activity for business-type activity for the year ended June 30, 2023, was as follows:

	Balance at July 1, 2022	Additions	Disposals	Balance at June 30, 2023
Business-Type Activity				
Depreciable				
Machinery & Equipment	\$ 362,125	\$ 21,765	\$ -	\$ 383,890
Total at Historical Cost	362,125	21,765	-	383,890
Less: Accumulated Depreciation:				
Machinery & Equipment	(270,952)	(22,403)	-	(293,355)
Total Accumulated Depreciation	(270,952)	(22,403)	-	(293,355)
Business-Type Activity Capital				
Assets, Net	\$ 91,173	\$ (638)	\$ -	\$ 90,535

NOTE 7. LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

During the year ended June 30, 2023, the following changes occurred in governmental activities long-term liabilities:

	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023	Amounts Due Within One Year	Long-Term Portion
Governmental Activities:						
Bonds Payable	\$ 16,820,000	\$ 22,191,000	\$ (1,580,000)	\$ 37,431,000	\$ 1,610,000	\$ 35,821,000
Financed Purchases	28,839	-	(28,839)	-	-	-
Compensated Absences	553,820	163,772	(109,053)	608,539	-	608,539
sub-total	17,402,659	22,354,772	(1,717,892)	38,039,539	1,610,000	36,429,539
Net Pension Liability	5,880,075	2,001,883	-	7,881,958	-	7,881,958
Total Governmental Activities						
Long-Term Liabilities	\$ 23,282,734	\$ 24,356,655	\$ (1,717,892)	\$ 45,921,497	\$ 1,610,000	\$ 44,311,497

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

Bonds Payable

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

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

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 7. LONG-TERM LIABILITIES (Continued)

Bonds Payable (Continued)

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

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

Year Ending June 30,	Refunding School Bonds Series 2014	
	Principal	Interest
2024	\$ 935,000	\$ 78,625
2025	920,000	50,800
2026	925,000	18,500
	<u>\$ 2,780,000</u>	<u>\$ 147,925</u>

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

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

Year Ending June 30,	School Bonds Series 2017	
	Principal	Interest
2024	\$ 675,000	\$ 403,731
2025	760,000	380,412
2026	800,000	355,062
2027	825,000	328,656
2028	850,000	301,438
2029	875,000	273,407
2030	900,000	244,563
2031	925,000	214,907
2032	975,000	184,032
2033	975,000	151,735
2034	975,000	118,828
2035	975,000	85,313
2036	975,000	51,187
2037	975,000	17,063
	<u>\$ 12,460,000</u>	<u>\$ 3,110,334</u>

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 7. LONG-TERM LIABILITIES (Continued)

Bonds Payable (Continued)

On May 10, 2023 the Board issued \$22,191,000 of School Bonds, Series 2023. The purpose of the Bonds is to provide funds to undertake renovations, alterations and improvements to the Salt Brook Elementary School, the Allen W. Roberts Elementary School and the New Providence Middle/High school, including, for all the foregoing, acquisition and installation of furnishing and equipment and the site work. The proceeds of the Bonds will be used to finance the project and pay the costs of issuance associated with the issuance of the Bonds.

The Bonds of this issue maturing prior to August 15, 2037 are not subject to redemption prior to maturity. The Bonds of this issue maturing on and after August 15, 2037 are redeemable at the option of the Board, in whole or in part, on any date on or after August 15, 2036 upon notice as required at a price of 100% of the Bonds to be redeemed, plus in each case unpaid accrued interest to the date fixed for redemption, if any. The first payment of the bonds is not due until August 15, 2024. Principal on the 2023 Bonds will be payable annually on August 15th of each year. Interest will be payable semi-annually on February 15th and August 15th each year until maturity.

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

Year Ending June 30,	School Bonds Series 2023	
	Principal	Interest
2024	\$ -	\$ -
2025	700,000	1,274,324
2026	700,000	705,420
2027	1,061,000	687,810
2028	1,070,000	666,500
2029	1,080,000	639,600
2030	1,090,000	607,050
2031	1,100,000	574,200
2032	1,120,000	540,900
2033	1,140,000	507,000
2034	1,160,000	472,500
2035	1,180,000	437,400
2036	1,190,000	401,850
2037	1,200,000	360,000
2038	1,400,000	308,000
2039	1,400,000	252,000
2040	1,400,000	196,000
2041	1,400,000	140,000
2042	1,400,000	84,000
2043	1,400,000	28,000
	<u>\$ 22,191,000</u>	<u>\$ 8,882,554</u>

**NEW PROVIDENCE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 8. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Description of Plans and Benefits Provided

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

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

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

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 for TPAF. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provision. Members are always fully vested for their own contributions and after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 8. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Description of Plans and Benefits Provided (Continued)

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 District employees who are eligible for pension coverage.

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

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

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.

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 8. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Measurement Focus and Basis of Accounting (Continued)

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 are 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.

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 Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contribution by the State of New Jersey contingent upon the Annual Appropriations Act. 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.

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

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 8. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Annual Pension Costs (APC)

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 annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF non-employer contributions are made annually by the State of New Jersey to the pension system on behalf of the District. PERS employer contributions are made annually by the District to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended June 30, 2023, 2022 and 2021 the District paid the required contributions to PERS of \$658,623, \$581,290 and \$546,644, respectively.

During the years ended June 30, 2023, 2022 and 2021 the District paid the required contributions to DCRP of \$8,075, \$6,364 and \$5,079, respectively.

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

In accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$1,453,675 during the 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 Government-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 85.

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

GASB Statement No. 68, *Accounting and Financial Reporting for Pension* (GASB No. 68) and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to Measurement Date – an amendment of GASB No. 68* require participating employers in pension plans to recognize their proportionate share of their collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the fiscal year ended June 30, 2021. Employer allocation percentages have been rounded for presentation purposes.

Following this method, the measurement of the collective pension expense excluding that attributable to employer paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages 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 \$7,881,958 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2022, the District's PERS proportion was 0.0524% which was an increase of 0.0028% from its proportion measured as of June 30, 2021.

**NEW PROVIDENCE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 8. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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

For the year ended June 30, 2023, the District recognized in the Government-wide statement of activities (accrual basis) pension expense of (\$578,275). 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 current fiscal year end. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and accrual experience	\$ 6,721	\$ -
Changes in assumptions	-	1,155,820
Net differences between projected and actual investment earnings on pension plan investments	326,227	
Changes in proportion	-	155,550
District contributions subsequent to measurement date	-	
	<u>706,103</u>	<u>-</u>
Total	<u>\$ 1,039,051</u>	<u>\$ 1,311,370</u>

\$706,103 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2024	\$ (223,749)
2025	(113,992)
2026	(55,592)
2027	121,281
2028	(266)
	<u>\$ (272,319)</u>

The PERS pension liability and deferred inflows of resources related to pensions are expected to be paid from budgetary appropriations in the general fund.

**NEW PROVIDENCE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 8. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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

Actuarial Assumptions

The collective 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%

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 8. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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

Long-Term Expected Rate of Return (continued)

Best estimates of arithmetic real rates of return for each major asset class included in PERS’s target asset allocation as of June 30, 2022 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability 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 non-employer 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 to determine the total pension liability.

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

The following presents the District’s proportionate share of the net pension liability as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of PERS net pension liability	\$ 10,126,007	\$ 7,881,958	\$ 5,972,182

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2022. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 8. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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

Pension Plan fiduciary net position

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

Payable to the pension plan

At June 30, 2023 the District reported accounts payable to the PERS of \$706,103 for the required actuarially determined contribution to PERS for the year ended June 30, 2023.

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

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as a non-employer toward the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2022. 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 less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under GASB 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.

At June 30, 2023 the State's net pension liability for TPAF associated with the District was \$86,836,333. The non-employer allocation percentages are based on the ratio of the State's contributions made as an employer and non-employer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2022. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. At June 30, 2022 the State's proportionate share of the TPAF net pension liability associated with the District was 0.1683%, which was an increase of 0.0011% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023 the District recognized in the Government-wide statement of activities (accrual basis) pension expense of \$4,619,710 for TPAF. This amount has been included in the government-wide statement of activities (accrual basis) as a revenue and an expense in accordance with GASB No. 85.

**NEW PROVIDENCE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 8. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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

Actuarial Assumptions

The total TPAF 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%

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.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 8. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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

Long-Term Expected Rate of Return (continued)

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

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

Discount Rate

The Discount Rate used to measure the total pension liability 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.

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

The following presents the State's proportionate share of the net pension liability attributable to the District as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the TPAF net pension liability attributable to the District would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
States proportionate share of the TPAF net pension liability	\$ 101,817,446	\$ 86,836,333	\$ 74,216,628

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2022. A sensitivity analysis specific to State's proportionate share of the net pension liability attributable to the District was not provided by the pension system.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 8. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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.

NOTE 9. POST-RETIREMENT MEDICAL BENEFITS

Plan Description and Benefits Provided

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

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

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP

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

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2022 total OPEB liability of \$60,007,650,970 for this special funding situation.

Measurement Focus and Basis of Accounting

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

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

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

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 9. POST-RETIREMENT MEDICAL BENEFITS (Continued)

Investment Valuation

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

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 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 were determined based on actuarial valuations as of June 30, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the June 30, 2021 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

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

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.9 billion to the OPEB plan in fiscal year 2022.

The State sets the contribution rate based on a pay as you go basis and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2023, 2022, and 2021 were \$1,826,691, \$1,641,632 and \$1,552,523, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85.

GASB Statement No. 75 requires participating employers in the State Health Benefits Program Fund – Local Education Retired to recognize their proportionate share of the collective OPEB liability, collective deferred outflows or resources, collective deferred inflows of resources and collective OPEB expense excluding the attributable to retiree-paid member contributions. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as a non-employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal year ended June 30, 2021. Non-employer allocation percentages have been rounded for presentation purposes.

**NEW PROVIDENCE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 9. POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

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

For the fiscal year ended June 30, 2023, the District recognized in the Government-wide statement of activities (accrual basis) OPEB expense of \$2,175,235. This amount has been included in the District's Government-wide statement of activities (accrual basis) as a revenue and expenditure in accordance with GASB No. 85.

At June 30, 2023 the State's proportionate share of the OPEB liability attributable to the District is \$67,646,452. The non-employer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the State's share of the OPEB liability attributable to the District was 0.1336% which was a decrease of 0.0046% from its proportion measured as of June 30, 2021 of 0.1382%.

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

	TPAF/ABP	PERS
Salary Increases:	2.75 – 4.25% based on service years	2.75 – 6.55% based on service years

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

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

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 prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 9. POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

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.

Change in the Total OPEB Liability

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

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2021 measurement date	\$ 82,909,177
Changes reconized for the fiscal year:	
Service cost	4,053,561
Interest on the total OPEB liability	1,792,706
Difference between expected and actual experience	(1,243,462)
Changes in assumptions	(18,146,768)
Gross benefit payments	(1,775,728)
Contributions from the member	56,966
Net changes	<u>(15,262,725)</u>
Balance, June 30, 2022 measurement date	<u>\$ 67,646,452</u>

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2022. A change in the total OPEB liability specific to the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2022 was not provided by the pension system.

Sensitivity of OPEB Liability to Changes in the Discount Rate

The following presents the State’s proportionate share of the OPEB liability attributable to the District as of June 30, 2022, calculated using the discount rate 3.54%, as well as the State’s proportionate share of the OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	<u>At 1% Decrease (2.54%)</u>	<u>At Current Discount Rate (3.54%)</u>	<u>At 1% Increase (4.54%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 79,511,289	\$ 67,646,452	\$ 58,137,379

**NEW PROVIDENCE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 9. 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 total OPEB liability to changes in the healthcare cost trend rates

The following presents the State’s proportionate share of the OPEB liability attributable to the District as of June 30, 2023, calculated using the previously disclosed healthcare trend rate as well as what the total non-employer OPEB liability attributable to the District would be if it was calculated using a healthcare trend rate that is 1% point lower or 1% point higher than the current rate:

	1 % Decrease	Healthcare Cost Trend Rate	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 55,913,927	\$ 67,646,452	\$ 83,057,836

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.

NOTE 10. DEFERRED COMPENSATION

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

- Lincoln Investment
- AIG Retirement
- The Legend Group
- Fidelity Investments
- MetLife

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet of the governmental fund financials statement at June 30, 2023:

<u>Fund</u>	Interfund Receivable	Interfund Payable
Governmental Activities:		
General	\$ 999	\$ -
Capital Projects	-	999
Total	\$ 999	\$ 999

The above balances are the results of revenues earned in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund. The District expects to liquidate all interfund balances within one year.

**NEW PROVIDENCE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 12. CONTINGENT LIABILITIES

The District 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 District 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 District 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.

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 District's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

NOTE 13. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The District did not significantly reduce insurance coverage during fiscal year 2023. Insurance claims have not exceeded coverage in any of the past three fiscal years.

A. Property and Liability Insurance:

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

B. New Jersey Unemployment Compensation Insurance:

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of district contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of funds held for the current and the previous two years:

<u>Year Ending</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Claims Incurred</u>	<u>Interest Earned</u>	<u>Ending Balance</u>
June 30, 2023	\$ -	\$ 46,408	\$ 25,588	\$ 3,945	\$ 374,709
June 30, 2022	-	52,546	-	496	349,944
June 30, 2021	-	62,593	12,340	496	296,902

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

NOTE 14. INVENTORY

Inventory in the food service fund at June 30, 2023 consisted of the following:

Food and Supplies	<u>\$ 10,051</u>
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**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 15. FUND BALANCE APPROPRIATED

Governmental Funds' Statements:

General Fund - Of the \$7,026,675 General Fund fund balance at June 30, 2023, \$3,417,731 is restricted as reserved excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$2,436,696 of the total restricted excess has been appropriated and included as anticipated revenue for the year ended June 30 2024); \$303,204 has been restricted in the Capital Reserve account; \$2,357,529 is assigned (\$1,034,225 of the total is assigned to year-end encumbrances and \$1,323,304 is appropriated and included as anticipated revenue for the year ending June 30, 2024); and \$948,211 is unassigned.

Special Revenue Fund – Of the \$334,959 Special Revenue Fund fund balance at June 30, 2023, \$155,120 is restricted for scholarships; \$179,839 is restricted for student activities.

Capital Projects Fund – Of the \$20,932,800 Capital Projects fund balance at June 30, 2023, \$4,959,896 is assigned to year-end encumbrances and \$15,972,904 is restricted for capital projects.

The total Governmental Funds fund balance is \$28,294,434.

Government-wide Statements:

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

	<u>Governmental Activities</u>	<u>Business-Type Activity</u>	<u>Total</u>
Fund Balance/Net Position	\$ 28,294,434	\$ 228,156	\$ 28,522,590
Add: Capital Assets, Net of Accumulated Depreciation	22,578,926	-	22,578,926
Deferred Outflows of Resources	1,039,051	-	1,039,051
Less: Accounts Payable for Pension	(706,103)	-	(706,103)
Long-Term Liabilities	(45,921,497)	-	(45,921,497)
Deferred Inflows of Resources	<u>(1,311,370)</u>	<u>-</u>	<u>(1,311,370)</u>
Total Net Position	<u>\$ 3,973,441</u>	<u>\$ 228,156</u>	<u>\$ 4,201,597</u>

NOTE 16. CALCULATION OF EXCESS SURPLUS

The designation of Restricted Fund Balance – Reserve for excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey School Districts are required to reserve General fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The reserve for excess surplus for the year ended June 30, 2023 is \$981,035. This amount is reserved for tax relief in the 2024 school year.

NOTE 17. SUBSEQUENT EVENTS:

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 through November 28, 2023, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

BUDGETARY COMPARISON SCHEDULES

NEW PROVIDENCE SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

EXHIBIT C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
REVENUES					
Local sources:					
Local tax levy	\$ 40,669,610	\$ -	\$ 40,669,610	\$ 40,669,610	\$ -
Tuition	66,000	-	66,000	70,950	4,950
Interest earned	20,240	-	20,240	123,261	103,021
Unrestricted miscellaneous revenue	131,000	-	131,000	250,521	119,521
Total - local sources	<u>40,886,850</u>	<u>-</u>	<u>40,886,850</u>	<u>41,114,342</u>	<u>227,492</u>
State sources:					
Transportation aid	250,347	-	250,347	250,347	-
Special education aid	2,066,786	-	2,066,786	2,066,786	-
Security aid	186,941	-	186,941	186,941	-
Extraordinary aid	300,000	-	300,000	606,851	306,851
On-behalf TPAF contributions (non-budgeted):					
Post-retirement medical contributions	-	-	-	1,826,691	1,826,691
Pension contribution	-	-	-	6,953,590	6,953,590
Long-term disability insurance	-	-	-	3,128	3,128
Reimbursed TPAF Social Security contributions (non-budgeted)	-	-	-	1,453,675	1,453,675
Total - state sources	<u>2,804,074</u>	<u>-</u>	<u>2,804,074</u>	<u>13,348,009</u>	<u>10,543,935</u>
Total revenues	<u>43,690,924</u>	<u>-</u>	<u>43,690,924</u>	<u>54,462,351</u>	<u>10,771,427</u>
EXPENDITURES					
CURRENT EXPENSE					
Regular programs - instruction:					
Salaries of teachers:					
Preschool	92,048	-	92,048	91,561	487
Kindergarten	366,456	-	366,456	279,404	87,052
Grades 1-5	5,301,547	-	5,301,547	5,296,264	5,283
Grades 6-8	3,305,446	-	3,305,446	3,299,664	5,782
Grades 9-12	4,756,468	(40,000)	4,716,468	4,541,516	174,952
Total regular programs - instruction	<u>13,821,965</u>	<u>(40,000)</u>	<u>13,781,965</u>	<u>13,508,409</u>	<u>273,556</u>
Regular programs - home instruction:					
Salaries of teachers	20,787	(1,400)	19,387	9,117	10,270
Purchased professional services	55,075	19,900	74,975	51,203	23,772
General Supplies	400	-	400	-	400
Textbooks	200	-	200	-	200
Total regular programs - home instruction	<u>76,462</u>	<u>18,500</u>	<u>94,962</u>	<u>60,320</u>	<u>34,642</u>
Regular programs - undistributed instruction:					
Other purchased services (400-500 series)	29,260	-	29,260	10,680	18,580
General supplies	1,019,055	(18,500)	1,000,555	873,688	126,867
Textbooks	57,602	-	57,602	52,231	5,371
Miscellaneous expenditures	4,880	-	4,880	1,289	3,591
Total regular programs - undistributed instruction	<u>1,110,797</u>	<u>(18,500)</u>	<u>1,092,297</u>	<u>937,888</u>	<u>154,409</u>
Total regular programs	<u>15,009,224</u>	<u>(40,000)</u>	<u>14,969,224</u>	<u>14,506,617</u>	<u>462,607</u>
Special education:					
Learning/language disabilities:					
Salaries of teachers	454,599	(16,230)	438,369	366,268	72,101
Other salaries for instruction	256,352	48,470	304,822	304,597	225
General supplies	21,662	-	21,662	1,547	20,115
Textbooks	3,000	-	3,000	-	3,000
Total learning/language disabilities	<u>735,613</u>	<u>32,240</u>	<u>767,853</u>	<u>672,412</u>	<u>95,441</u>
Resource room/resource center:					
Salaries of teachers	2,154,964	(26,320)	2,128,644	2,100,157	28,487
Other salaries for instruction	177,380	(25,920)	151,460	151,237	223
General supplies	6,000	-	6,000	3,390	2,610
Textbooks	5,500	-	5,500	980	4,520
Total resource room/resource center	<u>2,343,844</u>	<u>(52,240)</u>	<u>2,291,604</u>	<u>2,255,764</u>	<u>35,840</u>
Preschool disabilities - part - time					
Salaries of teachers	65,130	-	65,130	62,135	2,995
Other salaries for instruction	27,016	-	27,016	26,914	102
General supplies	1,000	-	1,000	923	77
Total preschool disabilities - part - time	<u>93,146</u>	<u>-</u>	<u>93,146</u>	<u>89,972</u>	<u>3,174</u>

NEW PROVIDENCE SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

EXHIBIT C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Preschool disabilities - full - time					
Salaries of teachers	\$ 88,507	\$ -	\$ 88,507	\$ 79,455	\$ 9,052
Other salaries for instruction	74,141	-	74,141	74,141	-
General supplies	1,000	-	1,000	372	628
Total preschool disabilities - full - time	163,648	-	163,648	153,968	9,680
Total special education - instruction	3,336,251	(20,000)	3,316,251	3,172,116	144,135
Basic skills/remedial:					
Salaries of teachers	248,679	-	248,679	241,425	7,254
General supplies	800	-	800	757	43
Textbooks	900	-	900	-	900
Total basic skills/remedial	250,379	-	250,379	242,182	8,197
Bilingual education:					
Salaries of teachers	214,935	-	214,935	203,210	11,725
General supplies	900	-	900	433	467
Textbooks	300	-	300	268	32
Total bilingual education	216,135	-	216,135	203,911	12,224
Other instructional:					
School-sponsored cocurricular activities:					
Salaries	304,214	-	304,214	299,671	4,543
Supplies and materials	21,614	-	21,614	21,390	224
Other Objects	15,165	-	15,165	15,056	109
School-sponsored athletics:					
Salaries	566,749	-	566,749	566,749	-
Other purchase services	175,054	-	175,054	166,376	8,678
Supplies and materials	91,279	-	91,279	73,983	17,296
Miscellaneous expenditures	41,064	-	41,064	31,810	9,254
Supplementary Instruction					
Salaries of teachers	6,000	-	6,000	-	6,000
Supplies and materials	320	-	320	-	320
Textbooks	200	-	200	-	200
Total other instructional	1,221,659	-	1,221,659	1,175,035	46,624
Total - instruction	20,033,648	(60,000)	19,973,648	19,299,861	673,787
Undistributed expenditures - instruction:					
Tuition to other LEA's within the state - special	839,926	(398,400)	441,526	439,791	1,735
Tuition to county vocational school district - regular	591,900	(64,100)	527,800	505,350	22,450
Tuition to county vocational school district - special	-	4,000	4,000	4,000	-
Tuition to private schools for the handicapped-within state	1,884,025	273,500	2,157,525	2,128,745	28,780
Total undistributed expenditures - instruction	3,315,851	(185,000)	3,130,851	3,077,886	52,965
Attendance and social work services:					
Salaries	35,721	-	35,721	34,973	748
Total attendance and social work services	35,721	-	35,721	34,973	748
Health services:					
Salaries	350,327	-	350,327	350,327	-
Purchased professional -educational services	10,200	-	10,200	9,290	910
Supplies and materials	3,291	-	3,291	3,093	198
Other objects	1,975	-	1,975	1,475	500
Total health services	365,793	-	365,793	364,185	1,608
Other support services - students-related services:					
Salaries	605,022	-	605,022	555,825	49,197
Purchased professional - educational services	275,497	-	275,497	226,549	48,948
Supplies and materials	7,104	-	7,104	6,969	135
Other objects	2,700	-	2,700	1,839	861
Total other support services - students-related services	890,323	-	890,323	791,182	99,141
Other support services - students-extra services :					
Purchased professional - educational services	157,335	-	157,335	148,358	8,977
Total other support services - students-extra services	157,335	-	157,335	148,358	8,977

NEW PROVIDENCE SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

EXHIBIT C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Other support services - students-regular:					
Salaries of other professional staff	\$ 808,390	\$ -	\$ 808,390	\$ 808,390	\$ -
Salaries of secretarial and clerical assistants	135,291	-	135,291	112,330	22,961
Other salaries for instruction	53,203	-	53,203	51,924	1,279
Other purchased services (400-500 series)	7,645	-	7,645	5,501	2,144
Supplies and materials	2,240	-	2,240	1,559	681
Total other support services - students-regular	1,006,769	-	1,006,769	979,704	27,065
Other support services - students - special services:					
Salaries of other professional staff	1,018,846	-	1,018,846	991,974	26,872
Salaries of secretarial and clerical assistants	57,734	(574)	57,160	50,160	7,000
Unused vacation payment to retired staff	-	1,746	1,746	1,746	-
Purchased professional - educational services	69,111	(28,147)	40,964	20,737	20,227
Supplies and materials	3,659	-	3,659	1,941	1,718
Other objects	6,200	-	6,200	5,995	205
Total other support services - students-special services	1,155,550	(26,975)	1,128,575	1,072,553	56,022
Improvement of instructional services:					
Salaries of supervisors of instructions	205,526	-	205,526	201,702	3,824
Salaries of other professional staff	62,722	-	62,722	62,155	567
Salaries of secretarial and clerical assistants	117,262	-	117,262	109,118	8,144
Other salaries	209,439	-	209,439	160,903	48,536
Travel	4,000	1,975	5,975	5,974	1
Supplies and materials	2,320	-	2,320	1,372	948
Other objects	3,000	-	3,000	787	2,213
Total improvement of instructional services	604,269	1,975	606,244	542,011	64,233
Educational media services/school library:					
Salaries	376,779	-	376,779	371,484	5,295
Other purchased services (400-500 series)	55,400	-	55,400	35,477	19,923
Supplies and materials	36,091	-	36,091	23,652	12,439
Total educational media services/school library	468,270	-	468,270	430,613	37,657
Instruction staff training services:					
Salaries of supervisors on instruction	15,624	-	15,624	15,174	450
Salaries of other professional staff	6,992	-	6,992	6,907	85
Salaries of secretarial and clerical assistants	4,728	-	4,728	4,309	419
Other purchased professional services - educational	14,500	-	14,500	7,904	6,596
Other purchased services (400-500 series)	5,143	-	5,143	4,893	250
Other objects	320	-	320	214	106
Total instruction staff training services	47,307	-	47,307	39,401	7,906
Support services - general administration:					
Salaries	513,992	(4,019)	509,973	509,970	3
Unused vacation payment to terminated/retired staff	-	4,019	4,019	4,019	-
Legal services	173,993	(1,410)	172,583	37,781	134,802
Audit Fees	35,590	1,410	37,000	37,000	-
Architectural/engineering services	10,482	-	10,482	5,000	5,482
Other purchased professional services	1,000	-	1,000	-	1,000
Communications/telephone	100,068	-	100,068	74,025	26,043
Board of education other purchased services	4,500	-	4,500	4,444	56
Other purchased services (400-500 series)	199,865	-	199,865	191,754	8,111
General Supplies	6,740	-	6,740	6,311	429
Miscellaneous expenditures	24,050	-	24,050	15,978	8,072
Board of education membership dues and fees	15,560	-	15,560	15,559	1
Total support services - general administration	1,085,840	-	1,085,840	901,841	183,999
Support services - school administration:					
Salaries of principals/assistant principals	1,173,068	-	1,173,068	1,081,778	91,290
Salaries of secretarial and clerical assistants	477,142	-	477,142	448,561	28,581
Unused vacation payment to retired staff	-	3,329	3,329	3,329	-
Travel	10,502	-	10,502	9,501	1,001
Supplies and materials	57,997	(3,329)	54,668	46,642	8,026
Other objects	18,192	-	18,192	17,186	1,006
Total support services - school administration	1,736,901	-	1,736,901	1,606,997	129,904
Central services:					
Salaries	403,983	-	403,983	402,152	1,831
Purchased profession services	800	-	800	93	707
Purchased technical services	15,330	-	15,330	12,580	2,750
Miscellaneous purchased services (400-500 series)	10,399	-	10,399	7,765	2,634
Supplies and materials	4,800	-	4,800	4,800	-
Other objects	2,600	-	2,600	2,599	1
Total central services:	437,912	-	437,912	429,989	7,923

NEW PROVIDENCE SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

EXHIBIT C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Administrative Information Technology:					
Salaries	\$ 441,192	\$ -	\$ 441,192	\$ 441,192	\$ -
Purchased technical services	376,636	-	376,636	361,661	14,975
Other purchased services (400-500 series)	2,700	-	2,700	1,766	934
Supplies and materials	107,736	-	107,736	101,197	6,539
Total administrative information technology:	928,264	-	928,264	905,816	22,448
Required maintenance for school facilities:					
Salaries	544,953	(16,900)	528,053	514,407	13,646
Unused vacation payment to retired staff	-	6,900	6,900	-	6,900
Cleaning, repair and maintenance services	88,178	-	88,178	75,231	12,947
General supplies	49,225	27,000	76,225	72,867	3,358
Miscellaneous expenditures	13,104	-	13,104	12,341	763
Total required maintenance for school facilities	695,460	17,000	712,460	674,846	37,614
Operation and maintenance of plant services:					
Salaries	967,737	(16,578)	951,159	951,100	59
Salaries of non-instructional aides	216,488	-	216,488	185,872	30,616
Unused vacation payment to retired staff	-	9,578	9,578	9,578	-
Purchased professional and technical services	51,967	-	51,967	49,174	2,793
Cleaning, repair and maintenance services	147,211	(20,000)	127,211	118,320	8,891
Other purchased property	47,627	16,000	63,627	63,623	4
Insurance	84,500	-	84,500	82,823	1,677
General supplies	58,044	26,000	84,044	81,434	2,610
Natural gas	204,320	-	204,320	202,611	1,709
Electricity	242,737	-	242,737	226,456	16,281
Other objects	8,224	-	8,224	5,690	2,534
Total operation and maintenance of plant services	2,028,855	15,000	2,043,855	1,976,681	67,174
Care and upkeep of grounds:					
Salaries	61,317	-	61,317	61,317	-
Cleaning, repair and maintenance services	33,220	-	33,220	26,960	6,260
General supplies	12,078	-	12,078	10,679	1,399
Total care and upkeep of grounds	106,615	-	106,615	98,956	7,659
Security:					
Purchased professional and technical services	117,072	(16,000)	101,072	96,046	5,026
General supplies	50,187	(10,000)	40,187	37,791	2,396
Total security	167,259	(26,000)	141,259	133,837	7,422
Student transportation services:					
Salaries for pupil transportation - (between home and school) - special	177,589	-	177,589	177,576	13
Salaries for pupil transportation - (other than bet. home & school)	99,080	-	99,080	99,080	-
Cleaning, repair and maintenance services	19,705	-	19,705	13,602	6,103
Contracted services - (other than between home and school) - vendors	52,929	(3,000)	49,929	25,151	24,778
Contracted services - (Special EdStds) - joint agreement	1,471,529	333,000	1,804,529	1,804,529	-
Miscellaneous purchased services - transportation	14,300	336	14,636	14,636	-
Supplies and materials	37,480	(336)	37,144	25,843	11,301
Miscellaneous purchased services	1,500	-	1,500	1,500	-
Total student transportation services	1,874,112	330,000	2,204,112	2,161,917	42,195
Employee benefits:					
Social Security contribution	478,305	24,000	502,305	500,795	1,510
Other retirement contributions	602,612	68,011	670,623	658,623	12,000
Workers' compensation	230,397	333	230,730	230,729	1
Health benefits	7,564,746	(270,351)	7,294,395	6,954,683	339,712
Tuition reimbursement	125,085	-	125,085	115,002	10,083
Other Employee Benefits	800	-	800	680	120
Unused vacation payment to terminated/retired staff	35,000	74,100	109,100	109,053	47
Total employee benefits	9,036,945	(103,907)	8,933,038	8,569,565	363,473

NEW PROVIDENCE SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

EXHIBIT C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
On-behalf TPAF contributions (non-budgeted):					
Post-retirement medical contributions	\$ -	\$ -	\$ -	\$ 1,826,691	\$ (1,826,691)
Pension contribution	-	-	-	6,953,590	(6,953,590)
Long-term disability insurance	-	-	-	3,128	(3,128)
Reimbursed TPAF Social Security contributions (non-budgeted)	-	-	-	1,453,675	(1,453,675)
Total on-behalf contributions	-	-	-	10,237,084	(10,237,084)
Total undistributed expenditures	26,145,351	22,093	26,167,444	35,178,395	(9,010,951)
Total current expense	46,178,999	(37,907)	46,141,092	54,478,256	(8,337,164)
CAPITAL OUTLAY					
Equipment:					
Grades 6 - 8	3,029	-	3,029	2,895	134
Grades 9 - 12	23,394	-	23,394	21,793	1,601
Undistributed expenditures:					
Administrative information technology	64,940	-	64,940	64,540	400
Required maintenance of school facilities	134,321	(8,870)	125,451	111,223	14,228
Total equipment	225,684	(8,870)	216,814	200,451	16,363
Facilities acquisition and construction services:					
Construction services	-	46,777	46,777	36,776	10,001
Total facilities acquisition and construction services	-	46,777	46,777	36,776	10,001
Total capital outlay	225,684	37,907	263,591	237,227	26,364
Total expenditures	46,404,683	-	46,404,683	54,715,483	(8,310,800)
Excess (deficiency) of revenues over (under) expenditures	(2,713,759)	-	(2,713,759)	(253,132)	2,460,627
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2,713,759)	-	(2,713,759)	(253,132)	2,460,627
Fund balances, July 1	7,528,015	-	7,528,015	7,528,015	-
Fund balances, June 30	\$ 4,814,256	\$ -	\$ 4,814,256	\$ 7,274,883	\$ 2,460,627
Recapitulation:					
Restricted for:					
Excess surplus - designated for subsequent year				\$ 2,436,696	
Excess surplus - current year				981,035	
Capital reserve				303,204	
Assigned to:					
Year-end encumbrances				1,034,225	
Designated for subsequent year's expenditures				1,323,304	
Unassigned				1,196,419	
				7,274,883	
Reconciliation to Government Funds (GAAP)					
Last State Aid Payment not recognized on GAAP Basis				(248,208)	
Fund Balance per Government Funds (GAAP)				\$ 7,026,675	

**NEW PROVIDENCE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-2

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Federal sources	\$ 434,468	\$ 1,291,518	\$ 1,725,986	\$ 1,243,646	\$ 482,340
State sources	95,422	111,684	207,106	170,509	36,597
Private sources	64,702	617,074	681,776	686,498	(4,722)
Total revenues	<u>594,592</u>	<u>2,020,276</u>	<u>2,614,868</u>	<u>2,100,653</u>	<u>514,215</u>
EXPENDITURES					
Instruction:					
Salaries	3,703	685,704	689,407	366,513	322,894
Purchased professional - educational services	34,320	43,215	77,535	61,949	15,586
Other purchased services	318,187	276,839	595,026	583,610	11,416
Supplies and materials	1,188	89,426	90,614	55,410	35,204
General supplies	62,962	(6,419)	56,543	31,504	25,039
Textbooks	7,067	1,447	8,514	7,909	605
Other objects	70,247	92,154	162,401	94,957	67,444
Total instruction	<u>497,674</u>	<u>1,182,366</u>	<u>1,680,040</u>	<u>1,201,852</u>	<u>478,188</u>
Support services:					
Personal services - employee benefits	284	113,978	114,262	48,909	65,353
Purchased professional and technical services	22,576	78,188	100,764	89,188	11,576
Purchased professional - educational services	10,641	14,150	24,791	24,107	684
Other purchased professional services	13,188	1,260	14,448	14,006	442
Miscellaneous purchased services	5,105	4,795	9,900	9,830	70
Supplies and materials	1,625	14,859	16,484	9,245	7,239
Miscellaneous expenditures	23,258	21,899	45,157	40,940	4,217
Scholarship activities	-	6,462	6,462	6,462	-
Student activities	-	513,556	513,556	513,556	-
Total support services	<u>76,677</u>	<u>769,147</u>	<u>845,824</u>	<u>756,243</u>	<u>89,581</u>
Facilities acquisition and construction services:					
Equipment	4,946	976	5,922	5,346	576
Renovations	-	11,300	11,300	11,300	-
Noninstructional equipment	15,295	56,487	71,782	56,487	15,295
Total facilities acquisition and const. services	<u>20,241</u>	<u>68,763</u>	<u>89,004</u>	<u>73,133</u>	<u>15,871</u>
Total expenditures	<u>594,592</u>	<u>2,020,276</u>	<u>2,614,868</u>	<u>2,031,228</u>	<u>583,640</u>
Total Outflows	<u>594,592</u>	<u>2,020,276</u>	<u>2,614,868</u>	<u>2,031,228</u>	<u>583,640</u>
Excess (deficiency) of revenues over (under) expenditures and other financing (uses)	-	-	-	69,425	(69,425)
Fund balance, July 1	265,534	-	265,534	265,534	-
Fund balance, June 30	<u>\$ 265,534</u>	<u>\$ -</u>	<u>\$ 265,534</u>	<u>\$ 334,959</u>	<u>\$ (69,425)</u>
Recapitulation:					
Restricted for:					
Scholarships				\$ 155,120	
Student activities				<u>179,839</u>	
Fund balance				<u>\$ 334,959</u>	

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PART II**

**NEW PROVIDENCE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-3

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
SOURCES/INFLOWS OF RESOURCES		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 54,462,351	[C-2] \$ 2,100,653
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	(52,140)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	207,705	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.	<u>(248,208)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] <u>\$ 54,421,848</u>	[B-2] <u>\$ 2,048,513</u>
USES/OUTFLOWS OF RESOURCES		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 54,715,483	[C-2] \$ 2,031,228
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	<u>-</u>	<u>(52,140)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] <u>\$ 54,715,483</u>	[B-2] <u>\$ 1,979,088</u>

REQUIRED SUPPLEMENTARY INFORMATION

PART III

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

EXHIBIT L-1

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	0.0522282251%	0.0496355518%	0.0525076310%	0.0546532363%	0.0548079471%	0.0531562623%	0.0504870790%	0.0522758370%	0.0498941290%
District's proportionate share of the net pension liability	\$ 7,881,958	\$ 5,880,075	\$ 8,562,621	\$ 9,847,684	\$ 10,791,412	\$ 12,373,928	\$ 14,952,825	\$ 11,734,878	\$ 9,341,545
District's covered-employee payroll	\$ 3,925,478	\$ 3,835,724	\$ 3,761,161	\$ 3,602,107	\$ 3,754,995	\$ 3,830,708	\$ 3,743,132	\$ 3,525,748	\$ 3,450,671
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	49.80%	65.23%	43.93%	36.58%	34.80%	30.96%	25.03%	30.05%	36.94%
Plan fiduciary net position as a percentage of the total pension liability - local	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

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

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

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

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	\$ 658,623	\$ 581,290	\$ 574,407	\$ 531,615	\$ 545,162	\$ 492,436	\$ 448,520	\$ 449,432	\$ 411,320
Contributions in relation to the contractually required contribution	658,623	581,290	574,407	531,615	545,162	492,436	448,520	449,432	411,320
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 3,925,478	\$ 3,835,724	\$ 3,761,161	\$ 3,602,107	\$ 3,754,995	\$ 3,830,708	\$ 3,742,132	\$ 3,525,748	\$ 3,450,671
Contributions as a percentage of covered-employee payroll	16.78%	15.15%	15.27%	14.76%	14.52%	12.85%	11.98%	12.75%	11.92%

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

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

EXHIBIT L-3

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
State's proportion of the net pension liability associated with the District	0.16831%	0.16724%	0.16562%	0.15749%	0.16140%	0.15874%	0.16220%	0.15850%	0.16045%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	<u>86,836,333</u>	<u>80,402,478</u>	<u>109,056,651</u>	<u>96,655,283</u>	<u>102,677,739</u>	<u>107,029,709</u>	<u>127,596,840</u>	<u>100,181,105</u>	<u>85,755,504</u>
Total proportionate share of the net pension liability associated with the District	<u>\$ 86,836,333</u>	<u>\$ 80,402,478</u>	<u>\$ 109,056,651</u>	<u>\$ 96,655,283</u>	<u>\$ 102,677,739</u>	<u>\$ 107,029,709</u>	<u>\$ 127,596,840</u>	<u>\$ 100,181,105</u>	<u>\$ 85,755,504</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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%

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

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

NEW PROVIDENCE SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN THE STATE PROPORTIONATE SHARE OF OPEB LIABILITY
 ATTRIBUTABLE TO THE DISTRICT AND RELATED RATIOS
 LAST SIX FISCAL YEARS*

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
OPEB liability, July 1	\$ 82,909,177	\$ 94,957,944	\$ 57,943,587	\$ 63,153,987	\$ 73,862,523	\$ 79,718,689
Changes recognized for the fiscal year:						
Service cost	4,053,561	4,768,887	2,594,880	2,453,406	2,763,119	3,337,071
Interest on the total OPEB liability	1,792,706	2,150,751	2,091,035	2,505,926	2,714,271	2,343,773
Difference between expected and actual experience	(1,243,462)	(17,322,748)	16,585,922	(9,307,706)	(7,308,340)	-
Changes in assumptions	(18,146,768)	81,796	17,345,553	863,944	(7,247,236)	(9,889,193)
Changes in benefits terms	-	(88,247)	-	-	-	-
Gross benefit payments	(1,775,728)	(1,694,190)	(1,653,140)	(1,778,695)	(1,688,715)	(1,710,813)
Contributions from the member	56,966	54,984	50,107	52,725	58,365	62,996
Net changes	(15,262,725)	(12,048,767)	37,014,357	(5,210,400)	(10,708,536)	(5,856,166)
OPEB liability, June 30	\$ 67,646,452	\$ 82,909,177	\$ 94,957,944	\$ 57,943,587	\$ 63,153,987	\$ 73,862,523
District's proportionate share of OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of OPEB liability	67,646,452	82,909,177	94,957,944	57,943,587	63,153,987	73,862,523
Total OPEB liability	\$ 67,646,452	\$ 82,909,177	\$ 94,957,944	\$ 57,943,587	\$ 63,153,987	\$ 73,862,523
District's covered employee payroll	\$ 24,400,783	\$ 23,591,128	\$ 22,625,066	\$ 22,317,394	\$ 21,637,770	\$ 20,238,200
Total OPEB Liability as a percentage of covered employee payroll	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

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

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

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

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PART III**

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Public Employees' Retirement System (PERS)	Teachers Pension and Annuity Fund (TPAF)	State Health Benefit Local Education Retired Employees OPEB Plan
Change in benefits	None	None	None
Changes in assumptions:			
Discount rate:			
As of June 30, 2022	7.00%	7.00%	3.54%
As of June 30, 2021	7.00%	7.00%	2.21%
Municipal bond rate:			
As of June 30, 2022	3.54%	3.54%	3.54%
As of June 30, 2021	2.21%	2.21%	2.21%
Long-term expected rate of return on pension plan investments:			
As of June 30, 2022	7.00%	7.00%	Not Applicable
As of June 30, 2021	7.00%	7.00%	Not Applicable

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**NEW PROVIDENCE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULES OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Total Brought Forward (Ex. E-1a)	Elementary and Secondary Education Act		
		Title I Part A	Title II Part A	Title III
REVENUES				
Federal sources	\$ 216,050	\$ 709	\$ 36,275	\$ 15,801
State sources	170,509	-	-	-
Private sources	686,498	-	-	-
Total revenues	<u>1,073,057</u>	<u>709</u>	<u>36,275</u>	<u>15,801</u>
EXPENDITURES				
Instruction:				
Salaries	132,684	-	-	5,821
Purchased professional - educational services	61,949	-	-	-
Other purchased services	-	-	-	-
Supplies and materials	17,947	-	-	-
General Supplies	-	-	-	341
Textbooks	7,909	-	-	-
Other objects	85,633	-	-	9,324
Total instruction	<u>306,122</u>	<u>-</u>	<u>-</u>	<u>15,486</u>
Support services:				
Personal services - employee benefits	48,909	-	-	-
Purchased professional and technical services	14,256	-	-	-
Purchased professional - educational services	-	-	24,107	-
Other purchased professional services	14,006	-	-	-
Miscellaneous purchased services	-	-	9,515	315
Supplies and materials	201	709	-	-
Miscellaneous expenditures	38,287	-	2,653	-
Scholarship activities	6,462	-	-	-
Student activities	513,556	-	-	-
Total support services	<u>635,677</u>	<u>709</u>	<u>36,275</u>	<u>315</u>
Facilities acquisition and construction services:				
Equipment	5,346	-	-	-
Renovations	-	-	-	-
Noninstructional equipment	56,487	-	-	-
Total facilities acquisition and construction services	<u>61,833</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,003,632</u>	<u>709</u>	<u>36,275</u>	<u>15,801</u>
Total outflows	<u>1,003,632</u>	<u>709</u>	<u>36,275</u>	<u>15,801</u>
Excess (deficiency) of revenues over (under) expenditures and other financing (uses)	69,425	-	-	-
Fund balance, July 1	265,534	-	-	-
Fund balance, June 30	<u>\$ 334,959</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IDEA Basic	IDEA Pre-School	ARP - IDEA	ARP - IDEA Preschool	ARP - ESSER	2023
\$ 529,503	\$ 19,824	\$ 94,115	\$ 9,394	\$ 321,975	\$ 1,243,646
-	-	-	-	-	170,509
-	-	-	-	-	686,498
<u>529,503</u>	<u>19,824</u>	<u>94,115</u>	<u>9,394</u>	<u>321,975</u>	<u>2,100,653</u>
-	-	-	-	228,008	366,513
-	-	-	-	-	61,949
497,675	-	76,541	9,394	-	583,610
-	-	-	-	37,463	55,410
5,327	8,262	17,574	-	-	31,504
-	-	-	-	-	7,909
-	-	-	-	-	94,957
<u>503,002</u>	<u>8,262</u>	<u>94,115</u>	<u>9,394</u>	<u>265,471</u>	<u>1,201,852</u>
-	-	-	-	-	48,909
18,670	262	-	-	56,000	89,188
-	-	-	-	-	24,107
-	-	-	-	-	14,006
-	-	-	-	-	9,830
7,831	-	-	-	504	9,245
-	-	-	-	-	40,940
-	-	-	-	-	6,462
-	-	-	-	-	513,556
<u>26,501</u>	<u>262</u>	<u>-</u>	<u>-</u>	<u>56,504</u>	<u>756,243</u>
-	-	-	-	-	5,346
-	11,300	-	-	-	11,300
-	-	-	-	-	56,487
<u>-</u>	<u>11,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,133</u>
<u>529,503</u>	<u>19,824</u>	<u>94,115</u>	<u>9,394</u>	<u>321,975</u>	<u>2,031,228</u>
<u>529,503</u>	<u>19,824</u>	<u>94,115</u>	<u>9,394</u>	<u>321,975</u>	<u>2,031,228</u>
-	-	-	-	-	69,425
-	-	-	-	-	265,534
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 334,959</u>

**NEW PROVIDENCE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULES OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Total Brought Forward (Ex. E-1b)	ARP - Summer Learning	ARP - Beyond the School Day	ARP Accelerated Learning
REVENUES				
Federal sources	\$ -	\$ 3,080	\$ 15,258	\$ 137,268
State sources	148,594	-	-	-
Private sources	686,498	-	-	-
Total revenues	835,092	3,080	15,258	137,268
EXPENDITURES				
Instruction:				
Salaries	-	2,949	12,040	88,359
Purchased professional - educational services	61,949	-	-	-
Other purchased services	-	-	-	-
Supplies and materials	-	-	2,135	-
Supplies and materials	-	-	-	-
Textbooks	-	-	-	-
Other objects	83,580	131	1,083	-
Total instruction	145,529	3,080	15,258	88,359
Support services:				
Personal services - employee benefits	-	-	-	48,909
Purchased professional and technical services	-	-	-	-
Purchased professional - educational services	-	-	-	-
Other purchased professional services	-	-	-	-
Miscellaneous purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Miscellaneous expenditures	38,287	-	-	-
Scholarship activities	6,462	-	-	-
Student activities	513,556	-	-	-
Total support services	558,305	-	-	48,909
Facilities acquisition and construction services:				
Equipment	5,346	-	-	-
Renovations	-	-	-	-
Noninstructional equipment	56,487	-	-	-
Total facilities acquisition and construction services	61,833	-	-	-
Total expenditures	765,667	3,080	15,258	137,268
Total outflows	765,667	3,080	15,258	137,268
Excess (deficiency) of revenues over (under) expenditures and other financing (uses)	69,425	-	-	-
Fund balance, July 1	265,534	-	-	-
Fund balance, June 30	\$ 334,959	\$ -	\$ -	\$ -

ARP Mental Health Support	CRRSA ESSER II	CRRSA - ESSER II Mental Health	Nonpublic Textbook Aid	Nonpublic Nursing Services	Total Carried Forward
\$ 11,181	\$ 36,888	\$ 12,375	\$ -	\$ -	\$ 216,050
-	-	-	7,909	14,006	170,509
-	-	-	-	-	686,498
<u>11,181</u>	<u>36,888</u>	<u>12,375</u>	<u>7,909</u>	<u>14,006</u>	<u>1,073,057</u>
5,460	20,269	3,607	-	-	132,684
-	-	-	-	-	61,949
-	-	-	-	-	-
-	15,579	233	-	-	17,947
-	-	-	-	-	-
-	-	-	7,909	-	7,909
-	839	-	-	-	85,633
<u>5,460</u>	<u>36,687</u>	<u>3,840</u>	<u>7,909</u>	<u>-</u>	<u>306,122</u>
-	-	-	-	-	48,909
5,721	-	8,535	-	-	14,256
-	-	-	-	-	-
-	-	-	-	14,006	14,006
-	-	-	-	-	-
-	201	-	-	-	201
-	-	-	-	-	38,287
-	-	-	-	-	6,462
-	-	-	-	-	513,556
<u>5,721</u>	<u>201</u>	<u>8,535</u>	<u>-</u>	<u>14,006</u>	<u>635,677</u>
-	-	-	-	-	5,346
-	-	-	-	-	-
-	-	-	-	-	56,487
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,833</u>
<u>11,181</u>	<u>36,888</u>	<u>12,375</u>	<u>7,909</u>	<u>14,006</u>	<u>1,003,632</u>
<u>11,181</u>	<u>36,888</u>	<u>12,375</u>	<u>7,909</u>	<u>14,006</u>	<u>1,003,632</u>
-	-	-	-	-	69,425
-	-	-	-	-	265,534
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 334,959</u>

**NEW PROVIDENCE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULES OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Total Brought Forward (Ex. E-1c)	Nonpublic Auxiliary Services Ch. 192		Nonpublic Handicapped Services Ch 193
		Compensatory Education	English Second Language	Examination & Classification
REVENUES				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	38,446	301	6,832
Private sources	686,498	-	-	-
Total revenues	686,498	38,446	301	6,832
EXPENDITURES				
Instruction:				
Salaries	-	-	-	-
Purchased professional - educational services	-	38,446	301	6,832
Other purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Supplies and materials	-	-	-	-
Textbooks	-	-	-	-
Other objects	83,580	-	-	-
Total instruction	83,580	38,446	301	6,832
Support services:				
Personal services - employee benefits	-	-	-	-
Purchased professional and technical services	-	-	-	-
Purchased professional - educational services	-	-	-	-
Other purchased professional services	-	-	-	-
Miscellaneous purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Miscellaneous expenditures	13,475	-	-	-
Scholarship activities	6,462	-	-	-
Student activities	513,556	-	-	-
Total support services	533,493	-	-	-
Facilities acquisition and construction services:				
Equipment	-	-	-	-
Renovations	-	-	-	-
Noninstructional equipment	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-
Total expenditures	617,073	38,446	301	6,832
Total outflows	617,073	38,446	301	6,832
Excess (deficiency) of revenues over (under) expenditures and other financing (uses)	69,425	-	-	-
Fund balance, July 1	265,534	-	-	-
Fund balance, June 30	\$ 334,959	\$ -	\$ -	\$ -

Nonpublic Handicapped Services Ch. 193		Nonpublic Technology Services	Nonpublic Security Aid	SDA Emergent Needs	Total Carried Forward
Corrective Speech	Supplementary Instruction				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,045	10,325	5,346	24,812	56,487	148,594
-	-	-	-	-	686,498
<u>6,045</u>	<u>10,325</u>	<u>5,346</u>	<u>24,812</u>	<u>56,487</u>	<u>835,092</u>
-	-	-	-	-	-
6,045	10,325	-	-	-	61,949
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	83,580
<u>6,045</u>	<u>10,325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,529</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	24,812	-	38,287
-	-	-	-	-	6,462
-	-	-	-	-	513,556
<u>-</u>	<u>-</u>	<u>-</u>	<u>24,812</u>	<u>-</u>	<u>558,305</u>
-	-	5,346	-	-	5,346
-	-	-	-	-	-
-	-	-	-	56,487	56,487
<u>-</u>	<u>-</u>	<u>5,346</u>	<u>-</u>	<u>56,487</u>	<u>61,833</u>
<u>6,045</u>	<u>10,325</u>	<u>5,346</u>	<u>24,812</u>	<u>56,487</u>	<u>765,667</u>
<u>6,045</u>	<u>10,325</u>	<u>5,346</u>	<u>24,812</u>	<u>56,487</u>	<u>765,667</u>
-	-	-	-	-	69,425
-	-	-	-	-	265,534
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 334,959</u>

**NEW PROVIDENCE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULES OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	The School Health Grant	NPEF Grants	Scholarship Activities	Student Activities
REVENUES				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Private sources	13,475	83,580	12,086	577,357
Total revenues	<u>13,475</u>	<u>83,580</u>	<u>12,086</u>	<u>577,357</u>
EXPENDITURES				
Instruction:				
Salaries	-	-	-	-
Purchased professional - educational services	-	-	-	-
Other purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Supplies and materials	-	-	-	-
Textbooks	-	-	-	-
Other objects	-	83,580	-	-
Total instruction	<u>-</u>	<u>83,580</u>	<u>-</u>	<u>-</u>
Support services:				
Personal services - employee benefits	-	-	-	-
Purchased professional and technical services	-	-	-	-
Purchased professional - educational services	-	-	-	-
Other purchased professional services	-	-	-	-
Miscellaneous purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Miscellaneous expenditures	13,475	-	-	-
Scholarship activities	-	-	6,462	-
Student activities	-	-	-	513,556
Total support services	<u>13,475</u>	<u>-</u>	<u>6,462</u>	<u>513,556</u>
Facilities acquisition and construction services:				
Equipment	-	-	-	-
Renovations	-	-	-	-
Noninstructional equipment	-	-	-	-
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>13,475</u>	<u>83,580</u>	<u>6,462</u>	<u>513,556</u>
Total outflows	<u>13,475</u>	<u>83,580</u>	<u>6,462</u>	<u>513,556</u>
Excess (deficiency) of revenues over (under) expenditures and other financing (uses)	-	-	5,624	63,801
Fund balance, July 1	-	-	149,496	116,038
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,120</u>	<u>\$ 179,839</u>

Total Carried Forward
\$ -
-
686,498
686,498
-
-
-
-
-
83,580
83,580
-
-
-
-
-
13,475
6,462
513,556
533,493
-
-
-
-
-
-
617,073
617,073
69,425
265,534
\$ 334,959

CAPITAL PROJECTS FUND

**NEW PROVIDENCE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT F-1

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Balance June 30, 2023
			Prior Years	Current Year	
District Administered Projects: Improvements, Renovations and Additions to the School District Facilities	*	\$ 22,319,999	\$ -	\$ 1,387,199	\$ 20,932,800
		\$ 22,319,999	\$ -	\$ 1,387,199	\$ 20,932,800

**NEW PROVIDENCE SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT F-2

REVENUES AND OTHER FINANCING SOURCES	
Bond Proceeds	\$ 22,191,000
Interest income	128,999
Total revenues and other financing sources	<u>22,319,999</u>
EXPENDITURES AND OTHER FINANCING USES	
Legal services	50,000
Purchased professional and technical services	1,170,716
General supplies	122,999
Equipment	32,199
Other objects	11,285
Total expenditures and other financing uses	<u>1,387,199</u>
Excess of revenues over expenditures	20,932,800
Fund balance, July 1	-
Fund balance, June 30	<u>\$ 20,932,800</u>

**NEW PROVIDENCE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
IMPROVEMENTS, RENOVATIONS AND ADDITIONS TO THE SCHOOL DISTRICT FACILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT F-2a

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Bond Proceeds	\$ -	\$ 22,191,000	\$ 22,191,000	\$ 22,191,000
Interest income	-	128,999	128,999	128,999
Total revenues	<u>-</u>	<u>22,319,999</u>	<u>22,319,999</u>	<u>22,319,999</u>
Expenditures and other financing uses				
Legal services	-	50,000	50,000	50,000
Purchased professional and technical services	-	1,170,716	1,170,716	1,170,716
General supplies	-	122,999	122,999	122,999
Equipment	-	32,199	32,199	32,199
Other objects	-	11,285	11,285	11,285
Total expenditures	<u>-</u>	<u>1,387,199</u>	<u>1,387,199</u>	<u>1,387,199</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ 20,932,800</u>	<u>\$ 20,932,800</u>	<u>\$ 20,932,800</u>

Additional project information:

Project number	*
Grant date/letter of notification	*
Original authorized cost	\$22,191,000
Additional authorized cost	\$128,999
Revised authorized cost	\$22,319,999
Percentage increase over original authorized cost	0.58%
Percentage completion	6%
Original target completion date	6/30/2025
Revised target completion date	*

* - Information not available

PROPRIETARY FUND

**NEW PROVIDENCE SCHOOL DISTRICT
ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2023**

EXHIBIT G-1

	<u>Food Service Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 178,200
Other receivable	161
Inventory	10,051
Total current assets	<u>188,412</u>
Noncurrent assets:	
Furniture, machinery and equipment	383,891
Less: accumulated depreciation	<u>(293,356)</u>
Total noncurrent assets	<u>90,535</u>
Total assets	<u>278,947</u>
LIABILITIES	
Current liabilities:	
Accounts payable	<u>50,791</u>
NET POSITION	
Net investment in capital assets	90,535
Unrestricted	<u>137,621</u>
Total net position	<u>\$ 228,156</u>

**NEW PROVIDENCE SCHOOL DISTRICT
ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT G-2

	<u>Food Service Fund</u>
OPERATING REVENUES	
Charges for services:	
Daily sales - non-reimbursable programs	\$ 927,960
Other	6,431
Total operating revenues	<u>934,391</u>
OPERATING EXPENSES	
Cost of sales - non-reimbursable programs	403,056
Salaries	300,591
Employee benefits	120,818
Miscellaneous	30,898
Depreciation expense	22,403
Total operating expenses	<u>877,766</u>
Operating income	<u>56,625</u>
NONOPERATING REVENUES	
Interest on investments	<u>2,283</u>
Change in net position	58,908
Total net position, July 1	<u>169,248</u>
Total net position, June 30	<u>\$ 228,156</u>

**NEW PROVIDENCE SCHOOL DISTRICT
ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT G-3

	<u>Food Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 931,286
Other Receipts	6,431
Payments to employees	(300,591)
Payments to suppliers	(557,187)
Net cash provided by operating activities	<u>79,939</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital expenditures - payment for equipment	<u>(21,765)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	<u>2,283</u>
Net increase in cash and cash equivalents	60,457
Balance, July 1	117,743
Balance, June 30	<u>\$ 178,200</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 56,625
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation	22,403
Decrease in other accounts receivable	3,326
(Increase) in inventory	(2,533)
Increase in accounts payable	118
Total adjustments	<u>23,314</u>
Net cash provided by operating activities	<u>\$ 79,939</u>

LONG-TERM DEBT

NEW PROVIDENCE SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2023

EXHIBIT I-1

Issue	Date of Issue	Amount of Issue	Annual Maturities				Interest Rate (%)	Balance, June 30, 2022	Issued	Retired	Balance, June 30, 2023
			Date	Amount	Rate (%)	Balance, June 30, 2022					
Refunding School Bonds, Series 2014	9/17/2014	\$ 7,615,000	08/15/22	\$ 930,000	4.000	\$ 3,710,000	\$ -	\$ 930,000	\$ 2,780,000		
			08/15/23	935,000	3.000						
			08/15/24	920,000	3.000						
			08/15/25	925,000	4.000						
School Bonds, Series 2017	1/11/2017	15,885,000	08/15/22	650,000	3.250	13,110,000	-	650,000	12,460,000		
			08/15/23	675,000	3.250						
			08/15/24	760,000	3.250						
			08/15/25	800,000	3.250						
			08/15/26	825,000	3.250						
			08/15/27	850,000	3.250						
			08/15/28	875,000	3.250						
			08/15/29	900,000	3.250						
			08/15/30	925,000	3.250						
			08/15/31	975,000	3.250						
			08/15/32	975,000	3.375						
			08/15/33	975,000	3.375						
		08/15/34	975,000	3.375							
		08/15/35	975,000	3.375							
		08/15/36	975,000	3.375							

NEW PROVIDENCE SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2023

EXHIBIT I-1

Issue	Date of Issue	Amount of Issue	Annual Maturities				Interest Rate (%)	Balance, June 30, 2022	Issued	Retired	Balance, June 30, 2023
			Date	Amount	Balance, June 30, 2022	Issued					
School Bonds, Series 2023	05/10/23	\$ 22,191,000	08/15/24	\$ 700,000	\$ -	2.000	\$ -	\$ 22,191,000	\$ -	\$ 22,191,000	
			08/15/25	700,000		2.000					
			08/15/26	1,061,000		2.000					
			08/15/27	1,070,000		2.000					
			08/15/28	1,080,000		3.000					
			08/15/29	1,090,000		3.000					
			08/15/30	1,100,000		3.000					
			08/15/31	1,120,000		3.000					
			08/15/32	1,140,000		3.000					
			08/15/33	1,160,000		3.000					
			08/15/34	1,180,000		3.000					
			08/15/35	1,190,000		3.000					
			08/15/36	1,200,000		4.000					
			08/15/37	1,400,000		4.000					
			08/15/38	1,400,000		4.000					
			08/15/39	1,400,000		4.000					
			08/15/40	1,400,000		4.000					
			08/15/41	1,400,000		4.000					
			08/16/41	1,400,000		4.000					
							\$ 16,820,000	\$ 22,191,000	\$ 1,580,000	\$ 37,431,000	

NEW PROVIDENCE SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF OBLIGATIONS UNDER FINANCE PURCHASES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate (%)	Balance, June 30, 2022	Issued	Retired	Balance, June 30, 2023
			Principal	Interest					
Copy Machine	06/01/22	1 year	\$ 28,839	\$ -	-	\$ 28,839	\$ -	\$ 28,839	\$ -
						<u>\$ 28,839</u>	<u>\$ -</u>	<u>\$ 28,839</u>	<u>\$ -</u>

**NEW PROVIDENCE SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT I-3

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
REVENUES:					
Local sources:					
Local tax levy	\$ 1,574,363	\$ -	\$ 1,574,363	\$ 1,574,363	\$ -
State sources:					
Debt service type II aid	542,150	-	542,150	542,150	-
Total revenues	<u>2,116,513</u>	<u>-</u>	<u>2,116,513</u>	<u>2,116,513</u>	<u>-</u>
EXPENDITURES:					
Regular debt service:					
Interest	536,513	-	536,513	536,513	-
Redemption of principal	1,580,000	-	1,580,000	1,580,000	-
Total regular debt service	<u>2,116,513</u>	<u>-</u>	<u>2,116,513</u>	<u>2,116,513</u>	<u>-</u>
Total expenditures	<u>2,116,513</u>	<u>-</u>	<u>2,116,513</u>	<u>2,116,513</u>	<u>-</u>
Excess of revenues over expenditures	-	-	-	-	-
Fund balances, July 1	-	-	-	-	-
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION
(Unaudited)

FINANCIAL TRENDS

NEW PROVIDENCE SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

EXHIBIT J-1

	2014	2015 ⁽¹⁾	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Invested in capital assets, net of related debt	\$ 6,493,378	\$ 6,585,446	\$ 6,501,130	\$ (6,858,943)	\$ 4,040,654	\$ 5,196,934	\$ 5,808,821	\$ 5,809,875	\$ 6,054,733	\$ (14,852,074)
Restricted	938,156	451,947	640,863	15,606,408	4,618,825	2,727,475	2,532,658	1,781,140	4,220,096	20,028,798
Unrestricted	1,057,581	(8,399,198)	(8,528,831)	(10,068,983)	(10,411,341)	(9,435,261)	(8,653,138)	(6,590,419)	(7,285,350)	(1,203,283)
Total governmental activities net position	\$ 8,489,115	\$ (1,361,805)	\$ (1,386,838)	\$ (1,321,518)	\$ (1,751,862)	\$ (1,510,852)	\$ (311,659)	\$ 1,000,596	\$ 2,989,479	\$ 3,973,441
Business-type activities										
Invested in capital assets, net of related debt	\$ 146,883	\$ 151,844	\$ 135,059	\$ 120,362	\$ 123,512	\$ 131,000	\$ 133,263	\$ 108,375	\$ 91,174	\$ 90,535
Unrestricted	171,378	137,929	138,100	151,441	166,107	168,068	62,171	14,936	78,074	137,621
Total business-type activities net position	\$ 318,261	\$ 289,773	\$ 273,159	\$ 271,803	\$ 289,619	\$ 299,068	\$ 195,434	\$ 123,311	\$ 169,248	\$ 228,156
Government-wide										
Invested in capital assets, net of related debt	\$ 6,640,261	\$ 6,737,290	\$ 6,636,189	\$ (6,738,581)	\$ 4,164,166	\$ 5,327,934	\$ 5,942,084	\$ 5,918,250	\$ 6,145,907	\$ (14,761,539)
Restricted	938,156	451,947	640,863	15,606,408	4,618,825	2,727,475	2,532,658	1,781,140	4,220,096	20,028,798
Unrestricted	1,228,959	(8,261,269)	(8,390,731)	(9,917,542)	(10,245,234)	(9,267,193)	(8,590,967)	(6,575,483)	(7,207,276)	(1,065,662)
Total district net position	\$ 8,807,376	\$ (1,072,032)	\$ (1,113,679)	\$ (1,049,715)	\$ (1,462,243)	\$ (1,211,784)	\$ (116,225)	\$ 1,123,907	\$ 3,158,727	\$ 4,201,597

Source: District Records

Note: (1) GASB Statement No. 68 was implemented during the 2015 fiscal year, which required the restatement of beginning net position in the amount of \$9,288,272. The amount is not reflected in the June 30, 2014 net position, above.

NEW PROVIDENCE SCHOOL DISTRICT
 CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (UNAUDITED)
 (accrual basis of accounting)

	2014	2015 ⁽¹⁾	2016	2017	2018 ⁽²⁾	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 12,859,042	\$ 13,122,021	\$ 13,232,521	\$ 13,732,314	\$ 14,236,542	\$ 14,710,003	\$ 14,935,994	\$ 16,134,234	\$ 23,796,568	\$ 23,412,670
Special education	2,254,729	2,327,478	2,481,345	2,585,876	2,636,119	2,764,946	2,824,255	2,936,826	4,789,859	4,846,300
Other special instruction	331,131	293,590	292,636	339,473	297,663	347,426	317,658	325,899	689,973	697,517
Other instruction	845,087	973,365	861,353	932,935	983,825	1,061,011	1,090,089	1,004,264	1,708,099	1,681,418
Support Services:										
Tuition	2,505,200	2,466,291	2,638,139	2,566,033	2,477,479	2,612,032	2,656,322	2,538,261	2,807,801	3,243,520
Student & instruction related services	3,517,719	3,536,076	3,570,885	3,661,895	3,721,839	4,031,584	3,960,786	4,609,750	7,203,846	7,302,929
School administrative services	1,397,300	1,411,511	1,377,108	1,398,769	1,442,372	1,435,530	1,561,013	1,543,849	2,513,060	2,476,198
General and business administrative services	9,650,286	11,557,805	11,851,219	13,643,633	21,752,416	18,913,850	17,664,315	22,538,225	3,063,139	3,052,298
Plant operations and maintenance	2,139,359	2,189,103	2,223,541	2,195,207	2,350,526	2,594,141	2,228,700	2,170,897	3,675,913	3,791,622
Pupil transportation	999,670	910,256	1,058,768	1,335,666	1,301,539	1,414,324	1,209,101	1,185,926	1,918,298	2,419,760
Unallocated depreciation	481,537	395,516	353,610	304,240	1,642,856	1,666,661	1,728,131	973,491	-	-
Interest on long-term debt	1,145,407	1,118,929	1,064,016	833,031	833,031	744,053	698,913	647,231	593,232	536,513
Unallocated Depreciation	38,126,467	40,301,941	41,005,141	43,670,298	53,676,207	52,295,561	50,875,277	56,608,853	52,759,788	53,460,745
Total governmental activities expenses	796,956	761,197	772,120	779,985	808,649	766,627	658,714	163,043	749,156	877,766
Business-type activities:										
Food service	796,956	761,197	772,120	779,985	808,649	766,627	658,714	163,043	749,156	877,766
Total business-type activities expense	796,956	761,197	772,120	779,985	808,649	766,627	658,714	163,043	749,156	877,766
Total district expenses	\$ 38,923,423	\$ 41,063,138	\$ 41,777,261	\$ 44,450,283	\$ 54,484,856	\$ 53,062,188	\$ 51,533,991	\$ 56,771,896	\$ 53,508,944	\$ 54,338,511
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 239,857	\$ 143,328	\$ 104,632	\$ 86,506	\$ 78,982	\$ 71,532	\$ 130,865	\$ 335,685	\$ 424,257	\$ 648,307
Operating grants and contributions	629,969	616,777	721,265	764,226	714,170	721,714	689,498	980,274	12,725,517	10,940,505
Total governmental activities program revenues	869,826	760,105	825,897	850,732	793,152	793,246	820,363	1,315,959	13,149,774	11,588,812
Business-type activities:										
Charges for services:										
Food service	688,532	732,136	754,858	777,529	823,782	773,194	553,350	12,865	794,947	934,391
Operating grants and contributions	108,584	573	648	1,100	2,683	2,882	1,730	55	-	-
Total business type activities program revenues	797,116	732,709	755,506	778,629	826,465	776,076	555,080	12,920	794,947	934,391
Total district program revenues	\$ 1,666,942	\$ 1,492,814	\$ 1,581,403	\$ 1,629,361	\$ 1,619,617	\$ 1,569,322	\$ 1,375,443	\$ 1,328,879	\$ 13,944,721	\$ 12,523,203
Net (Expense)/Revenue										
Governmental activities	(37,256,641)	(39,542,016)	(40,179,244)	(42,819,566)	(52,883,055)	(51,502,315)	(50,054,914)	(55,292,894)	(39,610,014)	(41,871,933)
Business-type activities	160	(28,488)	(16,614)	(1,356)	17,816	9,449	(103,634)	(150,123)	45,791	56,625
Total government-wide net expense	\$ (37,256,481)	\$ (39,570,504)	\$ (40,195,858)	\$ (42,820,922)	\$ (52,865,239)	\$ (51,492,866)	\$ (50,158,548)	\$ (55,443,017)	\$ (39,564,223)	\$ (41,815,308)

NEW PROVIDENCE SCHOOL DISTRICT
 CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (UNAUDITED)
 (accrual basis of accounting)

	2014	2015 ⁽¹⁾	2016	2017	2018 ⁽²⁾	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 31,441,208	\$ 32,479,298	\$ 33,241,004	\$ 34,643,702	\$ 35,448,844	\$ 37,269,826	\$ 38,105,152	\$ 38,938,890	\$ 39,717,552	\$ 40,669,610
Taxes levied for debt service	1,194,140	1,197,638	1,324,897	1,012,409	1,498,204	1,525,788	1,536,809	1,546,721	1,228,689	1,574,363
Federal and State aid not restricted	4,484,398	4,910,899	5,430,312	6,217,067	15,227,360	12,539,696	11,110,016	15,914,045	-	-
Investment earnings	17,086	15,558	18,867	86,028	137,915	130,231	93,392	19,463	16,330	252,260
Special item- Appraisal of capital asset adjustment	40,742	107,272	15,602	144,039	-	-	-	-	-	-
Miscellaneous income	178,071	190,350	126,424	783,808	147,241	291,444	177,222	292,708	636,326	359,662
Special item-Loss on disposal of fixed assets	(19,905)	(1,647)	(2,895)	(2,167)	(6,853)	(13,660)	(1,332)	(28,678)	-	-
Special item- Series 2008 refunding bond cost	-	80,000	-	-	-	-	-	-	-	-
Total governmental activities	\$ 37,335,740	\$ 38,979,368	\$ 40,154,211	\$ 42,884,886	\$ 52,452,711	\$ 51,743,325	\$ 51,021,259	\$ 56,683,149	\$ 41,598,897	\$ 42,855,895
Business-type activities										
Miscellaneous income	534	524	272	171	-	-	-	-	146	2,283
Private sources	-	-	-	16,031	12,682	24,838	22,592	-	4,239	-
Adjustment to asset valuation	-	-	261,233	(307,675)	167,924	19,300	(66,654)	-	-	-
Transfers	-	-	112,741	-	-	-	-	-	-	-
Total business-type activities	\$ 534	\$ 524	\$ 374,246	\$ (291,473)	\$ 180,606	\$ 44,138	\$ (44,062)	\$ 59,133	\$ 146	\$ 2,283
Total government-wide	\$ 37,336,274	\$ 38,979,892	\$ 40,528,457	\$ 42,593,413	\$ 52,633,317	\$ 51,787,463	\$ 50,977,197	\$ 56,742,282	\$ 41,599,043	\$ 42,858,178
Change in Net Position										
Governmental activities	\$ 79,099	\$ (562,648)	\$ (25,033)	\$ 65,320	\$ (430,344)	\$ 241,010	\$ 966,345	\$ 1,390,255	\$ 1,988,883	\$ 983,962
Business-type activities	160	(28,488)	(16,614)	(1,356)	17,816	9,449	(103,634)	(150,123)	45,937	58,908
Total district	\$ 79,259	\$ (591,136)	\$ (41,647)	\$ 63,964	\$ (412,528)	\$ 250,459	\$ 862,711	\$ 1,240,132	\$ 2,034,820	\$ 1,042,870

Source: District records

Note: (1) GASB Statement No. 68 was implemented in the 2015 fiscal year where additional on-behalf TPAF pension expense and offsetting contribution is reported.

(2) GASB Statement No. 75 was implemented in the 2018 fiscal year, where additional on-behalf OPEB expense and offsetting contribution is reported.

NEW PROVIDENCE SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (UNAUDITED)
 (modified accrual basis of accounting)

EXHIBIT J-3

	2014	2015	2016	2017	2018	2019	2020	2021 ⁽¹⁾	2022	2023
General Fund										
Restricted	\$ 938,156	\$ 406,525	\$ 595,441	\$ 1,899,037	\$ 2,430,557	\$ 2,548,086	\$ 3,684,973	\$ 3,739,039	\$ 3,954,562	\$ 3,720,935
Committed	1,039,022	382,128	915,022	632,675	689,040	765,102	1,243,045	1,496,019	1,042,799	1,034,225
Assigned	276,424	562,513	481,055	288,597	327,459	442,077	69,938	127,682	393,812	1,323,304
Unassigned	581,535	607,799	591,702	629,375	626,665	642,438	626,924	1,461,398	1,929,137	948,211
Total general fund	\$ 2,835,137	\$ 1,958,965	\$ 2,583,220	\$ 3,449,684	\$ 4,073,721	\$ 4,397,703	\$ 5,624,880	\$ 6,824,138	\$ 7,320,310	\$ 7,026,675
All Other Governmental Funds										
Committed, Capital Projects Fund	\$ -	\$ -	\$ -	\$ 10,911,451	\$ 1,353,649	\$ 508,856	\$ 27,758	\$ -	\$ -	\$ 4,959,896
Student Activities	-	-	-	-	-	-	-	99,018	116,038	179,839
Scholarships	-	-	-	-	-	-	-	149,601	149,496	155,120
Unassigned reported in:										
Capital projects fund	-	-	-	2,750,497	834,618	628,456	349,989	-	-	15,972,904
Debt service fund	-	-	-	45,423	1	-	-	323,568	-	-
Total all other governmental funds	\$ -	\$ -	\$ -	\$ 13,707,371	\$ 2,188,268	\$ 1,137,312	\$ 377,747	\$ 572,187	\$ 265,534	\$ 21,267,759

Source: District records

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

NEW PROVIDENCE SCHOOL DISTRICT
 CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS,
 LAST TEN FISCAL YEARS
 (UNAUDITED)
 (modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 32,635,348	\$ 33,676,936	\$ 34,565,901	\$ 35,656,111	\$ 36,947,048	\$ 38,795,614	\$ 39,641,961	\$ 40,485,611	\$ 40,946,241	\$ 42,243,973
Tuition charges	239,857	143,328	104,632	86,506	78,982	71,532	130,865	129,180	52,794	70,950
Interest earnings	17,086	13,558	18,867	86,028	137,915	130,231	93,392	19,463	16,330	252,260
Miscellaneous	178,071	190,350	126,424	783,808	147,241	291,444	177,222	292,708	550,151	250,521
Private sources	-	-	-	-	-	-	-	206,505	457,638	686,498
Grants	3,864	(4,598)	(7,394)	(12,821)	(11,090)	(9,913)	(4,752)	11,783	-	-
State sources	4,578,724	4,988,395	5,507,598	6,292,618	7,252,409	8,324,147	9,016,718	10,800,911	13,659,244	13,968,025
Federal sources	531,779	543,879	651,373	701,496	646,045	650,887	630,791	898,769	816,608	1,243,646
Total revenue	<u>38,184,729</u>	<u>39,553,848</u>	<u>40,967,401</u>	<u>43,593,746</u>	<u>45,198,550</u>	<u>48,253,942</u>	<u>49,686,197</u>	<u>52,844,930</u>	<u>56,499,006</u>	<u>58,715,873</u>
Expenditures										
Current expense:										
Instruction	15,843,198	16,197,180	16,445,109	17,164,055	17,699,174	18,413,397	18,591,089	19,105,350	19,714,913	20,449,573
Undistributed expenditures	20,877,601	22,469,848	22,303,251	23,829,077	24,664,216	26,589,282	27,236,247	30,055,606	33,476,336	35,934,638
Capital Outlay	411,149	542,346	219,110	2,593,281	11,700,431	2,108,320	1,666,086	718,852	812,196	1,697,559
Debt service	1,486,537	1,445,516	1,448,610	1,449,240	2,078,031	2,049,053	2,063,913	2,077,231	2,088,232	2,116,513
Total Expenditures	<u>38,618,485</u>	<u>40,654,890</u>	<u>40,416,080</u>	<u>45,035,653</u>	<u>56,141,852</u>	<u>49,160,052</u>	<u>49,557,335</u>	<u>51,957,039</u>	<u>56,091,677</u>	<u>60,198,283</u>
Total Expenditures over (under) expenditures	(433,756)	(1,101,042)	551,321	(1,441,907)	(10,943,302)	(906,110)	128,862	887,891	407,329	(1,482,410)
Other Financing sources (uses)										
Transfer to Enterprise Service	-	-	-	-	-	-	-	(78,000)	-	-
Capital leases (non-budgeted)	103,071	270,292	72,934	85,320	48,236	179,136	338,750	104,310	28,839	-
Bond Proceeds	-	-	-	15,885,000	-	-	-	-	-	-
Total other financing sources (uses)	<u>103,071</u>	<u>270,292</u>	<u>72,934</u>	<u>15,970,320</u>	<u>48,236</u>	<u>179,136</u>	<u>338,750</u>	<u>26,310</u>	<u>28,839</u>	<u>22,191,000</u>
Net change in fund balances	<u>\$ (330,685)</u>	<u>\$ (830,750)</u>	<u>\$ 624,255</u>	<u>\$ 14,528,413</u>	<u>\$ (10,895,066)</u>	<u>\$ (726,974)</u>	<u>\$ 467,612</u>	<u>\$ 914,201</u>	<u>\$ 436,168</u>	<u>\$ 20,708,590</u>
Debt service as a percentage of noncapital expenditures	3.9%	3.6%	3.6%	3.4%	4.7%	4.4%	4.3%	4.1%	3.8%	3.6%

Source: District records (GAAP Basis)

Note: Noncapital expenditures are total expenditures less capital outlay.

**NEW PROVIDENCE SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE (NJ)
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)**

EXHIBIT J-5

<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Rentals</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2014	\$ 17,086	\$ 41,411	\$ 239,857	\$ 136,660	\$ 435,014
2015	15,558	30,430	143,328	159,920	349,236
2016	19,757	30,439	104,632	95,985	250,813
2017	28,375	29,656	86,506	754,087	898,624
2018	83,777	39,955	78,982	107,286	310,000
2019	114,448	43,612	71,532	247,832	477,424
2020	87,062	34,589	130,865	142,554	395,070
2021	19,463	25,404	134,814	261,670	441,351
2022	17,086	41,767	52,794	438,504	550,151
2023	123,261	64,024	70,950	250,521	508,756

Source: District records

REVENUE CAPACITY

NEW PROVIDENCE SCHOOL DISTRICT
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 FOR THE LAST TEN YEARS
 (UNAUDITED)

EXHIBIT J-6

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District Property										
Vacant Land	\$ 11,987,300	\$ 11,011,900	\$ 10,671,200	\$ 10,003,600	\$ 9,928,600	\$ 10,030,700	\$ 9,801,600	\$ 9,277,800	\$ 8,985,400	\$ 8,731,700
Residential	1,057,175,800	1,066,460,900	1,072,696,100	1,083,203,100	1,096,855,000	1,107,685,000	1,115,402,500	1,124,249,600	1,133,845,300	1,144,913,700
Commercial	122,738,085	120,491,592	120,542,792	140,168,392	160,680,292	177,422,292	202,667,592	202,590,892	202,843,492	202,193,792
Industrial	59,432,300	57,157,500	57,710,000	57,382,400	50,212,900	51,783,300	49,830,400	49,830,400	52,190,400	52,250,600
Apartment	35,058,600	35,058,600	50,807,100	59,769,800	59,769,800	61,790,500	63,190,500	63,890,500	60,890,500	61,085,400
Total Assessed Value	1,286,392,085	1,290,180,492	1,312,427,192	1,350,527,292	1,377,446,592	1,408,711,792	1,440,892,592	1,449,839,192	1,461,755,092	1,469,175,192
Less: Tax Exempt Property	-	-	-	-	-	-	-	-	-	-
Business Personal Property	798,901	823,022	895,426	971,235	1,003,318	1,018,305	1,158,487	2,421,025	2,311,605	2,224,912
Net Valuation Taxable	921,396,581	1,291,003,514	1,313,322,618	1,351,498,527	1,378,449,910	1,409,730,097	1,442,051,079	1,452,260,217	1,464,066,697	1,471,400,104
Total Direct School Tax Rate	2.575	2.642	2.667	2.695	2.746	2.782	2.779	2.795	2.854	2.920

Source: Municipal Tax Assessor

NEW PROVIDENCE SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAXES
 PER \$100.00 OF ASSESSED VALUATION
 FOR THE LAST TEN YEARS
 (UNAUDITED)

Assessment Year	New Providence Board of Education			Overlapping Rate			Total Direct and Overlapping Tax Rate	
	Basic Rate	General Obligation Debt Service	Total Direct	Union County	Union County Open Space	Municipal Open Space		Municipal Library
2014	2.48	0.095	2.575	0.984	0.029	0.002	0.064	4.564
2015	2.542	0.099	2.642	0.973	0.028	0.003	0.062	4.634
2016	2.582	0.085	2.667	0.998	0.028	0.005	0.063	4.699
2017	2.591	0.104	2.695	1.023	0.029	0.006	0.063	4.766
2018	2.635	0.111	2.746	1.031	0.029	0.007	0.065	4.845
2019	2.671	0.111	2.782	1.013	0.03	0.008	0.066	4.870
2020	2.669	0.11	2.779	1.023	0.031	0.009	0.068	4.900
2021	2.708	0.087	2.795	0.978	0.031	0.01	0.069	4.902
2022	2.745	0.109	2.854	0.933	0.031	0.01	0.07	4.938
2023	2.814	0.106	2.920	0.91	0.034	0.01	0.076	5.007

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

**NEW PROVIDENCE SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
FOR THE CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

EXHIBIT J-8

Taxpayers	2023			2014		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Redwood-ERC NP LLC / Altus Group	\$ 91,348,100	1	6.21%	\$ -	-	0.00%
Tower Spring Gardens One 2015, LLC	14,800,000	2	1.01%	-	-	0.00%
UB New Providence	14,272,800	3	1.01%	-	-	0.00%
Shelbourne Spring LLC	12,392,000	4	0.97%	-	-	0.00%
Redwood-ERC NP LLC / Altus Group	9,675,100	5	0.84%	-	-	0.00%
121 Chanlon LLC Signatutre Acq.	8,032,000	6	0.66%	-	-	0.00%
GH NP Central LLC	7,649,600	7	0.55%	-	-	0.00%
Murray Hill Gardens	7,162,800	8	0.52%	-	-	0.00%
Murray Hill Gardens	6,837,200	9	0.49%	-	-	0.00%
AP Haven TIC 1 LLC, ETAL	6,279,800	10	0.46%	-	-	0.00%
The B.O.C Group, Inc	-	-	-	19,955,900	1	1.55%
Martindale-Hubbell, Inc.	-	-	-	14,678,385	2	1.14%
N Providence, LLC	-	-	-	14,272,800	3	1.11%
41 Spring Street, LLC	-	-	-	13,886,100	4	1.08%
C.R Bard, Inc	-	-	-	11,500,000	5	0.89%
Murray Hill Apartments Company, LLC	-	-	-	8,380,800	6	0.65%
Tower Management Financing PTSP, LP	-	-	-	8,269,300	7	0.64%
Redwood-ERC New Providence LLC	-	-	-	7,500,000	8	0.58%
Lucent Technologies, Inc.	-	-	-	5,800,000	9	0.45%
Mack-Cali Realty Corp	-	-	-	5,097,000	10	0.40%
Total	\$ 178,449,400		12.72%	\$ 109,340,285		8.49%

**NEW PROVIDENCE SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
FOR THE LAST TEN YEARS
(UNAUDITED)**

EXHIBIT J-9

Fiscal Year Ending June 30,	Taxes Levied for the Fiscal Year	Amount	Percent of Tax Levy Collected
2014	\$ 32,635,348	\$ 32,635,348	100.00%
2015	33,676,936	33,676,936	100.00%
2016	34,565,901	34,565,901	100.00%
2017	35,656,111	35,656,111	100.00%
2018	36,947,048	36,947,048	100.00%
2019	38,795,614	38,795,614	100.00%
2020	39,641,961	39,641,961	100.00%
2021	40,485,611	40,485,611	100.00%
2022	40,946,241	40,946,241	100.00%
2023	42,243,973	42,243,973	100.00%

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

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

DEBT CAPACITY

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

EXHIBIT J-10

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Finance Leases			
2014	\$ 11,145,000	\$ 180,976	\$ 11,325,976	0.51%	\$ 57,306
2015	10,015,000	228,496	10,243,496	0.59%	60,089
2016	8,920,000	152,867	9,072,867	0.68%	61,808
2017	23,660,000	82,968	23,742,968	0.27%	65,130
2018	22,145,000	24,118	22,439,118	0.30%	68,313
2019	21,110,000	130,848	21,240,848	0.33%	70,865
2020	19,745,000	243,679	19,988,679	0.36%	72,543
2021	18,315,000	93,435	18,408,435	0.42%	77,007
2022	16,820,000	28,839	16,848,839	N/A	N/A
2023	37,431,000	-	37,431,000	N/A	N/A

Sources: Details regarding the District’s outstanding liabilities can be found in the notes to the basic financial statements.

Personal income and population data was provided by the U.S. Bureau of the Census, Population Division. These ratios are calculated using personal income and population for the prior calendar year.

N/A – Information was not available at time of the audit.

**NEW PROVIDENCE SCHOOL DISTRICT
 RATIO OF GENERAL BONDED DEBT OUTSTANDING
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

EXHIBIT J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 11,145,000	\$ -	\$ 11,145,000	0.86%	\$ 57,306
2015	10,095,000	-	10,095,000	0.78%	60,089
2016	8,920,000	-	8,920,000	0.68%	61,808
2017	23,660,000	-	23,660,000	1.80%	65,130
2018	22,415,000	-	22,415,000	1.62%	68,313
2019	21,110,000	-	21,110,000	1.50%	70,865
2020	19,745,000	-	19,745,000	1.37%	72,543
2021	18,315,000	-	18,315,000	1.26%	77,007
2022	16,820,000	-	16,820,000	1.15%	N/A
2023	37,431,000	-	37,431,000	2.54%	N/A

N/A – Information was not available at time of the audit.

**NEW PROVIDENCE SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

EXHIBIT J-12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
New Providence Borough	\$ 25,733,498	100.00%	\$ 25,733,498
Other debt			
Union County	535,791,918	3.64%	19,521,310
Subtotal, overlapping debt			45,254,808
New Providence School Direct Debt	37,431,000	100.00%	37,431,000
Total direct and overlapping debt			
Total Direct and Overlapping Debt			\$ 82,685,808

Source: Finance officer, Union County Finance office and utility authorities

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

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

EXHIBIT J-13

	Average equalized valuation of taxable property										Equalized Valuation Basis
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Debt limit	\$ 100,185,750	\$ 98,608,797	\$ 98,248,486	\$ 99,233,578	\$ 103,094,609	\$ 107,382,843	\$ 112,551,416	\$ 116,374,028	\$ 120,077,995	\$ 125,544,917	\$ 125,544,917
Total Net Debt applicable to limit	11,145,000	10,095,000	8,920,000	23,660,000	22,415,000	21,110,000	19,745,000	18,315,000	16,820,000	37,431,000	37,431,000
Legal debt margin	\$ 89,040,750	\$ 88,513,797	\$ 89,328,486	\$ 75,573,578	\$ 80,679,609	\$ 86,272,843	\$ 92,806,416	\$ 98,059,028	\$ 103,257,995	\$ 88,113,917	\$ 88,113,917
Total net debt applicable to the limit as a % of debt limit	11.12%	10.24%	9.08%	23.84%	21.74%	19.66%	17.54%	15.74%	14.01%	29.81%	29.81%

Source: Annual Debt Statements

Note:

DEMOGRAPHIC AND ECONOMIC INFORMATION

**NEW PROVIDENCE SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS
 (UNAUDITED)**

EXHIBIT J-14

<u>Year Ended December 31,</u>	<u>Population</u>	<u>Personal Income</u>	<u>Total Per Capita Income</u>	<u>Unemployment Rate</u>
2014	12,421	\$ -	\$ 57,306	4.2%
2015	12,469	-	60,089	3.7%
2016	12,758	-	60,808	3.4%
2017	13,308	-	64,413	3.1%
2018	13,486	-	68,262	2.7%
2019	13,595	-	70,865	2.3%
2020	13,994	-	72,543	5.9%
2021	13,617	-	77,007	3.9%
2022	13,519	-	N/A	2.5%
2023	N/A	-	N/A	N/A

Source: Population and per capita information is provided by the American Community Survey data published by the US Bureau of Economic Analysis. Unemployment information provided by the NJ Department of Labor and Workforce Development. Personal income has been estimated based upon the municipal population and per capita personal income presented.

N/A - Information was not available at time of the audit.

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

EXHIBIT J-15

Employer	2023		2014	
	Employees	Rank (Optional)	Employees	Rank (Optional)
*				
*				
*				
*				
*				
*				
*				
*				
*				
*				
*				

* Data not available from Borough of New Providence

OPERATING INFORMATION

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Regular	150.5	153.5	152	153.7	159	160	163	164.5	166.5	166.5
Supplemental (Special Education)	20	23	24	25	25	26	28	29	30	30
Vocational	1	1	1	1	1	1	1	1	1	1
Support Services:										
Certificated:										
Educational Support (Includes Special Ed)	31.3	28.3	30.3	30.5	30.9	31.3	32.3	32.3	33.3	33.3
General administrative services	2	2	2	2	2	2	2	2	2	2
Business administrative services	1	1	1	1	1	1	1	1	1	1
School administrative services	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5
Non-Certificated:										
Teacher Aides	18.5	20	21	23	23	24	20	20	20	20
Technicians	2	2	2	2	2	2	2	2	2	2
Clerical/ Secretarial	21.8	22	21	21	21	21	21	20	20	20
Service Workers (Includes Playground/Lunch/Aides)	24.3	23	22	20.5	20.5	20.8	20.8	19.8	19.8	19.8
Skilled Crafts (Includes Maintenance)	7	7	7	7	7	7	7	9	9	9
Total	289.9	293.3	293.8	297.2	302.9	306.6	308.6	311.1	315.1	315.1

Source: District personnel records

NEW PROVIDENCE SCHOOL DISTRICT
OPERATING STATISTICS
LAST NINE FISCAL YEARS
(UNAUDITED)

EXHIBIT J-17

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2014	2,369	\$ 36,090,830	\$ 15,235	-1.29%	202.8	1:12	1:12	1:11	2,335	2,247	2.89%	96.23%
2015	2,378	38,050,251	16,001	5.03%	205.8	1:12	1:12	1:11	2,342	2,254	0.32%	96.24%
2016	2,410	38,027,095	15,779	-1.39%	207.3	1:12	1:12	1:11	2,383	2,297	1.75%	96.39%
2017	2,403	40,228,906	16,741	6.10%	209.2	1:14	1:12	1:11	2,388	2,292	0.20%	95.98%
2018	2,421	41,649,220	17,203	2.76%	214.9	1:14	1:10	1:10	2,359	2,269	-1.20%	96.18%
2019	2,444	44,413,339	18,172	5.63%	218.7	1:13	1:10	1:10	2,384	2,302	1.05%	96.56%
2020	2,387	45,224,294	18,946	4.26%	223.7	1:13	1:10	1:10	2,385	2,327	0.05%	97.57%
2021	2,388	47,989,948	20,096	6.07%	226.8	1:13	1:11	1:10	2,340	2,266	-1.90%	96.84%
2022	2,368	51,891,759	21,914	9.05%	230.8	1:12	1:10	1:10	2,328	2,215	-0.50%	95.15%
2023	2,383	55,865,455	23,443	6.98%	230.8	1:12	1:10	1:09	2,317	2,218	-0.50%	95.73%

Sources: District records, school performance reports

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

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

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

EXHIBIT J-18

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District Building										
Elementary										
Allen W. Roberts (1962)	72,114	72,114	72,114	72,114	72,114	72,114	72,114	72,114	72,114	72,114
Square Feet	575	562	562	562	562	562	562	562	562	562
Capacity (students)	649	663	637	657	671	671	673	674	692	676
Enrollment										
Salt Brook (1968)	92,920	92,920	92,920	92,920	92,920	92,920	92,920	92,920	92,920	92,920
Square Feet	579	570	570	570	570	570	570	570	570	570
Capacity (students)	662	638	669	649	650	654	643	641	606	607
Enrollment										
High School/Middle School										
New Providence HS/MS (1957)	180,892	180,892	180,892	180,892	185,732	185,732	185,732	185,732	185,732	185,732
Square Feet	1,041	1,039	1,039	1,039	1,032	1,032	1,032	1,052	1,052	1,052
Functional Capacity (students)	971	1,040	1,025	1,019	1,034	1,037	1,040	1,040	1,020	1,048
Enrollment										
Other										
Maintenance Garage										
Square Feet	5,467	5,467	5,467	5,467	5,467	5,467	5,467	5,467	5,467	5,467

Number of Schools at June 30, 2023
 Elementary = 2
 High School/Middle School = 1
 Other = 1

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

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

NEW PROVIDENCE SCHOOL DISTRICT
 SCHEDULE OF ALLOWABLE MAINTENANCE EXPENDITURES BY SCHOOL FACILITY (NJ)
 FOR THE LAST TEN FISCAL YEARS
 (UNAUDITED)

EXHIBIT J-19

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
UNDISTRIBUTED EXPENDITURES - REQUIRED										
MAINTENANCE FOR SCHOOL FACILITIES										
* <u>School Facilities</u>										
Allen W. Roberts School	\$ 120,387	\$ 124,507	\$ 120,520	\$ 129,474	\$ 120,594	\$ 140,366	\$ 129,925	\$ 134,360	\$ 128,851	\$ 139,900
Salt Brook School	155,118	158,967	176,026	152,981	162,624	334,423	142,011	160,382	155,617	160,402
Middle High School	302,023	301,017	314,727	303,332	323,310	172,174	310,424	338,996	341,170	366,078
Total School Facilities	577,528	584,491	611,273	585,787	606,528	646,963	582,360	633,738	625,638	666,380
Other Facilities	9,152	7,643	8,006	7,946	7,630	7,897	7,395	7,821	7,537	8,466
Grand Total	\$ 586,680	\$ 592,134	\$ 619,279	\$ 593,733	\$ 614,158	\$ 654,860	\$ 589,755	\$ 641,559	\$ 633,175	\$ 674,846

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

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

**NEW PROVIDENCE SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
(UNAUDITED)**

EXHIBIT J-20

	<u>Coverage</u>	<u>Deductible</u>
Multi-Peril Policy - Utica National Insurance Group		
Property, Blanket Building & Contents, replacement costs Boiler & Machinery (Actual values 96,199,281)	\$ 98,940,298	\$ 1,000
Comprehensive General Liability (includes B.O.E liability)	1,000,000	7,500
Automobile Liability - Utica Mutual	1,000,000	500/1000
Umbrella Liability Policy - Utica National Ins. Group.	15,000,000	10,000
Public Employee Blanket Bond - Selective Insurance Co.	250,000	2,500
Public Official Bond - Selective Insurance Co.	300,000	-
Workers Compensation - New Jersey School Insurance Group	In Accordance with statutory requirements	
Athletic - Accident - Zurich American Insurance Company	5,000,000	Full Excess
Foreign Liability - Chubb & Son	1,000,000	-
Foreign Worker's Compensation - Chubb & Son	Statutory	-
Cap Excess Umbrella Liability - Hudson Insurance Co.	30,000,000	-
Cyber Liability -Loyds of London Insurance Company	1,000,000	25,000

Source: District Records

SINGLE AUDIT SECTION

EXHIBIT K-1

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of governmental activities, the business-type activities, and each major fund, of the Board of Education of the New Providence School District, in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise of the Board of Education of the New Providence School District’s basic financial statements, and have issued our report thereon dated November 28, 2023.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



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



MAURICIO CANTO
Certified Public Accountant
Licensed Public School Accountant
No. 2541

Secaucus, New Jersey
November 28, 2023

EXHIBIT K-2

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the New Providence School District, in the County of Union, State of New Jersey compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the New Providence School District’s major federal and state programs for the year ended June 30, 2023. The Board of Education of the New Providence School District’s major federal and state programs are identified in the Summary of Auditor’s Results Section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Board of Education of the New Providence School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 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; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and *New Jersey OMB’s Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey’s OMB Circular 15-08 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 Board of Education of the New Providence School District 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 Board of Education of the New Providence School District’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, regulations, rules, and provisions of contracts or grant agreements applicable to the Board of Education of the New Providence School District’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 Board of Education of the New Providence School District'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*, the Uniform Guidance and New Jersey's 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 omissions, misrepresentations, 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 Board of Education of the New Providence School District'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*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we:

- Exercise professional judgment 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 Board of Education of the New Providence School District'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 Board of Education of the New Providence School District'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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education of the New Providence School District's internal control 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 program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 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 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 the Uniform Guidance and New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Donohue, Gironde, Doria & Tomkins LLC

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



MAURICIO CANTO
Certified Public Accountant
Licensed Public School Accountant
No. 2541

Secaucus, New Jersey
November 28, 2023

NEW PROVIDENCE SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

EXHIBIT K-3
 SCHEDULE A

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL AWARD NUMBER	FEDERAL FAIN NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD FROM TO	BALANCE AT JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	BALANCE AT JUNE 30, 2023		MEMO TOTAL EXPENDITURES
								(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	
U.S. DEPARTMENT OF EDUCATION										
PASSED-THROUGH STATE										
DEPARTMENT OF EDUCATION:										
Elementary and Secondary Education Act:										
Title I - Part A Basic										
84.010	84.010	S010A210030	\$ 4,848	07/01/21 09/30/22	\$ (4,848)	\$ 4,848	\$ -	\$ -	\$ -	\$ (4,848)
		S010A200030	31,354	07/01/20 09/30/21	709 (4,139)	-	(709)	-	-	(31,354)
			4,848			4,848				
Title II - Part A Teacher & Principal Training										
84.367A	84.367A	S367A210029	36,275	07/01/22 09/30/23	-	20,918	(36,275)	(15,357)	-	(36,275)
		S367A200029	34,859	07/01/21 09/30/22	(6,290) (6,290)	6,290	-	(15,357)	-	(34,859)
			36,275			27,208	(36,275)	(15,357)	-	
Title III - Part A English Language Acquisition										
84.365A	84.365A	S365A210030	9,324	07/01/22 09/30/23	-	3,847	(9,324)	(5,477)	-	(9,324)
		S365A200030	5,580	07/01/21 09/30/22	(2,288)	2,288	-	-	-	(5,580)
		S365A200030	6,477	07/01/22 09/30/23	-	4,996	(6,477)	(1,481)	-	(6,477)
			6,477		(2,288)	11,131	(15,801)	(6,958)	-	
Title IV - Part A										
84.424A	84.424A	S424A210031	2,219	07/01/21 09/30/22	(1,000)	1,000	-	-	-	(2,219)
IDEA Basic										
84.027A	84.027A	H027A210100	529,503	07/01/22 09/30/23	-	385,332	(529,503)	(144,171)	-	(529,503)
		H027A200100	505,121	07/01/21 09/30/22	(139,956)	139,956	-	-	-	(505,121)
		H173A210114	19,824	07/01/22 09/30/23	-	12,677	(19,824)	(7,147)	-	(19,824)
		H173A210115	16,657	07/01/21 09/30/22	(12,369)	12,369	-	-	-	(16,657)
		H027X210100	94,115	07/01/22 09/30/23	-	57,888	(94,115)	(36,227)	-	(94,115)
		H027X210101	15,621	07/01/21 09/30/22	(4,506)	-	-	(4,506)	-	(15,621)
		H173A190114	9,394	07/01/22 09/30/23	(156,831)	61,716	(652,836)	(192,051)	-	(9,394)
ARP ESSER										
84.425U	84.425U	S425U210027	321,975	07/01/21 09/30/24	(850)	162,434	(321,975)	(160,391)	-	(321,975)
		S425U210027	3,080	07/01/21 09/30/24	(18)	18	(3,080)	(3,080)	-	(3,080)
		S425U210027	15,258	07/01/21 09/30/24	(3,041)	11,349	(15,258)	(6,950)	-	(15,258)
		S425U210028	137,268	07/01/21 09/30/24	-	69,759	(137,268)	(67,509)	-	(137,268)
		S425U210028	11,181	07/01/21 09/30/24	-	5,056	(11,181)	(6,125)	-	(11,181)
		S377A130031	234,233	07/01/21 09/30/24	(14,644)	12,214	(36,888)	(39,318)	-	(36,888)
		S425D210027	38,402	07/01/21 09/30/24	(4,948) (23,501)	2,646	(12,375)	(14,677)	-	(12,375)
			38,402			263,476	(538,025)	(298,050)	-	
TOTAL U.S. DEPARTMENT OF EDUCATION										
					(194,049)	925,279	(1,243,646)	(512,416)	-	
TOTAL SPECIAL REVENUE FUND										
					(194,049)	925,279	(1,243,646)	(512,416)	-	
TOTAL FEDERAL FINANCIAL AWARDS										
					\$ (194,049)	\$ 925,279	\$ (1,243,646)	\$ (512,416)	\$ -	

NEW PROVIDENCE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

EXHIBIT K-4
SCHEDULE B

STATE GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROGRAM NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD		BALANCE AT JUNE 30, 2022		BALANCE AT JUNE 30, 2023		MEMO		
			FROM	TO	UNEARNED REVENUE/ (ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	REPAYMENT OF PRIOR YEARS' BALANCES	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
STATE DEPARTMENT OF EDUCATION GENERAL FUND											
Special Education Categorical Aid	23-495-034-5120-089	\$ 2,066,786	07/01/22	06/30/23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (206,679)	\$ 2,066,786
Security Aid	23-495-034-5120-084	186,941	07/01/22	06/30/23	-	-	-	-	-	(186,941)	186,941
State Aid Cluster										(2,233,727)	
Transportation Aid	23-495-034-5120-014	250,347	07/01/22	06/30/23	-	-	250,347	(250,347)	-	(22,835)	250,347
Extraordinary Aid	23-495-034-5120-044	606,851	07/01/22	06/30/23	-	-	-	(606,851)	-	-	606,851
Extraordinary Aid	22-495-034-5120-044	735,929	07/01/21	06/30/22	(735,929)	-	-	-	-	-	735,929
One-half TPAF Post Retirement Medical Contributions	23-495-034-5094-001	1,826,691	07/01/22	06/30/23	-	-	735,929	(1,826,691)	-	-	1,826,691
One-half TPAF Pension Contribution	23-495-034-5094-002	6,953,590	07/01/22	06/30/23	-	-	6,953,590	(6,953,590)	-	-	6,953,590
One-half TPAF Long-Term Disability Insurance	23-495-034-5094-004	3,128	07/01/22	06/30/23	-	-	3,128	(3,128)	-	-	3,128
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	1,453,675	07/01/22	06/30/23	-	-	1,453,675	(1,453,675)	-	-	1,453,675
TOTAL GENERAL FUND					(735,929)	-	13,477,087	(606,851)	-	(248,208)	9,917,032
SPECIAL REVENUE FUND											
SDA Emergent Needs	N/A	56,487	07/01/22	06/30/23	-	-	56,487	(56,487)	-	-	56,487
NJ Nonpublic Aid											
Nonpublic Textbook Aid	23-100-034-5120-064	8,514	07/01/22	06/30/23	-	-	8,514	(7,909)	(888)	-	8,514
Nonpublic Textbook Aid	22-100-034-5120-064	9,423	07/01/21	06/30/22	-	588	-	-	605	-	9,423
Nonpublic Nursing Services	23-100-034-5120-070	14,448	07/01/22	06/30/23	-	-	14,448	(14,006)	-	442	14,448
Nonpublic Nursing Services	22-100-034-5120-070	17,584	07/01/21	06/30/22	-	2,628	-	-	(2,628)	-	17,584
Nonpublic Auxiliary Services Aid Ch. 192											
Compensation Education	23-100-034-5120-067	38,446	07/01/22	06/30/23	-	-	38,446	(38,446)	-	-	38,446
Compensation Education	22-100-034-5120-067	26,964	07/01/21	06/30/22	-	180	-	-	(180)	-	26,964
English as a Second Language	23-100-034-5120-067	401	07/01/22	06/30/23	-	-	401	(301)	-	-	401
Total Nonpublic Auxiliary Services Aid Ch. 192											
Nonpublic Handicapped Services Aid Ch. 193											
Examination and Classification	23-100-034-5120-066	19,148	07/01/22	06/30/23	-	-	19,148	(6,832)	-	12,316	19,148
Examination and Classification	22-100-034-5120-066	15,550	07/01/21	06/30/22	-	3,706	-	-	(3,706)	-	15,550
Speech Instruction	23-100-034-5120-066	6,324	07/01/22	06/30/23	-	-	6,324	(6,045)	-	279	6,324
Speech Instruction	22-100-034-5120-066	8,370	07/01/21	06/30/22	-	5,115	-	-	(5,115)	-	8,370
Supplementary Instruction	23-100-034-5120-066	13,216	07/01/22	06/30/23	-	-	13,216	(10,325)	-	2,891	13,216
Supplementary Instruction	22-100-034-5120-066	8,756	07/01/21	06/30/22	-	661	-	-	(661)	-	8,756
Total Nonpublic Handicapped Services Aid Ch. 193											
Nonpublic Technology Initiative	23-100-034-5120-373	5,922	07/01/22	06/30/23	-	-	5,922	(5,346)	-	576	5,922
Nonpublic Technology Initiative	22-100-034-5120-373	6,594	07/01/21	06/30/22	-	846	-	-	(846)	-	6,594
Nonpublic Security Aid	23-100-034-5120-509	28,905	07/01/22	06/30/23	-	-	28,905	(24,812)	-	4,093	28,905
Nonpublic Security Aid	22-100-034-5120-509	27,475	07/01/21	06/30/22	-	5,134	-	-	(5,134)	-	27,475
TOTAL SPECIAL REVENUE FUND											
DEBT SERVICE FUND											
Debt Service Aid	23-100-034-5120-017	542,150	07/01/22	06/30/23	-	-	542,150	(542,150)	-	-	542,150
TOTAL STATE DEPARTMENT OF EDUCATION					(735,929)	18,858	14,402,859	(606,851)	21,302	(248,208)	14,231,177
GRAND TOTAL					\$ (735,929)	\$ 18,858	\$ 14,402,859	\$ (606,851)	\$ 21,302	\$ (248,208)	\$ 14,231,177
LESS:											
One-half TPAF Post Retirement Medical Contributions											1,826,691
One-half TPAF Pension Contribution											6,953,590
One-half TPAF Long-Term Disability Insurance											3,128
TOTAL STATE ASSISTANCE SUBJECT TO SINGLE AUDIT											\$ (5,447,768)

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. EXPENDITURES PASSED THROUGH TO SUBRECIPIENTS

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

NOTE 5. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$40,503) for the General Fund and (\$52,140) for the Special Revenue Fund. See *Note 1* (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board’s basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Private</u>	<u>Total</u>
General Fund	\$ -	\$ 13,307,506	\$ -	\$ 13,307,506
Special Revenue Fund	<u>1,243,646</u>	<u>118,369</u>	<u>686,498</u>	<u>2,048,513</u>
Total Awards and Financial Assistance	<u>\$ 1,243,646</u>	<u>\$ 13,425,875</u>	<u>\$ 686,498</u>	<u>\$ 15,356,019</u>

NOTE 6. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 7. OTHER

The amount of \$6,953,590 reported as TPAF Pension Contributions, \$3,128 reported as TPAF Long-Term Disability Insurance, and \$1,826,691 reported as TPAF Post-Retirement Medical Contributions represent the amounts paid by the State on behalf of the District for the year ended June 30, 2023. TPAF Social Security Contributions in the amount of \$1,453,675 represent the amount reimbursed by the State for the employer's share of Social Security Contributions for TPAF members for the year ended June 30, 2023.

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

On-behalf expenditures for the District by the State are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's basic financial statements and the amount subject to the State single audit and major program determination.

Section I - Summary of Auditors' Results

FINANCIAL STATEMENT SECTION

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

FEDERAL AWARDS SECTION

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

<u>Federal AL Number</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425U	S425U210027	ARP ESSER
84.425U	S425U210027	ARP Summer Learning
84.425U	S425U210027	ARP Beyond the School Day
84.425U	S425U210028	ARP Accelerated Learning
84.425U	S425U210028	ARP Mental Health Support
84.425D	S377A130031	ESSER II
84.425D	S425D210027	CRRSA-ESSER II - Mental Health

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

Section II - Financial Statement Findings

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

No matters were reported

Section III - Federal Awards and State Financial Assistance Findings

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

FEDERAL AWARDS

No matters were reported.

STATE FINANCIAL ASSISTANCE

No matters were reported.

**NEW PROVIDENCE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT K-7

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

STATUS OF PRIOR YEAR FINDINGS

FINANCIAL STATEMENT

No matters were reported in prior year

FEDERAL AWARDS

No matters were reported in prior year

STATE FINANCIAL ASSISTANCE

No matters were reported in prior year