

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

Old Tappan, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

Old Tappan Board of Education

Old Tappan, New Jersey

For The Fiscal Year Ended June 30, 2023

Prepared by
Business Office

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INTRODUCTORY SECTION

OLD TAPPAN BOARD OF EDUCATION

Douglas Barrett
School Business Administrator/
Board Secretary
277 Old Tappan Rd.
Old Tappan, NJ 07675

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Fax: (201) 664 - 4418
barrett@nvnet.org

November 30, 2023

Honorable President and
Members of the Board of Education
Old Tappan Board of Education
Old Tappan, New Jersey 07675

Dear Board Members:

The annual comprehensive financial report of the Old Tappan Board of Education (the "Board") for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the 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 of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the independent auditor's report, management's discussion and analysis (MD&A), the basic financial statements including the district-wide financial statements. The basic financial statements also include individual fund financial statements, notes to the financial statements and required supplementary information ("RSI"). The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the independent 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:

The Old Tappan Board of Education is an independent reporting entity within the criteria adopted by GASB. All funds of the District are included in this report. The Old Tappan Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels pre-K through 8. These include regular and special education students. The District completed the 2022-2023 fiscal year with an average daily enrollment of 737.9 students, which is a 2.91% increase from the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>School Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-23	737.9	2.91%
2021-22	717.0	7.46%
2020-21	667.2	1.24%
2019-20	659.0	1.41%
2018-19	649.8	(1.53)%
2017-18	659.9	(3.44)%
2016-17	683.4	(4.08)%
2015-16	712.5	(3.28)%
2014-15	736.7	(1.76)%
2013-14	749.9	(0.80)%

2) ECONOMIC CONDITION AND OUTLOOK:

The Borough of Old Tappan comprises a land area of 3.2 square miles and is located in the northeastern part of Bergen County. Due to current economic conditions and the development of a new townhouse community, District enrollment is expected to continue to increase over the next several years.

3) MAJOR INITIATIVES:

- To continue to meet all requirements associated with Achieve NJ and Teach NJ.
- To work with the faculty, staff, and the Northern Valley Curriculum Center to develop assessments in targeted content areas to support the attainment of the New Jersey Student Learning Standards (NJSLS) and to monitor student growth.
- To continually grow our skills and repertoire in the areas of differentiated instruction at all grade-levels and in all subject areas, as well as wrap-around support for students and staff.

4) INTERNAL ACCOUNTING CONTROLS:

Management of the Board is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Board 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 judgments by management.

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

As part of the Board'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 Board has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the borough. Annual appropriated budgets are adopted for the general fund and the special revenue 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. All open encumbrances at year-end were canceled.

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) FINANCIAL INFORMATION AT FISCAL YEAR-END:

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

8) CASH MANAGEMENT:

The investment policy of the Board is guided in large part by state statute as detailed in "Notes to the Financial Statements". The Board has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted to protect Governmental Units from 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, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Board is a member of the Northeast Bergen School Board Insurance Group.

10) OTHER INFORMATION:

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

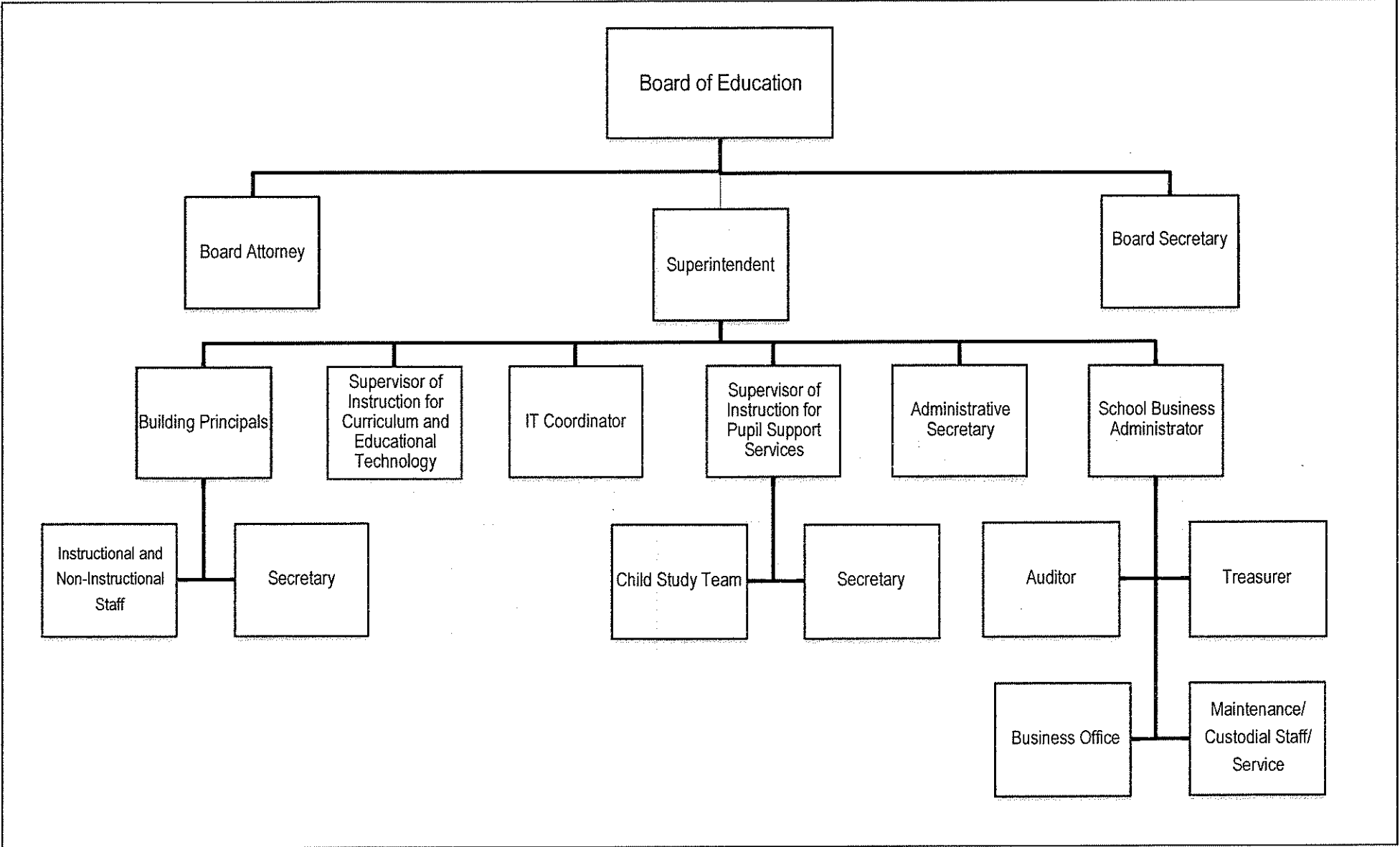
11) ACKNOWLEDGMENTS:

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

Respectfully submitted,

Douglas Barrett
Business Administrator/
Board Secretary

OLD TAPPAN PUBLIC SCHOOLS ORGANIZATIONAL CHART 2023



OLD TAPPAN BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2023

Members of the Board of Education

Kurt Linder, President

Kristen Santoro, Vice President

Melissa Del Rosso

Todd Houston, as of May 2023

Juan Marti

John L. Shahdanian II, through May 2023

Other Officials

Dr. Danielle M. Da Giau, Superintendent of Schools

Douglas S. Barrett, CPA, School Business Administrator/Board Secretary

Antoinette Kelly, Treasurer

OLD TAPPAN BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Independent Auditor

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

Attorney

Fogarty & Hara
21-00 Route 208 South
Fair Lawn, NJ 07410

Official Depository

Valley National Bank
370 Pascack Rd.
Township of Washington, NJ 07676

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
277 Old Tappan Road
Old Tappan, New Jersey 07675

Report on the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Old Tappan Board of Education's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Old Tappan Board of Education. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

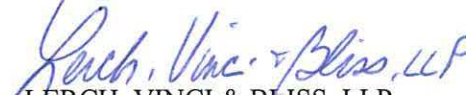
Other Information


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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2023 on our consideration of the Old Tappan Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Old Tappan Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Old Tappan Board of Education's internal control over financial reporting and compliance.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 30, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

OLD TAPPAN BOARD OF EDUCATION

Management's Discussion and Analysis

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

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

FINANCIAL HIGHLIGHTS

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

- The assets and deferred outflows of resources of the Old Tappan Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$32,748,892 (net position).
- Overall District revenues were \$21,564,675. General revenues accounted for \$16,845,045 or 78% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$4,719,630 of total revenues.
- The School District had \$17,459,066 in expenses for governmental activities; only \$4,719,630 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$16,845,013 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$27,591,209 an increase of \$1,828,561 when compared to the ending fund balance at June 30, 2022 of \$25,762,648.
- The General Fund unassigned fund balance at June 30, 2023 was \$260,281 a decrease of \$291,703 when compared with the ending fund balance of \$551,984 at June 30, 2022.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$650,420 which represents a decrease of \$306,812 when compared to the ending unassigned fund balance at June 30, 2022 of \$957,232.

OLD TAPPAN BOARD OF EDUCATION

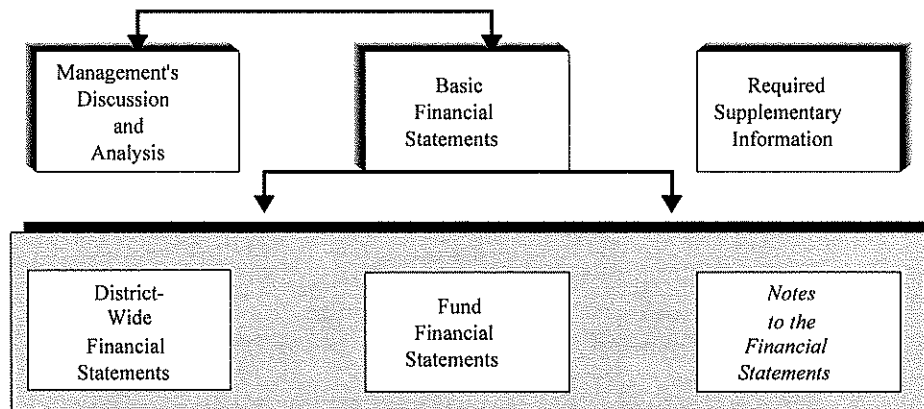
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



OLD TAPPAN BOARD OF EDUCATION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Major Features of the District-Wide and Fund Financial Statements

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

OLD TAPPAN BOARD OF EDUCATION

Management's Discussion and Analysis

District-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

OLD TAPPAN BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The District has two kinds of funds:

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found following the fund financial statements.

Other Information

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

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

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

OLD TAPPAN BOARD OF EDUCATION

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$32,748,892 and \$28,643,283 as of June 30, 2023 and 2022, respectively, as shown below.

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets						
Current and Other Assets	\$ 27,685,013	\$ 25,846,840	\$ 1,092	\$ 1,060	\$ 27,686,105	\$ 25,847,900
Capital Assets	<u>6,688,953</u>	<u>4,577,110</u>	<u>-</u>	<u>-</u>	<u>6,688,953</u>	<u>4,577,110</u>
Total Assets	<u>34,373,966</u>	<u>30,423,950</u>	<u>1,092</u>	<u>1,060</u>	<u>34,375,058</u>	<u>30,425,010</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	<u>335,082</u>	<u>359,574</u>	<u>-</u>	<u>-</u>	<u>335,082</u>	<u>359,574</u>
Total Deferred Outflows of Resources	<u>335,082</u>	<u>359,574</u>	<u>-</u>	<u>-</u>	<u>335,082</u>	<u>359,574</u>
Liabilities						
Long-Term Liabilities	1,604,412	1,249,185			1,604,412	1,249,185
Other Liabilities	<u>93,804</u>	<u>84,192</u>	<u>-</u>	<u>-</u>	<u>93,804</u>	<u>84,192</u>
Total Liabilities	<u>1,698,216</u>	<u>1,333,377</u>	<u>-</u>	<u>-</u>	<u>1,698,216</u>	<u>1,333,377</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	<u>263,032</u>	<u>807,924</u>	<u>-</u>	<u>-</u>	<u>263,032</u>	<u>807,924</u>
Total Deferred Inflows of Resources	<u>263,032</u>	<u>807,924</u>	<u>-</u>	<u>-</u>	<u>263,032</u>	<u>807,924</u>
Net Position:						
Net Investment in Capital Assets	6,667,013	4,548,699			6,667,013	4,548,699
Restricted	23,951,737	21,962,546			23,951,737	21,962,546
Unrestricted	<u>2,129,050</u>	<u>2,130,978</u>	<u>1,092</u>	<u>1,060</u>	<u>2,130,142</u>	<u>2,132,038</u>
Total Net Position	<u>\$ 32,747,800</u>	<u>\$ 28,642,223</u>	<u>\$ 1,092</u>	<u>\$ 1,060</u>	<u>\$ 32,748,892</u>	<u>\$ 28,643,283</u>

OLD TAPPAN BOARD OF EDUCATION

Management's Discussion and Analysis

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

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues						
Charges for Services	\$ 376,096	\$ 325,706			\$ 376,096	\$ 325,706
Operating and Capital Grants and Contributions	4,343,534	3,960,623			4,343,534	3,960,623
General Revenues						
Property Taxes	15,993,801	15,407,192			15,993,801	15,407,192
Other	851,212	72,066	\$ 32	\$ 2	851,244	72,068
<u>Total Revenues</u>	<u>21,564,643</u>	<u>19,765,587</u>	<u>32</u>	<u>2</u>	<u>21,564,675</u>	<u>19,765,589</u>
Expenses						
Current						
Instruction	11,448,323	11,107,752			11,448,323	11,107,752
Support Services						
Student and Instruction Related Serv.	2,331,628	2,516,459			2,331,628	2,516,459
General and School Administration	1,092,711	1,064,975			1,092,711	1,064,975
Business / Central Services	579,489	575,158			579,489	575,158
Maintenance of Facilities	1,727,026	2,430,335			1,727,026	2,430,335
Pupil Transportation	278,767	201,333			278,767	201,333
Interest and Other Charges on Debt	1,122	1,122	-	-	1,122	1,122
<u>Total Expenses</u>	<u>17,459,066</u>	<u>17,897,134</u>	<u>-</u>	<u>-</u>	<u>17,459,066</u>	<u>17,897,134</u>
Change in Net Position	4,105,577	1,868,453	32	2	4,105,609	1,868,455
Net Position, Beginning of Year	28,642,223	26,773,770	1,060	1,058	28,643,283	26,774,828
Net Position, End of Year	<u>\$ 32,747,800</u>	<u>\$ 28,642,223</u>	<u>\$ 1,092</u>	<u>\$ 1,060</u>	<u>\$ 32,748,892</u>	<u>\$ 28,643,283</u>

Governmental Activities

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

OLD TAPPAN BOARD OF EDUCATION

Management’s Discussion and Analysis

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

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

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction	\$ 11,448,323	\$ 11,107,752	\$ 8,177,042	\$ 7,710,427
Support Services				
Student and Instruction Related Svcs.	2,331,628	2,516,459	1,990,572	2,067,958
General and School Administrative Services	1,092,711	1,064,975	955,924	885,528
Business / Central Services	579,489	575,158	511,590	465,318
Maintenance of Facilities	1,727,026	2,430,335	908,067	2,363,178
Pupil Transportation	278,767	201,333	195,119	117,274
Interest and Other Charges on Debt	1,122	1,122	1,122	1,122
Total Governmental Activities	\$ 17,459,066	\$ 17,897,134	\$ 12,739,436	\$ 13,610,805

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

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

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$27,591,209, an increase of \$1,828,561 from last year’s fund balance of \$25,762,648.

Revenues for the District’s governmental funds were \$22,973,724; total expenditures were \$21,145,163.

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

Revenues of the General Fund were \$21,775,755 for the fiscal year ended June 30, 2023. State sources amounted to \$4,721,609 and local sources were \$17,054,146.

Expenditures of the General Fund were \$19,957,081. Instructional expenditures were \$12,142,661, support services were \$5,737,896, debt services were \$7,593 and capital expenditures totaled \$2,068,931 for the fiscal year ended June 30, 2023.

OLD TAPPAN BOARD OF EDUCATION

Management's Discussion and Analysis

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

Revenues of the Special Revenue Fund were \$1,197,969 for the fiscal year ended June 30, 2023. State sources amounted to \$23,027, federal sources totaled \$1,006,979 and local sources were \$167,963.

Expenditures of the Special Revenue Fund were \$1,188,082. Instructional expenditures were \$392,207 for support services were \$7,599 and capital expenditures totaled \$788,276 for the fiscal year ended June 30, 2023.

Proprietary Funds

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2023 and 2022 amounts to \$6,688,953 and \$4,577,110 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2022-2023 amounted to \$745,364 for governmental activities.

The following is a comparative analysis of capital assets at June 30, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Land	\$ 607,876	\$ 607,876
Construction In Progress	2,184,115	550,829
Buildings and Building Improvements	2,702,683	2,680,594
Site Improvements	208,723	226,641
Machinery, Equipment and Vehicles	<u>985,556</u>	<u>511,170</u>
Total	<u>\$ 6,688,953</u>	<u>\$ 4,577,110</u>

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

OLD TAPPAN BOARD OF EDUCATION

Management's Discussion and Analysis

LONG TERM LIABILITIES

At June 30, 2023, the District's long-term liabilities consisted of compensated absences payable of \$30,680, lease payable of \$21,940 and net pension liability of \$1,551,792 totaling \$1,604,412. This is in comparison to long-term liabilities at June 30, 2022 of \$1,249,185 or an increase of \$355,227.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Old Tappan Board of Education, 277 Old Tappan Road, Old Tappan, NJ 07675.

FINANCIAL STATEMENTS

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 27,582,317	\$ 1,092	\$ 27,583,409
Receivables, net			
Receivables from Other Governments	99,313		99,313
Other Receivables	3,383		3,383
Capital Assets			
Not Being Depreciated	2,791,991		2,791,991
Being Depreciated, net	<u>3,896,962</u>	<u>-</u>	<u>3,896,962</u>
Total Assets	<u>34,373,966</u>	<u>1,092</u>	<u>34,375,058</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>335,082</u>	<u>-</u>	<u>335,082</u>
Total Deferred Outflows of Resources	<u>335,082</u>	<u>-</u>	<u>335,082</u>
LIABILITIES			
Accounts Payable	5,745		5,745
Payable to Other Governments	46,271		46,271
Accrued Salaries and Benefits Payable	4,501		4,501
Payroll Deductions and Withholdings Payable	2,426		2,426
Unearned Revenue	34,861		34,861
Noncurrent Liabilities			
Due Within One Year	8,800		8,800
Due Beyond One Year	<u>1,595,612</u>	<u>-</u>	<u>1,595,612</u>
Total Liabilities	<u>1,698,216</u>	<u>-</u>	<u>1,698,216</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>263,032</u>	<u>-</u>	<u>263,032</u>
Total Deferred Inflows of Resources	<u>263,032</u>	<u>-</u>	<u>263,032</u>
NET POSITION			
Net Investment in Capital Assets	6,667,013		6,667,013
Restricted for			
Capital Projects	22,306,018		22,306,018
Other Purposes	1,645,719		1,645,719
Unrestricted	<u>2,129,050</u>	<u>1,092</u>	<u>2,130,142</u>
Total Net Position	<u>\$ 32,747,800</u>	<u>\$ 1,092</u>	<u>\$ 32,748,892</u>

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

OLD TAPPAN BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 7,475,533		\$ 1,348,141		\$ (6,127,392)		\$ (6,127,392)
Special Education	2,741,254	\$ 129,851	1,400,335		(1,211,068)		(1,211,068)
Other Instruction	789,669	79,282	144,437		(565,950)		(565,950)
School Sponsored Activities and Athletics	441,867	166,963	2,272		(272,632)		(272,632)
Support Services							
Student and Instruction Related Services	2,331,628		341,056		(1,990,572)		(1,990,572)
General Administration Services	553,650		59,352		(494,298)		(494,298)
School Administration Services	539,061		77,435		(461,626)		(461,626)
Business / Central Services	579,489		67,899		(511,590)		(511,590)
Plant Operations and Maintenance	1,727,026		30,683	\$ 788,276	(908,067)		(908,067)
Pupil Transportation	278,767		83,648		(195,119)		(195,119)
Interest and Other Charges on Debt	1,122	-	-	-	(1,122)	-	(1,122)
Total Governmental Activities	<u>17,459,066</u>	<u>376,096</u>	<u>3,555,258</u>	<u>788,276</u>	<u>(12,739,436)</u>	<u>-</u>	<u>(12,739,436)</u>
Total Primary Government	<u>\$ 17,459,066</u>	<u>\$ 376,096</u>	<u>\$ 3,555,258</u>	<u>\$ 788,276</u>	<u>(12,739,436)</u>	<u>-</u>	<u>(12,739,436)</u>
General Revenues							
Property Taxes, Levied for General Purposes					15,993,801		15,993,801
Investment Earnings					828,294	\$ 32	828,326
Miscellaneous Income					22,918	-	22,918
Total General Revenues					<u>16,845,013</u>	<u>32</u>	<u>16,845,045</u>
Change in Net Position					4,105,577	32	4,105,609
Net Position, Beginning of Year					<u>28,642,223</u>	<u>1,060</u>	<u>28,643,283</u>
Net Position, End of Year					<u>\$ 32,747,800</u>	<u>\$ 1,092</u>	<u>\$ 32,748,892</u>

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

FUND FINANCIAL STATEMENTS

OLD TAPPAN BOARD OF EDUCATION
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 AS OF JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 27,533,631	\$ 48,686	\$ 27,582,317
Receivables, Net			
Receivables from Other Governments	57,864	41,449	99,313
Other Receivables	3,383		3,383
Due from Other Funds	15,388	-	15,388
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 27,610,266	\$ 90,135	\$ 27,700,401
	<hr/>	<hr/>	<hr/>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 5,745		\$ 5,745
Intergovernmental Payable	46,271		46,271
Accrued Salaries and Benefits Payable	4,501		4,501
Payroll Deductions and Withholdings Payable	2,426		2,426
Due to Other Funds	-	\$ 15,388	15,388
Unearned Revenue	8,800	26,061	34,861
	<hr/>	<hr/>	<hr/>
Total Liabilities	67,743	41,449	109,192
	<hr/>	<hr/>	<hr/>
Fund Balances			
Restricted			
Capital Reserve	21,526,018		21,526,018
Capital Reserve - Designated for Subsequent Year's Budget	700,000		700,000
Maintenance Reserve	715,950		715,950
Emergency Reserve	250,000		250,000
Excess Surplus	1,497,016		1,497,016
Excess Surplus - Designated for Subsequent Year's Budget	1,580,554		1,580,554
Unemployment Compensation Reserve	631,083		631,083
Student Activities		48,686	48,686
Committed			
Encumbrances	381,621		381,621
Unassigned	260,281	-	260,281
	<hr/>	<hr/>	<hr/>
Total Fund Balances	27,542,523	48,686	27,591,209
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 27,610,266	\$ 90,135	
	<hr/>	<hr/>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$23,309,451 and the accumulated depreciation is \$16,620,498.

6,688,953

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

Deferred Outflows of Resources	\$ 335,082
Deferred Inflows of Resources	<u>(263,032)</u>

72,050

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

Compensated Absences	(30,680)
Lease Liability	(21,940)
Net Pension Liability	<u>(1,551,792)</u>

(1,604,412)

Net Position of Governmental Activities (Exhibit A-1)

\$ 32,747,800

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

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES			
Local Sources			
Property Taxes	\$ 15,993,801		\$ 15,993,801
Tuition from Individuals	79,282		79,282
Tuition from Other LEA's	129,851		129,851
Interest	828,294		828,294
Miscellaneous	22,918	\$ 167,963	190,881
	<u>17,054,146</u>	<u>167,963</u>	<u>17,222,109</u>
Intergovernmental			
State Sources	4,721,609	23,027	4,744,636
Federal Sources	-	1,006,979	1,006,979
	<u>4,721,609</u>	<u>1,030,006</u>	<u>5,751,615</u>
Total Intergovernmental Sources			
	<u>4,721,609</u>	<u>1,030,006</u>	<u>5,751,615</u>
Total Revenues	<u>21,775,755</u>	<u>1,197,969</u>	<u>22,973,724</u>
EXPENDITURES			
Current			
Instruction			
Regular Instruction	8,312,084		8,312,084
Special Education Instruction	2,767,701	157,455	2,925,156
Other Instruction	772,365	77,676	850,041
School-Sponsored Activities and Athletics	290,511	157,076	447,587
Support Services			
Student and Instruction Related Services	2,556,881	7,599	2,564,480
General Administration Services	540,998		540,998
School Administration Services	591,642		591,642
Business/Central Services	631,711		631,711
Plant Operations and Maintenance	1,137,897		1,137,897
Pupil Transportation	278,767		278,767
Debt Service			
Principal	6,471		6,471
Interest and Other Charges	1,122		1,122
Capital Outlay	2,068,931	788,276	2,857,207
	<u>19,957,081</u>	<u>1,188,082</u>	<u>21,145,163</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,818,674</u>	<u>9,887</u>	<u>1,828,561</u>
Net Change in Fund Balances	1,818,674	9,887	1,828,561
Fund Balance, Beginning of Year	<u>25,723,849</u>	<u>38,799</u>	<u>25,762,648</u>
Fund Balance, End of Year	<u>\$ 27,542,523</u>	<u>\$ 48,686</u>	<u>\$ 27,591,209</u>

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

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

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 1,828,561**

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities those costs are shown in the statement and allocated over their estimated useful lives as depreciation expense.

Capital Outlay	\$ 2,857,207	
Depreciation Expense	<u>(745,364)</u>	
		2,111,843

Repayment of lease purchase and bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities. Additionally, governmental funds report the effect of premiums, discounts and similar items when the debt is issued, whereas these amounts are deferred and amortized in the statement of activities:

Lease Liability		6,471
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In the statement of activities, certain operating expenses, e.g., compensated absences and pension expense are measured by the amounts earned or accrued during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid):

Increase in Compensated Absences	(13,456)	
Decrease in Pension Expense	<u>172,158</u>	
		<u>158,702</u>

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 4,105,577**

**OLD TAPPAN BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2023**

	Other Non-Major Enterprise Fund <u>Totals</u>
ASSETS	
Cash and Cash Equivalents	\$ <u>1,092</u>
Total Assets	<u>1,092</u>
NET POSITION	
Unrestricted	<u>1,092</u>
Total Net Position	\$ <u><u>1,092</u></u>

**OLD TAPPAN BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Other Non-Major Enterprise Fund <u>Totals</u>
NONOPERATING REVENUES	
Interest Income	\$ <u>32</u>
Total Nonoperating Revenues	<u>32</u>
Change in Net Position	32
Net Position, Beginning of Year	<u>1,060</u>
Net Position, End of Year	<u>\$ 1,092</u>

**OLD TAPPAN BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Other Non-Major Enterprise Fund <u>Totals</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income	\$ <u>32</u>
Net Cash Provided by Investing Activities	<u>32</u>
Net Change in Cash and Cash Equivalents	32
Cash and Cash Equivalents, Beginning of Year	<u>1,060</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,092</u>

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

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

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government’s financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government’s SBITA activities and evaluate a government’s obligations and assets resulting from SBITAs.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

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

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

The *food service fund* accounts for the residual balances of the school cafeteria.

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost, except for intangible right-to-use leased assets the measurement of which is discussed in Note 1. E.8. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Capital Assets (Continued)*

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

<u>Assets</u>	<u>Years</u>
Site Improvements	5-20
Buildings and Building Improvements	20-50
Right-to-use Leased Buildings	3-5
Machinery and Equipment	5-10

5. *Deferred Outflows/Inflows of Resources*

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

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

6. *Compensated Absences*

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

7. *Pensions*

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Leases

Leases Payable

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

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

9. Long-Term Obligations

In the district-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position.

10. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

In the general operating fund and special revenue, 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Fund Balance Policies

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

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

Amounts in the assigned fund balance classification are intended to be used by the Board of Education for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. The District had no assigned fund balances at year-end.

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 2021-2022 and 2022-2023 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Interest income is reported as nonoperating revenues.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Education as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2022/2023. Also, during 2022/2023 the Board increased the original budget of the general fund by \$26,675 and the original budget of the special revenue fund by \$590,705. The increases were funded by the additional grant awards and student activity funds.

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

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve

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

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

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

Balance, July 1, 2022		\$ 20,345,784
Increased by:		
Interest Earned	\$ 486,463	
Unexpended Balance of Capital Outlay Appropriations		
Funded by Capital Reserve	157,122	
Deposits Approved by Board Resolution	<u>3,770,000</u>	
		<u>4,413,585</u>
		24,759,369
Decreased by:		
Withdrawals Approved in District's Budget		<u>2,533,351</u>
Balance, June 30, 2023		<u>\$ 22,226,018</u>

The June 30, 2023 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$51,285,000. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long-Range Facilities Plan. \$700,000 of the capital reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

C. Maintenance Reserve

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

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

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

Balance, July 1, 2022	<u>\$ 715,950</u>
Balance, June 30, 2023	<u>\$ 715,950</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$715,950.

D. Emergency Reserve

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

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

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

Balance, July 1, 2022	<u>\$ 250,000</u>
Balance, June 30, 2023	<u>\$ 250,000</u>

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2023 is \$3,077,570. Of this amount, \$1,497,016 was designated and appropriated in the 2023/2024 original budget certified for taxes and the remaining amount of \$1,580,554 will be appropriated in the 2024/2025 original budget certified for taxes.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2023, the book value of the Board's deposits was \$27,583,409 and bank and brokerage firm balances of the Board's deposits amounted to \$28,247,106. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 28,204,937
Uninsured and Collateralized	<u>42,169</u>
	<u>\$ 28,247,106</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2023 the Board's bank balance of \$42,169 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	<u>\$ 42,169</u>
	<u>\$ 42,169</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments

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

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

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

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

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

B. Receivables

Receivables as of June 30, 2023 for the district’s individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Receivables:			
Intergovernmental			
State	\$ 57,864		\$ 57,864
Federal		\$ 41,449	41,449
Other	3,383	-	3,383
	<u>61,247</u>	<u>41,449</u>	<u>102,696</u>
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 61,247</u>	<u>\$ 41,449</u>	<u>\$ 102,696</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

	<u>Total</u>
General Fund	
Unrealized Preschool Tuition Fees	\$ 8,800
Special Revenue Fund	
Unrealized Local Donations	<u>26,061</u>
	<u>\$ 34,861</u>

D. Capital Assets

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

	<u>Balance</u> <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2023</u>
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 607,876				\$ 607,876
Construction In Progress	<u>550,829</u>	\$ 2,184,115	-	\$ (550,829)	<u>2,184,115</u>
Total Capital Assets, Not Being Depreciated	<u>1,158,705</u>	<u>2,184,115</u>	-	<u>(550,829)</u>	<u>2,791,991</u>
Capital Assets, Being Depreciated:					
Buildings and Building Improvements	17,598,594	26,675		550,829	18,176,098
Right-to-Use Leased Buildings	30,069				30,069
Site Improvements	445,028				445,028
Machinery and Equipment	<u>1,219,848</u>	<u>646,417</u>	-	-	<u>1,866,265</u>
Total Capital Assets Being Depreciated	<u>19,293,539</u>	<u>673,092</u>	-	<u>550,829</u>	<u>20,517,460</u>
Less Accumulated Depreciation for:					
Buildings and Building Improvements	(14,918,000)	(574,690)			(15,492,690)
Right-to-Use Leased Buildings	(1,542)	(9,252)			(10,794)
Site Improvements	(218,387)	(17,918)			(236,305)
Machinery and Equipment	<u>(737,205)</u>	<u>(143,504)</u>	-	-	<u>(880,709)</u>
Total Accumulated Depreciation	<u>(15,875,134)</u>	<u>(745,364)</u>	-	-	<u>(16,620,498)</u>
Total Capital Assets, Being Depreciated, Net	<u>3,418,405</u>	<u>(72,272)</u>	-	<u>550,829</u>	<u>3,896,962</u>
Governmental Activities Capital Assets, Net	<u>\$ 4,577,110</u>	<u>\$ 2,111,843</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,688,953</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

Instruction	
Regular	\$ 60,941
Total Instruction	<u>60,941</u>
Support Services	
Student and Instruction Related Services	7,167
General Administration	55,648
School Administration	5,300
Plant Operations and Maintenance	<u>616,308</u>
Total Support Services	<u>684,423</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 745,364</u>

Construction and Other Significant Commitments

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

<u>Project</u>	<u>Remaining Construction Commitment</u>
HVAC Upgrades	\$ 222,368
All-Purpose Room and Classroom Flooring	<u>507,400</u>
Total	<u>\$ 729,768</u>

E. Interfund Receivables, Payables, and Transfers

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

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 15,388
		<u>\$ 15,388</u>

The above balances are the result to cover cash balances which were in an overdraft position.

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Leases Payable

On March 14, 2022, the District entered into a 39-month lease agreement as lessee for the child study team office. An initial lease liability was recorded in the amount of \$30,069. The lease has an interest rate of 31.139%. The District is required to monthly payments of \$1,235. In addition, the District does not have the option to purchase the building at the end of the lease term. As of June 30, 2023 the value of the lease liability was \$21,940. The building has a 39-month year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$30,069 and had accumulated depreciation of \$10,794.

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

Governmental Activities:

<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 8,800	\$ 6,020	\$ 14,820
2025	11,967	2,853	14,820
2026	<u>1,173</u>	<u>62</u>	<u>1,235</u>
Total	<u>\$ 21,940</u>	<u>\$ 8,935</u>	<u>\$ 30,875</u>

G. Long-Term Debt

Statutory Borrowing Power

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

3% of Equalized Valuation Basis (Municipal)	\$ 54,673,527
Less: Net Debt	<u>-</u>
Remaining Borrowing Power	<u>\$ 54,673,527</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

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

	Balance, <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2023</u>	Due Within <u>One Year</u>
Governmental Activities:					
Compensated Absences	\$ 17,224	\$ 13,456		\$ 30,680	
Leases Payable	28,411		\$ 6,471	21,940	\$ 8,800
Net Pension Liability	<u>1,203,550</u>	<u>520,400</u>	<u>172,158</u>	<u>1,551,792</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 1,249,185</u>	<u>\$ 533,856</u>	<u>\$ 178,629</u>	<u>\$ 1,604,412</u>	<u>\$ 8,800</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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

NESBIG provided its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

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

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

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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 employee contributions and reimbursements to the State for benefits paid and the ending balance of the District’s restricted fund balance for unemployment compensation claims in the General Fund for the current and previous two years:

Fiscal Year Ended <u>June 30,</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2023	\$ 14,645	\$ 8,505	\$ 631,083
2022	13,016	3,174	612,013
2021	11,990	22,057	610,727

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2023, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

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

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

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

The following represent the membership tiers for TPAF:

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

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

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

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

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

Other Pension Funds

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

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

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

Actuarial Methods and Assumptions

In the July 1, 2021 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee’s annual compensation for fiscal year 2023.

PERS employers’ and TPAF State’s nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2023 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was more than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2023, 2022 and 2021 were equal to the required contributions.

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

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2023	\$ 129,669	\$ 2,472,497	\$ 20,236
2022	118,980	2,379,174	19,726
2021	97,188	1,700,858	17,298

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$658, \$614 and \$671, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$518,918 during the fiscal year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2021 through June 30, 2022. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2022 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2022.

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$1,551,792 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2022. At June 30, 2022, the District's proportionate share was 0.01028 percent, which was an increase of 0.00013 percent from its proportionate share measured as of June 30, 2021 of 0.01015 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$42,489 for PERS. The pension contribution made by the District during the current 2022/2023 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 11,200	\$ 9,877
Changes of Assumptions	4,808	232,365
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	64,227	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>254,847</u>	<u>20,790</u>
Total	<u>\$ 335,082</u>	<u>\$ 263,032</u>

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

<u>Year Ending June 30,</u>	<u>Total</u>
2023	\$ (52,581)
2024	15,109
2025	23,738
2026	85,583
2027	201
Thereafter	<u>-</u>
	<u>\$ 72,050</u>

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

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

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

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

Discount Rate

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

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Sensitivity of Net Pension Liability

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>1,993,598</u>	\$ <u>1,551,792</u>	\$ <u>1,175,797</u>

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

Pension Plan Fiduciary Net Position

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State’s contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2021 through June 30, 2022. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State’s pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2022, the State’s pension contribution was more than the actuarial determined amount.

**OLD TAPPAN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$791,332 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2023 the State's proportionate share of the net pension liability attributable to the District is \$29,403,551. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the District was 0.05699 percent, which was a decrease of 0.00042 percent from its proportionate share measured as of June 30, 2021 of 0.05741 percent.

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

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

Discount Rate

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

**OLD TAPPAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 34,476,288</u>	<u>\$ 29,403,551</u>	<u>\$ 25,130,407</u>

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

Pension Plan Fiduciary Net Position

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

D. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2021:

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

Measurement Focus and Basis of Accounting

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

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

Collective Net OPEB Liability

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

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

**OLD TAPPAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

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

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.33 billion to the OPEB plan in fiscal year 2022.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2023, 2022 and 2021 were \$649,519, \$555,871 and \$533,022, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

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

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$921,603. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2023 the State's proportionate share of the OPEB liability attributable to the District is \$23,774,124. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state's share of the OPEB liability attributable to the District was 0.04694 percent, which was an increase of 0.0001percent from its proportionate share measured as of June 30, 2021 of 0.04693 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

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

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

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

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

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

Health Care Trend Assumptions

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. 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.

Changes in the Total OPEB Liability

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

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2021 Measurement Date	\$ <u>28,163,054</u>
Changes Recognized for the Fiscal Year:	
Service Cost	1,280,599
Interest on the Total OPEB Liability	630,041
Differences Between Expected and Actual Experience	682,105
Changes of Assumptions	(6,377,622)
Gross Benefit Payments	(624,074)
Contributions from the Member	20,021
Net Changes	<u>\$ (4,388,930)</u>
Balance, June 30, 2022 Measurement Date	\$ <u>23,774,124</u>

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

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

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

	1% Decrease <u>(2.54%)</u>	Current Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 27,943,982</u>	<u>\$ 23,774,124</u>	<u>\$ 20,432,191</u>

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

	1% <u>Decrease</u>	Healthcare Cost Trend <u>Rates</u>	1% <u>Increase</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 19,650,767</u>	<u>\$ 23,774,124</u>	<u>\$ 29,190,404</u>

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2022. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2022 were not provided by the pension system.

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

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS

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

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

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

The Board has been awarded a total of \$1,154,209 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Taxes	\$ 15,993,801		\$ 15,993,801	\$ 15,993,801	
Tuition from Individuals	20,000		20,000	79,282	\$ 59,282
Tuition from Other LEA's				129,851	129,851
Interest				322,761	322,761
Interest on Capital Reserve	500		500	486,463	485,963
Interest - Restricted for Unemployment				19,070	19,070
Miscellaneous	7,500	-	7,500	22,918	15,418
Total Local Sources	16,021,801	-	16,021,801	17,054,146	1,032,345
State Sources					
Special Education Aid	642,924		642,924	642,924	
Transportation Aid	77,746		77,746	77,746	
Security Aid	20,128		20,128	20,128	
Extraordinary Aid				317,272	317,272
Nonpublic Transportation Aid				6,838	6,838
On-Behalf TPAF (Non-Budget)					
Pension Contributions - Normal Cost				2,438,663	2,438,663
Pension Contributions - NCGI				33,834	33,834
Post Retirement Medical Cont.				649,519	649,519
Long-Term Disability Insurance Cont.				658	658
Reimbursed Social Security Payments	-	-	-	518,918	518,918
Total State Sources	740,798	-	740,798	4,706,500	3,965,702
Total Revenues	16,762,599	-	16,762,599	21,760,646	4,998,047
EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	332,711	-	332,711	265,038	67,673
Grades 1-5	2,749,174	(34,711)	2,714,463	2,598,575	115,888
Grades 6-8	1,819,466	(32,622)	1,786,844	1,708,937	77,907
Regular Program - Home Instruction					
Salaries of Teachers	7,500		7,500	7,500	
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	128,691	32,622	161,313	161,313	
Purchased Professional - Educational Services	2,100		2,100		2,100
Purchased Technical Services	9,600	(75)	9,525	6,619	2,906
General Supplies	213,492	41,756	255,248	220,561	34,687
Textbooks	38,300	(6,971)	31,329	22,933	8,396
Other Objects	910	-	910	-	910
Total Regular Programs	5,301,944	(1)	5,301,943	4,983,976	317,967
Special Education					
Auditory Impairments					
Purchased Professional-Educational Services	97,500	-	97,500	59,569	37,931
Total Auditory Impairments	97,500	-	97,500	59,569	37,931
Emotional Regulation Impairment					
Salaries of Teachers	73,134	(13,825)	59,309	54,420	4,889
Other Salaries for Instruction	83,870	2,325	86,195	35,553	50,642
Purchased Professional - Educational Services	3,219	(524)	2,695		2,695
General Supplies	500	2,524	3,024	3,023	1
Other Objects	500	-	500	-	500
Total Emotional Regulation Impairment	161,223	(9,500)	151,723	92,996	58,727
Multiple Disabilities					
Salaries of Teachers	146,270	(10,512)	135,758	134,383	1,375
Other Salaries for Instruction	234,119	64,835	298,954	200,497	98,457
Purchased Professional - Educational Services	32,620	5,352	37,972	28,922	9,050
Other Purchased Services		2,056	2,056	2,056	
General Supplies	13,260	9,118	22,378	22,377	1
Total Multiple Disabilities	426,269	70,849	497,118	388,235	108,883

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Special Education (Continued)					
Resource Room / Resource Center					
Salaries of Teachers	\$ 669,138	\$ (38,189)	\$ 630,949	\$ 605,212	\$ 25,737
General Supplies	2,700		2,700	458	2,242
Textbooks	800	-	800	-	800
Total Resource Room / Resource Center	672,638	(38,189)	634,449	605,670	28,779
Preschool Disabilities - Full-Time					
Salaries of Teachers	75,743	-	75,743	73,424	2,319
Other Salaries for Instruction	119,220	39,221	158,441	148,453	9,988
Purchased Professional-Educational Services	49,221	(7,554)	41,667	34,502	7,165
Other Purchased Services	2,500	(2,500)			
General Supplies	3,500	1,745	5,245	5,132	113
Other Objects	2,500	(2,178)	322	-	322
Total Preschool Disabilities-Full Time	252,684	28,734	281,418	261,511	19,907
Total Special Education	1,610,314	51,894	1,662,208	1,407,981	254,227
Basic Skills/Remedial					
Salaries of Teachers	144,714	1,733	146,447	146,447	-
Total Basic Skills/Remedial	144,714	1,733	146,447	146,447	-
Bilingual Education					
Salaries of Teachers	79,308	1,470	80,778	80,778	
General Supplies	100	-	100	28	72
Total Bilingual Education	79,408	1,470	80,878	80,806	72
School Sponsored Co/Extra Curricular Activities					
Salaries	80,262		80,262	75,538	4,724
Supplies and Materials	5,000		5,000	1,186	3,814
Other Objects	27,050	-	27,050	20,633	6,417
Total School Sponsored Co/Extra Curricular Activities	112,312	-	112,312	97,357	14,955
Summer School - Instruction					
Salaries of Teachers	20,000		20,000		20,000
General Supplies	1,250	-	1,250	-	1,250
Total Summer School - Instruction	21,250	-	21,250	-	21,250
Total Instruction	7,269,942	55,096	7,325,038	6,716,567	608,471
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Special	1,079,203		1,079,203	415,446	663,757
Tuition to CSSD and Regional Day Schools	74,337	(40,000)	34,337	1,323	33,014
Tuition to APSSD Within the State	1,302,754	-	1,302,754	711,261	591,493
Total Undistributed Expenditures - Instruction	2,456,294	(40,000)	2,416,294	1,128,030	1,288,264
Attendance & Social Work					
Purchased Prof. and Tech Service	20,300	-	20,300	14,951	5,349
Total Attendance & Social Work	20,300	-	20,300	14,951	5,349

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Health Services					
Salaries	\$ 173,511		\$ 173,511	\$ 166,723	\$ 6,788
Purchased Professional and Technical Services	31,200		31,200	25,857	5,343
Supplies and Materials	11,625		11,625	2,831	8,794
Other Objects	1,350	-	1,350	-	1,350
Total Health Services	217,686	-	217,686	195,411	22,275
Speech, OT, PT & Related Services					
Salaries	144,274	\$ (62,970)	81,304	79,040	2,264
Purchased Professional - Educational Services	23,001	23,619	46,620	34,654	11,966
Supplies and Materials	100	-	100	83	17
Total Speech, OT, PT & Related Services	167,375	(39,351)	128,024	113,777	14,247
Other Support Services - Extra Services					
Salaries	420,811	(15,746)	405,065	168,407	236,658
Total Other Support Services - Extra Services	420,811	(15,746)	405,065	168,407	236,658
Guidance					
Salaries of Other Professional Staff	182,713	2,940	185,653	185,653	
Other Purchased Services	4,700		4,700	1,104	3,596
Supplies and Materials	9,000	(2,940)	6,060	4,566	1,494
Total Guidance	196,413	-	196,413	191,323	5,090
Child Study Team					
Salaries of Other Professional Staff	273,441		273,441	259,211	14,230
Salaries of Secretarial and Clerical Assistants	56,864		56,864	53,364	3,500
Purchased Professional - Educational Svcs.	124,686		124,686	81,837	42,849
Other Purchased Professional and Tech. Services	15,000	(1,270)	13,730	11,617	2,113
Miscellaneous Purchased Services	2,500		2,500	1,456	1,044
Supplies and Materials	5,200	597	5,797	5,758	39
Other Objects	4,500	673	5,173	5,172	1
Total Child Study Team	482,191	-	482,191	418,415	63,776
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	262,326	2,000	264,326	261,500	2,826
Salaries of Other Professional Staff	6,404	(2,692)	3,712	3,712	
Other Purchased Services	42,123		42,123	35,555	6,568
Other Objects	2,000	692	2,692	2,682	10
Total Improvement of Instructional Services	312,853	-	312,853	299,737	13,116
Educational Media Services/School Library					
Salaries	117,485		117,485	117,057	428
Salaries of Technology Coordinators	94,276		94,276	82,576	11,700
Supplies and Materials	11,450	-	11,450	11,167	283
Total Educational Media Serv./School Library	223,211	-	223,211	210,800	12,411
Staff Training Services					
Purchased Professional/Educational Services	49,058		49,058	30,955	18,103
Other Purchased Services	2,900	-	2,900	551	2,349
Total Staff Training Services	51,958	-	51,958	31,506	20,452

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Support Services General Administration					
Salaries	\$ 239,092	\$ 16,057	\$ 255,149	\$ 255,067	\$ 82
Legal Services	73,000	(4,044)	68,956	8,635	60,321
Architectural/Engineering Services	5,000	27,988	32,988		32,988
Other Purchased Professional Services	30,500		30,500	27,635	2,865
Purchased Technical Services	6,000		6,000	4,957	1,043
Communications/Telephone	52,500	(6,520)	45,980	38,740	7,240
Miscellaneous Purchased Services	57,771		57,771	29,552	28,219
General Supplies	5,000	955	5,955	5,739	216
Miscellaneous Expenditures	846	(505)	341	198	143
BOE Membership Dues and Fees	10,212	(450)	9,762	6,388	3,374
Total Support Services General Administration	479,921	33,481	513,402	376,911	136,491
Support Services School Administration					
Salaries of Principal/Asst. Principals/Program Dir.	255,000	(75)	254,925	252,400	2,525
Salaries of Secretarial and Clerical Assistants	121,477		121,477	109,261	12,216
Purchased Professional and Technical Services	4,000	(350)	3,650	474	3,176
Other Purchased Services	150	350	500	348	152
Miscellaneous Purchased Services	6,850		6,850	845	6,005
Supplies and Materials	3,800	75	3,875	3,363	512
Total Support Services School Administration	391,277	-	391,277	366,691	24,586
Central Services					
Salaries	365,999	2,180	368,179	368,179	
Miscellaneous Purchased Services	34,350	1,031	35,381	31,244	4,137
Supplies and Materials	5,500	(3,211)	2,289	2,210	79
Total Central Services	405,849	-	405,849	401,633	4,216
Admin. Info Technology					
Salaries	4,628		4,628	4,628	
Purchased Professional Services	7,261		7,261	5,888	1,373
Other Purchased Services	1,850	(500)	1,350		1,350
Supplies and Materials	3,190	500	3,690	3,642	48
Total Admin. Info Technology	16,929	-	16,929	14,158	2,771
Required Maintenance for School Facilities					
Salaries	166,865		166,865	142,218	24,647
Cleaning, Repair and Maintenance	294,000	(38,401)	255,599	76,923	178,676
General Supplies	27,000	(980)	26,020	2,420	23,600
Other Objects	500	1,460	1,960	1,960	-
Total Required Maintenance for School Facilities	488,365	(37,921)	450,444	223,521	226,923
Custodial Services					
Salaries	272,765		272,765	216,749	56,016
Purchased Prof. And Technical Serv.	30,500	(1,616)	28,884	8,455	20,429
Cleaning, Repair and Maint. Serv.	62,500	10,406	72,906	61,930	10,976
Rental of Land and Building Other Than Lease Purchase Agreement	25,000	1,500	26,500	26,382	118
Other Purchased Property Services	19,000	1,210	20,210	19,852	358
Insurance	139,960		139,960	138,253	1,707
Miscellaneous Purchased Services	7,225		7,225	1,375	5,850
General Supplies	42,500		42,500	33,291	9,209
Energy (Natural Gas)	210,962		210,962	86,463	124,499
Energy (Electricity)	169,236		169,236	137,830	31,406
Energy (Gasoline)	2,000		2,000	887	1,113
Other Objects	3,500	-	3,500	-	3,500
Total Custodial Services	985,148	11,500	996,648	731,467	265,181

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT(Continued)					
Undistributed Expenditures (Continued)					
Care & Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	\$ 35,000		\$ 35,000	\$ 20,223	\$ 14,777
General Supplies	9,000	\$ (4,998)	4,002	643	3,359
Total Care & Upkeep of Grounds	44,000	(4,998)	39,002	20,866	18,136
Security					
Cleaning, Repair, and Maintenance Services	30,700	(9,709)	20,991	20,991	-
Total Security	30,700	(9,709)	20,991	20,991	-
Student Transportation Services					
Contracted Services (Between Home and School) - Vendors	88,083		88,083	74,362	13,721
Contracted Services (Spl. Ed. Students) - Joint Agreements	225,535		225,535	178,849	46,686
Contract Serv. - Aid in Lieu Pymts - NonPub	42,501	-	42,501	25,556	16,945
Total Student Transportation Services	356,119	-	356,119	278,767	77,352
Unallocated Benefits - Employee Benefits					
Social Security Contributions	169,207		169,207	158,252	10,955
Other Retirement Contributions - PERS	165,415		165,415	145,917	19,498
Other Retirement Contributions - Regular					
Workers Compensation	110,883	(800)	110,083	44,201	65,882
Unemployment Compensation		800	800	800	
Health Benefits	2,910,560	(184,435)	2,726,125	1,774,875	951,250
Tuition Reimbursement	1,500		1,500		1,500
Other Employee Benefits	7,500	188,025	195,525	185,871	9,654
Unused Sick Payment to Terminated/Retired Staff	19,459	(3,590)	15,869	11,591	4,278
Total Unallocated Benefits - Employee Benefits	3,384,524	-	3,384,524	2,321,507	1,063,017
On-Behalf TPAF (Non-Budget)					
Pension Contributions - Normal Cost				2,438,663	(2,438,663)
Pension Contributions NCGI				33,834	(33,834)
Post Retirement Medical Cont.				649,519	(649,519)
Long-Term Disability Insurance Cont.				658	(658)
Reimbursed Social Security Payments	-	-	-	518,918	(518,918)
Total On-Behalf Payments	-	-	-	3,641,592	(3,641,592)
Total Undistributed Expenditures	11,131,924	(102,744)	11,029,180	11,170,461	(141,281)
Interest Earned on Maintenance Reserve	-	-	-	-	-
Total Current Expenditures	18,401,866	(47,648)	18,354,218	17,887,028	467,190
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	500	-	500	-	500
Total Interest	500	-	500	-	500
Equipment					
Grades 1-5		9,608	9,608	9,608	
Grades 6-8		9,607	9,607	9,607	
Operations and Maintenance of Plant Services	-	28,433	28,433	28,433	-
Total Equipment	-	47,648	47,648	47,648	-

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CAPITAL OUTLAY (Continued)					
Facilities Acquisition and Construction Serv.					
Legal Services	\$ 48,930		\$ 48,930	\$ 53	\$ 48,877
Architectural/Engineering Services	603,470	\$ (420,300)	183,170	174,331	8,839
Other Purchased Professional and Technical Services	652,400	55,300	707,700	450,727	256,973
Construction Services	1,228,551	391,675	1,620,226	1,396,172	224,054
Other Objects	1,122	-	1,122	1,122	-
	<u>2,534,473</u>	<u>26,675</u>	<u>2,561,148</u>	<u>2,022,405</u>	<u>538,743</u>
Total Facilities Acquisition and Construction Serv.	<u>2,534,473</u>	<u>26,675</u>	<u>2,561,148</u>	<u>2,022,405</u>	<u>538,743</u>
Total Capital Outlay	<u>2,534,973</u>	<u>74,323</u>	<u>2,609,296</u>	<u>2,070,053</u>	<u>539,243</u>
Total Expenditures	<u>20,936,839</u>	<u>26,675</u>	<u>20,963,514</u>	<u>19,957,081</u>	<u>1,006,433</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(4,174,240)	(26,675)	(4,200,915)	1,803,565	6,004,480
Fund Balance, Beginning of Year	<u>26,129,097</u>	<u>-</u>	<u>26,129,097</u>	<u>26,129,097</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 21,954,857</u>	<u>\$ (26,675)</u>	<u>\$ 21,928,182</u>	<u>\$ 27,932,662</u>	<u>\$ 6,004,480</u>
Recapitulation of Fund Balance					
Restricted					
Capital Reserve				\$ 21,526,018	
Capital Reserve - Designated for Subsequent Year's Budget				700,000	
Maintenance Reserve				715,950	
Emergency Reserve				250,000	
Excess Surplus				1,497,016	
Excess Surplus - Designated for Subsequent Year's Budget				1,580,554	
Unemployment Compensation Reserve				631,083	
Committed					
Encumbrances				381,621	
Unassigned				<u>650,420</u>	
Fund Balance (Budgetary Basis)				27,932,662	
Less:					
State Aid not Recognized on GAAP Basis				<u>(390,139)</u>	
Fund Balance (GAAP Basis)				<u>\$ 27,542,523</u>	

**OLD TAPPAN BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Modified Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
Federal	\$ 828,649	\$ 384,781	\$ 1,213,430	\$ 1,006,979	\$ (206,451)
State		23,027	23,027	23,027	
Local Sources					
Miscellaneous	-	182,897	182,897	167,963	(14,934)
Total Revenues	<u>828,649</u>	<u>590,705</u>	<u>1,419,354</u>	<u>1,197,969</u>	<u>(221,385)</u>
EXPENDITURES					
Instruction					
Purchased Professional Technical Services		118,650	118,650	43,200	75,450
Co-Curricular/Extra-Curricular Activities		157,076	157,076	157,076	
Tuition	100,000	57,455	157,455	157,455	
Supplies and Materials	-	126,440	126,440	34,476	91,964
Total Expenditures	<u>100,000</u>	<u>459,621</u>	<u>559,621</u>	<u>392,207</u>	<u>167,414</u>
Support Services					
Purchased Professional Technical Services		69,961	69,961	6,599	63,362
Other Objects	-	1,496	1,496	1,000	496
Total Support Services	<u>-</u>	<u>71,457</u>	<u>71,457</u>	<u>7,599</u>	<u>63,858</u>
Facilities Acquisition and Construction Services					
Buildings	728,649		728,649	728,649	
Instructional Equipment		43,260	43,260	43,260	
Non-Instructional Equipment	-	16,367	16,367	16,367	-
Total Facilities Acquisition and Construction Services	<u>728,649</u>	<u>59,627</u>	<u>788,276</u>	<u>788,276</u>	<u>-</u>
Total Expenditures	<u>828,649</u>	<u>590,705</u>	<u>1,419,354</u>	<u>1,188,082</u>	<u>231,272</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures				9,887	9,887
Fund Balances, Beginning of Year	<u>38,799</u>	<u>-</u>	<u>38,799</u>	<u>38,799</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 38,799</u>	<u>\$ -</u>	<u>\$ 38,799</u>	<u>\$ 48,686</u>	<u>\$ 9,887</u>
Recapitulation of Fund Balance					
Restricted Fund Balances					
Student Activities				<u>\$ 48,686</u>	
				<u>\$ 48,686</u>	

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

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

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual Revenues (budgetary basis)	(C-1) \$ 21,760,646	(C-2) \$ 1,197,969
Difference - Budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(current year)	(390,139)	
State Aid payments recognized for GAAP statements, not recognized for Budgetary purposes.(prior year)	<u>405,248</u>	<u>-</u>
 Total Revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 (B-2) \$ <u>21,775,755</u>	 (B-2) \$ <u>1,197,969</u>
 Uses/outflows of resources		
Actual Expenditures (budgetary basis)	(C-1) \$ <u>19,957,081</u>	(C-2) \$ <u>1,188,082</u>
 Total Expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 (B-2) \$ <u>19,957,081</u>	 (B-2) \$ <u>1,188,082</u>

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

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

Public Employees Retirement System

Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	.01028%	.01015%	.00888%	.00818%	.00817%	.00899 %	0.00831%	0.01323%	0.01552%	0.01247%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,551,792	\$ 1,203,550	\$ 1,448,756	\$ 1,474,795	\$ 1,609,857	\$ 2,095,046	\$ 2,461,789	\$ 2,969,987	\$ 2,905,004	\$ 2,382,861
District's Covered Payroll	\$ 731,823	\$ 717,987	\$ 736,998	\$ 679,930	\$ 576,145	\$ 592,564	\$ 619,654	\$ 542,412	\$ 875,957	\$ 945,643
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	212.04%	167.63%	196.58%	216.90%	279.42%	353.56%	397.28%	547.55%	331.64%	251.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

**OLD TAPPAN BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 129,669	\$ 118,980	\$ 97,188	\$ 79,615	\$ 81,327	\$ 83,375	\$ 73,843	\$ 113,747	\$ 127,911	\$ 93,943
Contributions in Relation to the Contractually Required Contribution	<u>129,669</u>	<u>118,980</u>	<u>97,188</u>	<u>79,615</u>	<u>81,327</u>	<u>83,375</u>	<u>73,843</u>	<u>113,747</u>	<u>127,911</u>	<u>93,943</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 728,788	\$ 731,823	\$ 717,987	\$ 736,998	\$ 679,930	\$ 576,145	\$ 592,564	\$ 619,654	\$ 542,412	\$ 875,957
Contributions as a Percentage of Covered Payroll	17.79%	16.26%	13.54%	10.80%	11.96%	14.12%	14.07%	11.92%	20.97%	14.60%

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

Teachers Pension and Annuity Fund

Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>29,403,551</u>	<u>27,604,297</u>	<u>36,928,531</u>	<u>35,491,505</u>	<u>37,382,720</u>	<u>40,333,549</u>	<u>48,009,054</u>	<u>37,301,205</u>	<u>31,197,728</u>	<u>30,777,544</u>
Total	<u>\$ 29,403,551</u>	<u>\$ 27,604,297</u>	<u>\$ 36,928,531</u>	<u>\$ 35,491,505</u>	<u>\$ 37,382,720</u>	<u>\$ 40,333,549</u>	<u>\$ 48,009,054</u>	<u>\$ 37,301,205</u>	<u>\$ 31,197,728</u>	<u>\$ 30,777,544</u>
District's Covered Payroll	\$ 7,062,338	\$ 6,710,191	\$ 6,435,084	\$ 6,326,652	\$ 6,011,068	\$ 6,166,549	\$ 5,953,450	\$ 6,115,101	\$ 5,881,469	\$ 5,959,323
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

Change of Benefit Terms: None.

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

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

Postemployment Health Benefit Plan

Last Six Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 1,280,599	\$ 1,440,544	\$ 773,831	\$ 748,029	\$ 884,507	\$ 1,076,403
Interest on Total OPEB Liability	630,041	730,579	689,965	814,696	869,918	748,314
Changes of Benefit Terms		(29,976)				
Differences Between Expected and Actual Experience	682,105	(4,134,167)	4,937,972	(2,667,637)	(1,952,091)	
Changes of Assumptions	(6,377,622)	27,785	5,605,114	286,217	(2,362,430)	(3,128,243)
Gross Benefit Payments	(624,074)	(575,492)	(534,202)	(589,267)	(550,482)	(501,706)
Contribution from the Member	<u>20,021</u>	<u>18,677</u>	<u>16,192</u>	<u>17,468</u>	<u>19,026</u>	<u>18,474</u>
Net Change in Total OPEB Liability	(4,388,930)	(2,522,050)	11,488,872	(1,390,494)	(3,091,552)	(1,786,758)
Total OPEB Liability - Beginning	<u>28,163,054</u>	<u>30,685,104</u>	<u>19,196,232</u>	<u>20,586,726</u>	<u>23,678,278</u>	<u>25,465,036</u>
Total OPEB Liability - Ending	<u>\$ 23,774,124</u>	<u>\$ 28,163,054</u>	<u>\$ 30,685,104</u>	<u>\$ 19,196,232</u>	<u>\$ 20,586,726</u>	<u>\$ 23,678,278</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>23,774,124</u>	<u>28,163,054</u>	<u>30,685,104</u>	<u>19,196,232</u>	<u>20,586,726</u>	<u>23,678,278</u>
Total OPEB Liability - Ending	<u>\$ 23,774,124</u>	<u>\$ 28,163,054</u>	<u>\$ 30,685,104</u>	<u>\$ 19,196,232</u>	<u>\$ 20,586,726</u>	<u>\$ 23,678,278</u>
District's Covered Payroll	<u>\$ 7,428,178</u>	<u>\$ 7,172,082</u>	<u>\$ 7,172,082</u>	<u>\$ 7,006,582</u>	<u>\$ 6,587,213</u>	<u>\$ 6,759,113</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%

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

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

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

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

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SPECIAL REVENUE FUND

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

	IDEA Basic	IDEA Preschool	ESSER II		ESSER III		SDA Emergent & Capital Maint. Needs	Climate Awareness Education	Bergen County Utilities Authority Recycling Grant	Student Activities	Total
			CRRSA Act	Mental Health	Non-Title I	Summer Learning					
REVENUES											
Intergovernmental											
Federal	\$ 143,944	\$ 13,511	\$ 261,788	\$ 15,502	\$ 532,234	\$ 40,000					\$ 1,006,979
State							\$ 16,367	\$ 6,660			23,027
Local Sources	-	-	-	-	-	-	-	-	\$ 1,000	\$ 166,963	167,963
Total Revenues	\$ 143,944	\$ 13,511	\$ 261,788	\$ 15,502	\$ 532,234	\$ 40,000	\$ 16,367	\$ 6,660	\$ 1,000	\$ 166,963	\$ 1,197,969
EXPENDITURES											
Instruction											
Purchased Professional Technical Services				3,200		40,000					43,200
Co-Curricular/Extra-Curricular Activities										157,076	157,076
Tuition	143,944	13,511									157,455
Supplies and Materials	-	-	-	5,703	24,658	-	-	4,115	-	-	34,476
Total Instruction	143,944	13,511	-	8,903	24,658	40,000	-	4,115	-	157,076	392,207
Support Services											
Purchased Professional Technical Services				6,599							6,599
Other Objects	-	-	-	-	-	-	-	-	1,000	-	1,000
Total Support Services	-	-	-	6,599	-	-	-	-	1,000	-	7,599
Facilities Acquisition and Construction Services:											
Buildings			261,788		466,861						728,649
Instructional Equipment	-	-	-	-	40,715	-	-	2,545	-	-	43,260
Non-Instructional Equipment	-	-	-	-	-	-	16,367	-	-	-	16,367
Total Facilities Acquisition and Construction Services	-	-	261,788	-	507,576	-	16,367	2,545	-	-	788,276
Total Expenditures	\$ 143,944	\$ 13,511	\$ 261,788	\$ 15,502	\$ 532,234	\$ 40,000	\$ 16,367	\$ 6,660	\$ 1,000	\$ 157,076	\$ 1,188,082
Net Change in Fund Balances	-	-	-	-	-	-	-	-	-	9,887	9,887
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	-	38,799	38,799
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,686	\$ 48,686

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

NOT APPLICABLE

**SPECIAL REVENUE FUND
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Balance, July 1, 2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance, June 30, 2023</u>
T. Baldwin Demarest School	\$ 8,816	\$ 15,229	\$ 15,342	\$ 8,703
Charles DeWolf School	25,437	148,294	137,309	36,422
Athletics	1,646	3,354	4,367	633
Field Trips	<u>2,900</u>	<u>86</u>	<u>58</u>	<u>2,928</u>
 Total All Schools	 <u>\$ 38,799</u>	 <u>\$ 166,963</u>	 <u>\$ 157,076</u>	 <u>\$ 48,686</u>

ENTERPRISE FUND

**OLD TAPPAN BOARD OF EDUCATION
ENTERPRISE FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

This Statement is Not Applicable
Financial Statements are Present on Exhibit B-4

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

This Statement is Not Applicable
Financial Statements are Present on Exhibit B-5

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

This Statement is Not Applicable
Financial Statements are Present on Exhibit B-6

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

**OLD TAPPAN BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOT APPLICABLE

**LONG-TERM DEBT
SCHEDULE OF LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
<u>Leases Payable</u>					
Child Study Team Office Trailer	\$ 30,069	31.139%	\$ 28,411	\$ 6,471	\$ 21,940
Total Leases Payable			<u>\$ 28,411</u>	<u>\$ 6,471</u>	<u>\$ 21,940</u>

**LONG-TERM DEBT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOT APPLICABLE

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	As of June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2022
Governmental Activities										
Net Investment in Capital Assets	\$ 6,673,486	\$ 7,091,287	\$ 7,990,048	\$ 6,990,013	\$ 7,155,671	\$ 5,857,422	\$ 5,640,101	\$ 4,530,674	\$ 4,548,699	\$ 6,667,013
Restricted	4,900,969	6,782,473	7,918,138	9,595,761	11,267,544	14,032,378	17,146,971	20,392,097	21,962,546	23,871,737
Unrestricted	1,659,788	1,346,451	1,268,170	695,848	1,065,361	1,524,572	1,504,440	1,850,999	2,130,978	2,209,050
Total Governmental Activities Net Position	\$ 13,234,243	\$ 15,220,211	\$ 17,176,356	\$ 17,281,622	\$ 19,488,576	\$ 21,414,372	\$ 24,291,512	\$ 26,773,770	\$ 28,642,223	\$ 32,747,800
Business-Type Activities										
Unrestricted	\$ 1,631	\$ 1,385	\$ 1,021	\$ 1,024	\$ 1,030	\$ 1,046	\$ 1,057	\$ 1,058	\$ 1,060	\$ 1,092
Total Business-Type Activities Net Position	\$ 1,631	\$ 1,385	\$ 1,021	\$ 1,024	\$ 1,030	\$ 1,046	\$ 1,057	\$ 1,058	\$ 1,060	\$ 1,092
District-Wide										
Net Investment in Capital Assets	\$ 6,673,486	\$ 7,091,287	\$ 7,990,048	\$ 6,990,013	\$ 7,155,671	\$ 5,857,422	\$ 5,640,101	\$ 4,530,674	\$ 4,548,699	\$ 6,667,013
Restricted	4,900,969	6,782,473	7,918,138	9,595,761	11,267,544	14,032,378	17,146,971	20,392,097	21,962,546	23,871,737
Unrestricted	1,661,419	1,347,836	1,269,191	696,872	1,066,391	1,525,618	1,505,497	1,852,057	2,132,038	2,210,142
Total District Net Position	\$ 13,235,874	\$ 15,221,596	\$ 17,177,377	\$ 17,282,646	\$ 19,489,606	\$ 21,415,418	\$ 24,292,569	\$ 26,774,828	\$ 28,643,283	\$ 32,748,892

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Note 3 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 5,784,320	\$ 6,875,938	\$ 7,209,373	\$ 8,429,741	\$ 8,339,764	\$ 7,617,066	\$ 7,377,275	\$ 8,269,014	\$ 7,506,267	\$ 7,475,533
Special Education	3,022,334	2,751,863	3,066,946	3,146,058	2,410,921	2,272,776	2,344,031	1,911,409	2,334,209	2,741,254
Other Instruction	362,426	451,438	451,500	274,139	524,962	551,389	569,106	860,991	831,793	789,669
School Sponsored Activities and Athletics	77,137	82,392	78,758	78,715	89,336	101,579	163,097	256,062	435,483	441,867
Support Services:										
Student & Instruction Related Services	1,412,542	1,745,595	1,864,892	2,635,495	2,526,941	2,474,684	2,383,295	2,562,873	2,516,459	2,331,628
General Administration Services	343,404	536,755	459,534	440,462	459,575	444,112	422,181	487,635	527,682	553,650
School Administration Services	513,981	568,073	611,810	650,381	641,624	590,359	551,806	469,591	537,293	539,061
Business / Central Services	454,420	521,438	540,173	579,745	597,344	574,498	546,008	623,844	575,158	579,489
Plant Operations And Maintenance	1,267,652	1,359,244	1,500,750	2,258,965	2,302,493	2,362,266	2,359,009	2,584,874	2,430,335	1,727,026
Pupil Transportation	264,216	216,934	229,232	258,510	208,488	217,036	148,066	106,903	201,333	278,767
Interest On Long-Term Debt	171,225	137,239	102,410	66,462	29,469	1,122	1,122	1,122	1,122	1,122
Total Governmental Activities Expenses	13,673,657	15,246,909	16,115,378	18,818,673	18,130,917	17,206,887	16,864,996	18,134,318	17,897,134	17,459,066
Business-Type Activities:										
Food Service	6,547	5,816	5,840	-	-	-	-	-	-	-
Total Business-Type Activities Expense	6,547	5,816	5,840	-	-	-	-	-	-	-
Total District Expenses	\$ 13,680,204	\$ 15,252,725	\$ 16,121,218	\$ 18,818,673	\$ 18,130,917	\$ 17,206,887	\$ 16,864,996	\$ 18,134,318	\$ 17,897,134	\$ 17,459,066
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular Instruction	\$ 14,161	\$ 27,997	\$ 19,694							
Special Education				\$ 34,440	\$ 70,386	\$ 58,815	\$ 149,239	\$ 150,731	\$ 120,000	\$ 129,851
Other Instruction								47,300	79,282	79,282
School Sponsored Activities and Athletics								\$ 18,169	158,406	166,963
Operating Grants And Contributions	1,769,941	3,379,482	3,923,145	5,286,501	5,533,101	4,449,417	3,955,138	5,270,869	3,945,764	3,555,258
Capital Grants And Contributions	-	-	-	-	-	-	-	34,705	14,859	788,276
Total Governmental Activities Program Revenues	1,784,102	3,407,479	3,942,839	5,320,941	5,603,487	4,508,232	4,104,377	5,474,474	4,286,329	4,719,630
Business-Type Activities:										
Charges For Services										
Food Service	2,967	3,685	3,919							
Operating Grants And Contributions	2,083	1,872	1,544	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	5,050	5,557	5,463	-	-	-	-	-	-	-
Total District Program Revenues	\$ 1,789,152	\$ 3,413,036	\$ 3,948,302	\$ 5,320,941	\$ 5,603,487	\$ 4,508,232	\$ 4,104,377	\$ 5,474,474	\$ 4,286,329	\$ 4,719,630
Net (Expense)/Revenue										
Governmental Activities	\$ (11,889,555)	\$ (11,839,430)	\$ (12,172,539)	\$ (13,497,732)	\$ (12,527,430)	\$ (12,698,655)	\$ (12,760,619)	\$ (12,659,844)	\$ (13,610,805)	\$ (12,739,436)
Business-Type Activities	(1,497)	(259)	(377)	-	-	-	-	-	-	-
Total District-Wide Net Expense	\$ (11,891,052)	\$ (11,839,689)	\$ (12,172,916)	\$ (13,497,732)	\$ (12,527,430)	\$ (12,698,655)	\$ (12,760,619)	\$ (12,659,844)	\$ (13,610,805)	\$ (12,739,436)

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

	Fiscal Year Ended June 30,									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 12,487,161	\$ 12,856,212	\$ 13,164,472	\$ 13,505,322	\$ 13,775,428	\$ 14,324,223	\$ 14,739,927	\$ 15,105,090	\$ 15,407,192	\$ 15,993,801
Taxes Levied For Debt Service	748,158	738,347	731,518	731,542	693,577					
Unrestricted Grants And Contributions	-	6,919	7,582	7,560	6,951	736				
State Aid Restricted for Debt Service	176,472	174,158	172,547	172,553	163,598					
Investment Earnings	45,710	35,148	41,726	57,084	84,276	275,282	203,098	23,563	50,917	828,294
Miscellaneous Income	42,462	14,614	10,839	4,619	13,851	24,210	13,599	13,449	21,149	22,918
Other Items										
Loss on Disposal of Capital Assets	-	-	-	-	(3,297)	-	-	-	-	-
Total Governmental Activities	<u>13,499,963</u>	<u>13,825,398</u>	<u>14,128,684</u>	<u>14,478,680</u>	<u>14,734,384</u>	<u>14,624,451</u>	<u>14,956,624</u>	<u>15,142,102</u>	<u>15,479,258</u>	<u>16,845,013</u>
Business-Type Activities:										
Investment Earnings	<u>25</u>	<u>13</u>	<u>13</u>	<u>3</u>	<u>6</u>	<u>16</u>	<u>11</u>	<u>1</u>	<u>2</u>	<u>32</u>
Total Business-Type Activities	<u>25</u>	<u>13</u>	<u>13</u>	<u>3</u>	<u>6</u>	<u>16</u>	<u>11</u>	<u>1</u>	<u>2</u>	<u>32</u>
Total District-Wide	<u>\$ 13,499,988</u>	<u>\$ 13,825,411</u>	<u>\$ 14,128,697</u>	<u>\$ 14,478,683</u>	<u>\$ 14,734,390</u>	<u>\$ 14,624,467</u>	<u>\$ 14,956,635</u>	<u>\$ 15,142,103</u>	<u>\$ 15,479,260</u>	<u>\$ 16,845,045</u>
Change in Net Position										
Governmental Activities	\$ 1,610,408	\$ 1,985,968	\$ 1,956,145	\$ 980,948	\$ 2,206,954	\$ 1,925,796	\$ 2,196,005	\$ 2,482,258	\$ 1,868,453	\$ 4,105,577
Business-Type Activities	(1,472)	(246)	(364)	3	6	16	11	1	2	32
Total District	<u>\$ 1,608,936</u>	<u>\$ 1,985,722</u>	<u>\$ 1,955,781</u>	<u>\$ 980,951</u>	<u>\$ 2,206,960</u>	<u>\$ 1,925,812</u>	<u>\$ 2,196,016</u>	<u>\$ 2,482,259</u>	<u>\$ 1,868,455</u>	<u>\$ 4,105,609</u>

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

		As of June 30,									
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund											
Restricted	\$	8,814,114	10,483,158	11,319,214	12,694,703	14,647,902	17,722,178	20,572,229	23,702,185	25,145,190	26,900,621
Committed				300,484						26,675	381,621
Assigned											
Unassigned		<u>227,237</u>	<u>222,363</u>	<u>225,319</u>	<u>234,331</u>	<u>222,006</u>	<u>219,747</u>	<u>224,829</u>	<u>483,007</u>	<u>551,984</u>	<u>260,281</u>
Total General Fund	\$	<u>9,041,351</u>	<u>10,705,521</u>	<u>11,845,017</u>	<u>12,929,034</u>	<u>14,869,908</u>	<u>17,941,925</u>	<u>20,797,058</u>	<u>24,185,192</u>	<u>25,723,849</u>	<u>27,542,523</u>
All Other Governmental Funds											
Restricted	\$	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,983</u>	<u>30,863</u>	<u>38,799</u>	<u>48,686</u>
Total All Other Governmental Funds	\$	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,983</u>	<u>30,863</u>	<u>38,799</u>	<u>48,686</u>

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

OLD TAPPAN BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Unaudited)

(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property Taxes	\$ 13,235,319	\$ 13,594,559	\$ 13,895,990	\$ 14,236,864	\$ 14,469,005	\$ 14,324,223	\$ 14,739,927	\$ 15,105,090	\$ 15,407,192	\$ 15,993,801
Tuition Charges	14,161	27,997	19,694	34,440	70,386	58,815	149,239	150,731	167,300	209,133
Interest Earnings	45,710	35,148	41,726	57,084	84,276	275,282	203,098	23,563	50,917	828,294
Miscellaneous	45,512	17,200	12,088	9,029	17,159	25,464	14,106	32,608	179,555	190,881
State Sources	1,790,795	2,041,279	2,156,169	2,381,091	2,714,542	2,818,248	2,896,306	3,462,636	4,282,297	4,744,636
Federal Sources	152,568	157,030	156,901	146,771	153,706	152,420	137,630	228,167	242,656	1,006,979
Total Revenue	15,284,065	15,873,213	16,282,568	16,865,279	17,509,074	17,654,452	18,140,306	19,002,795	20,329,917	22,973,724
Expenditures										
Instruction										
Regular Instruction	5,778,808	5,990,133	6,064,353	6,480,722	6,538,228	6,696,035	6,793,227	7,341,484	7,998,337	8,312,084
Special Education Instruction	3,019,294	2,611,350	2,828,365	2,834,703	2,147,406	2,140,022	2,267,578	1,858,024	2,431,287	2,925,156
Other Instruction	362,426	392,170	376,432	209,347	467,375	522,396	551,569	743,958	857,573	850,041
School Sponsored Activities and Athletics	77,137	82,392	75,471	78,738	85,504	104,770	169,588	229,455	440,750	447,587
Support Services:										
Student and Inst. Related Services	1,412,542	1,567,031	1,624,441	2,224,314	2,104,748	2,260,458	2,255,850	2,355,326	2,642,708	2,564,480
General Administration Services	343,404	424,922	442,248	439,862	414,681	416,891	411,293	434,315	492,370	540,998
School Administrative Services	508,584	504,433	520,872	518,936	545,996	535,764	526,570	433,392	567,737	591,642
Business / Central Services	451,358	482,880	478,216	501,578	514,167	541,243	534,890	585,294	606,945	631,711
Plant Operations And Maintenance	956,095	987,564	1,111,625	975,775	998,171	1,060,790	1,088,981	1,274,686	1,112,302	1,137,897
Pupil Transportation	264,216	216,934	229,232	258,510	208,488	217,036	148,066	106,903	201,333	278,767
Capital Outlay	761,909	35,607	486,630	353,560	685,139	85,908	1,156,591	280,822	1,429,202	2,857,207
Debt Service:										
Principal	775,000	790,000	810,000	840,000	825,000				1,658	6,471
Interest and Other Charges	150,752	123,627	95,187	65,217	33,297	1,122	1,122	1,122	1,122	1,122
Total Expenditures	14,861,525	14,209,043	15,143,072	15,781,262	15,568,200	14,582,435	15,905,325	15,644,781	18,783,324	21,145,163
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	422,540	1,664,170	1,139,496	1,084,017	1,940,874	3,072,017	2,234,981	3,358,014	1,546,593	1,828,561
Other Financing Sources (Uses)										
Lease Liability Proceeds	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ 422,540	\$ 1,664,170	\$ 1,139,496	\$ 1,084,017	\$ 1,940,874	\$ 3,072,017	\$ 2,234,981	\$ 3,358,014	\$ 1,546,593	\$ 1,828,561
Debt Service as a Percentage of										
Noncapital Expenditures	6.57%	6.45%	6.18%	5.87%	5.77%	0.01%	0.01%	0.01%	0.02%	0.04%

**OLD TAPPAN BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Fiscal Year Ended June 30</u>	<u>Interest on Deposit</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2014	\$ 45,710	\$ 14,161	\$ 42,462	\$ 102,333
2015	35,148	27,997	14,614	77,759
2016	41,726	19,694	10,839	72,259
2017	57,084	34,440	4,619	96,143
2018	84,276	70,386	13,851	168,513
2019	275,282	58,815	24,210	358,307
2020	203,098	149,239	13,599	365,936
2021	23,563	150,731	13,449	187,743
2022	50,917	167,300	21,149	239,366
2023	828,294	209,133	22,918	1,060,345

Source: School District's Financial Statements

**OLD TAPPAN BOARD OF EDUCATION
 ASSESSED VALUATION AND ACTUAL VALUATION OF TAXABLE PROPERTY
 LAST TEN YEARS
 (Unaudited)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Valuation	Local and Regional School Tax Rate
2014	\$ 43,661,000	\$ 1,594,422,600	\$ 371,300	\$ 2,500	\$ 80,435,200	\$ 698,100	\$ 1,719,590,700	\$ 1,156,788	\$ 1,720,747,488	\$ 1,708,954,754	1.347
2015	43,312,500	1,599,653,900	371,300	2,500	80,399,200	698,100	1,724,437,500	1,190,284	1,725,627,784	1,733,909,301	1.375
2016	40,450,900	1,606,134,700	371,300	2,500	80,545,500	2,817,100	1,730,322,000	1,149,128	1,731,471,128	1,721,634,054	1.392
2017	39,118,600	1,609,983,000	371,300	2,500	80,256,200	2,817,100	1,732,548,700	1,117,527	1,733,666,227	1,765,955,122	1.424
2018	37,566,000	1,619,099,500	371,300	2,500	80,256,200	2,817,100	1,740,112,600	1,117,699	1,741,230,299	1,769,692,974	1.423
2019	37,375,800	1,612,161,900	371,300	2,500	80,256,200	2,817,100	1,732,984,800	1,128,230	1,734,113,030	1,748,800,451	1.477
2020	35,410,500	1,605,531,900	371,300	2,500	80,256,200	9,176,500	1,730,748,900	1,141,337	1,731,890,237	1,747,913,050	1.502
2021	34,618,500	1,617,168,200	371,300	2,500	62,970,400	8,955,400	1,724,086,300	1,146,335	1,725,232,635	1,742,930,480	1.522
2022	34,058,800	1,618,414,500	371,300	2,500	63,280,600	10,305,400	1,726,433,100	1,118,587	1,727,551,687	1,786,278,833	1.524
2023	33,478,500	1,650,580,500	371,300	2,500	63,280,600	10,305,400	1,758,018,800	1,047,290	1,759,066,090	1,978,227,409	1.521

Source: County Abstract of Ratables

**OLD TAPPAN BOARD OF EDUCATION
PROPERTY TAX RATES
PER \$100 OF ASSESSED VALUATION
LAST TEN YEARS
(Unaudited)**

<u>Year</u>	<u>Total</u>	<u>Local and Regional School Districts</u>	<u>Municipality</u>	<u>County</u>
2014	\$ 1.871	\$ 1.347	\$ 0.292	\$ 0.232
2015	1.922	1.375	0.305	0.242
2016	1.953	1.392	0.316	0.245
2017	2.005	1.424	0.325	0.256
2018	2.010	1.423	0.332	0.255
2019	2.063	1.477	0.340	0.246
2020	2.092	1.502	0.340	0.250
2021	2.123	1.522	0.347	0.254
2022	2.128	1.524	0.355	0.249
2023	2.154	1.521	0.364	0.269

Source: Tax Duplicate, Borough of Old Tappan

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

<u>Taxpayer</u>	<u>2023</u>		<u>2014</u>	
	<u>Taxable Assessed Valuation</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Valuation</u>	<u>% of Total District Net Assessed Value</u>
United Water of NJ	\$ 26,460,000	1.50%	\$ 26,460,000	1.54%
SZR Old Tappan Assisted Living	10,860,800	0.62%		
A & R, A. Ltd. Ptnr	9,869,000	0.56%	17,096,800	0.99%
A & R, A. Ltd. Ptnr	7,227,800	0.41%		
200 OTR LLC; HRP Construction	4,550,500	0.26%		
JP Morgan Chase Bank Nat'l Assoc.	3,400,000	0.19%		
Individual	3,000,000	0.17%		
Individual	2,960,000	0.17%		
MCH-OT Rlty LLC	2,809,800	0.16%	2,809,800	0.16%
Individual	2,606,300	0.15%	3,924,000	0.23%
Prentice Hall			19,000,000	1.10%
Sunrise Assisted Living			10,860,800	0.63%
Rockland Electric				
Individual			3,400,000	0.20%
Individual			3,230,700	0.19%
Individual			2,889,900	0.17%
	<u>\$ 73,744,200</u>	<u>4.19%</u>	<u>\$ 89,672,000</u>	<u>5.21%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 13,235,319	\$ 13,235,319	100.00%	N/A
2015	13,594,559	13,594,559	100.00%	N/A
2016	13,895,990	13,895,990	100.00%	N/A
2017	14,236,864	14,236,864	100.00%	N/A
2018	14,469,005	14,469,005	100.00%	N/A
2019	14,324,223	14,324,223	100.00%	N/A
2020	14,739,927	14,739,927	100.00%	N/A
2021	15,105,090	15,105,090	100.00%	N/A
2022	15,407,192	15,407,192	100.00%	N/A
2023	15,993,801	15,993,801	100.00%	N/A

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Population	Per Capita
	General Obligation Bonds	Capital Financing Agreements			
2014	\$ 3,265,000		\$ 3,265,000	5,903	\$ 553
2015	2,475,000		2,475,000	5,940	417
2016	1,665,000		1,665,000	5,935	281
2017	825,000		825,000	5,942	139
2018				5,930	-
2019				5,902	-
2020				5,870	-
2021				5,836	-
2022				5,836	-
2023				5,836	-

Source: District records

*Estimate

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2014	\$ 3,265,000		\$ 3,265,000	0.19%	\$ 550
2015	2,475,000		2,475,000	0.14%	417
2016	1,665,000		1,665,000	0.10%	280
2017	825,000		825,000	0.05%	139
2018				0.00%	
2019				0.00%	
2020				0.00%	
2021				0.00%	
2022				0.00%	
2023				0.00%	

Source: District records

OLD TAPPAN BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
AS OF DECEMBER 31, 2022
(Unaudited)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt:			
Northern Valley Regional School District	\$ 1,687,983	\$ 1,687,983	
Borough of Old Tappan	<u>8,484,776</u>	<u>1,014,197</u>	<u>\$ 7,470,579</u>
	<u>\$ 10,172,759</u>	<u>\$ 2,702,180</u>	<u>7,470,579</u>
Overlapping Debt Apportioned to the Municipality:			
County of Bergen (A)			13,845,614
Bergen County Utilities Authority (BCUA) - Water Pollution (B)			<u>1,412,043</u>
			<u>15,257,657</u>
 Total Direct and Overlapping Debt			 <u>\$ 22,728,236</u>

Sources:

- (1) Borough of Old Tappan Annual Debt Statement
- (2) BCUA Audit
- (3) Bergen County Debt Statement December 31, 2022

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 52,690,283	\$ 52,193,339	\$ 51,550,825	\$ 51,990,284	\$ 52,321,575	\$ 52,724,459	\$ 52,589,781	\$ 52,466,888	\$ 52,746,769	\$ 54,673,527
Total Net Debt Applicable To Limit	3,265,000	2,475,000	1,665,000	825,000						
Legal Debt Margin	<u>\$ 49,425,283</u>	<u>\$ 49,718,339</u>	<u>\$ 49,885,825</u>	<u>\$ 51,165,284</u>	<u>\$ 52,321,575</u>	<u>\$ 52,724,459</u>	<u>\$ 52,589,781</u>	<u>\$ 52,466,888</u>	<u>\$ 52,746,769</u>	<u>\$ 54,673,527</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.20%	4.74%	3.23%	1.59%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized Valuation Basis	
2022	\$ 1,939,812,472
2021	1,780,896,911
2020	<u>1,746,643,355</u>
 Average Equalized Valuation Of Taxable Property	 <u>\$ 1,822,450,913</u>
 Debt Limit (3% of Average Equalization Value)	 \$ 54,673,527
Total Net Debt Applicable to Limit	<u>-</u>
 Legal Debt Margin	 <u>\$ 54,673,527</u>

Source: Annual Debt Statements

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income</u>	<u>Population</u>	
2014	4.1	\$ 73,883	5,903	
2015	3.6	77,323	5,940	
2016	3.1	78,836	5,935	
2017	3.0	81,024	5,942	
2018	2.8	85,191	5,930	
2019	2.1	88,241	5,902	
2020	7.3	91,972	5,870	
2021	4.7	91,972 *	5,836	
2022	Not Available	91,972 *	5,836	*
2023	Not Available	91,972 *	5,836	*

Source: New Jersey Department of Labor, Bergen County
United States Bureau of Census
School District Records

* Estimate

OLD TAPPAN BOARD OF EDUCATION
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

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

INFORMATION NOT AVAILABLE

**OLD TAPPAN BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>Fiscal Year Ended June 30,</u>									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	55.0	54.7	52.6	51.7	55.4	55.2	55.8	57.2	58.2	59.2
Special Education	10.3	10.0	10.0	10.7	6.7	7.0	7.5	7.0	7.5	8.0
Other Special Education	5.4	6.0	5.4	5.4	6.5	6.6	7.4	7.0	7.6	8.6
Other Instruction	15.0	10.5	15.5	16.9	13.8	16.9	19.9	19.4	20.6	18.0
Support Services:										
Student & Instruction Related Services	3.0	3.0	3.0	4.0	4.5	5.0	5.0	5.0	5.0	5.0
General Administration	2.6	3.0	3.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1
School Administrative Services	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	4.0	4.0
Other Administrative Services	3.5	3.5	3.6	3.6	3.6	4.6	4.7	4.6	4.6	3.6
Administrative Information Technology	1.4	1.0	1.4	1.4	1.4	1.0	1.0	1.0	1.0	1.0
Plant Operation and Maintenance	5.0	5.0	4.7	4.5	4.5	8.5	8.5	7.5	6.0	8.5
Other Support Services	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.2
Total	<u>106.3</u>	<u>101.8</u>	<u>104.3</u>	<u>105.4</u>	<u>103.6</u>	<u>112.0</u>	<u>117.0</u>	<u>114.9</u>	<u>117.7</u>	<u>119.2</u>

Source: District Personnel Records

Notes:

Special Education = Special Education Teachers

Other Special Education = Child Study Team, Speech and CST Secretary

Other Instruction = Teacher Aides

Student & Instruction Related Services = Guidance and Nurses

General Administrative Services = CSA, CSA Secretary and Treasurer

School Administrative Services = Principals and School Secretaries

Other Administrative Services = SBA and Business Office

Administrative Information Technology = Technology Employees

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

Fiscal Year Ended June 30,	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	781	\$ 13,173,864	\$ 16,868	0.90%	66.3	750.0	723.3	-0.79%	96.44%
2015	752	13,259,809	17,633	4.53%	65.7	736.7	714	-1.77%	96.92%
2016	722	13,751,255	19,046	8.02%	63.6	712.5	680.0	-3.28%	95.44%
2017	708	14,522,485	20,512	7.70%	63.6	683.4	644.0	-4.08%	94.23%
2018	673	14,024,764	20,839	1.60%	64.1	659.9	636.9	-3.45%	96.52%
2019	654	14,495,405	22,164	6.36%	64.2	649.8	623.7	-1.52%	95.98%
2020	664	14,747,612	22,210	0.21%	65.3	659.0	641.8	1.42%	97.39%
2021	652	15,362,837	23,563	6.09%	66.2	667.2	652.4	1.24%	97.78%
2022	712	17,351,342	24,370	3.43%	67.7	717.0	685.7	7.46%	95.63%
2023	732	18,280,363	24,973	2.48%	69.2	737.9	701.4	2.91%	95.05%

Sources: District records

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

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

	Fiscal Year Ended June 30,										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2022	
<u>District Building</u>											
<u>Elementary</u>											
T. Baldwin Demarest (1964)											
Square Feet	59,270	59,270	59,270	59,270	59,270	59,270	59,270	59,270	59,270	59,270	59,270
Capacity (students)	407	407	407	407	407	407	407	407	407	407	407
Enrollment	349	352	331	340	346	346	347	340	382	373	373
<u>Middle School</u>											
Charles DeWolf (1927)											
Square Feet	65,896	65,896	65,896	65,896	65,896	65,896	65,896	65,896	65,896	65,896	65,896
Capacity (students)	426	426	426	426	426	426	426	426	426	426	426
Enrollment	401	384	373	341	310	294	311	311	325	358	358

Source: District Records

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

	Fiscal Year Ended June 30,									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
School Facilities										
T.Baldwin Demarest School	\$ 110,079	\$ 113,997	\$ 181,471	\$ 100,486	\$ 143,882	\$ 141,230	\$ 156,153	\$ 187,588	\$ 130,215	\$ 106,086
Charles DeWolf School	<u>122,004</u>	<u>120,511</u>	<u>200,645</u>	<u>139,588</u>	<u>156,286</u>	<u>155,057</u>	<u>171,499</u>	<u>208,029</u>	<u>144,937</u>	<u>117,435</u>
	<u>\$ 232,083</u>	<u>\$ 234,508</u>	<u>\$ 382,116</u>	<u>\$ 240,074</u>	<u>\$ 300,168</u>	<u>\$ 296,287</u>	<u>\$ 327,652</u>	<u>\$ 395,617</u>	<u>\$ 275,152</u>	<u>\$ 223,521</u>

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

	<u>Coverage</u>	<u>Deductible</u>
NESBIG		
Commercial Package Policy	\$ 29,877,385	\$ 5,000
Cyber	6,000,000	100,000
Flood / Earthquake	5,000,000	50,000
General Liability	2,000,000	
Automobile Liability	1,000,000	
Contractors Equipment	250,000	
Employee Dishonesty - Per Employee	100,000	5,000
Employee Dishonesty - Per Loss	500,000	100,000
Western Surety Company		
Treasurer	250,000	

Source: School District's Records

Note: Additional insurance coverage information of file with the School Business Administrator.

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
277 Old Tappan Road
Old Tappan, New Jersey 07675

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

Report on Internal Control Over Financial Reporting

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

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


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

Report on Compliance and Other Matters

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

Purpose of this Report

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


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 30, 2023



LERCH, VINCI & BLISS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
277 Old Tappan Road
Old Tappan, New Jersey 07675

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Old Tappan Board of Education's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Old Tappan Board of Education's major federal and state programs for the fiscal year ended June 30, 2023. The Old Tappan Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Old Tappan Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

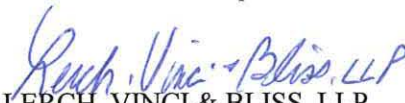
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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


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

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

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

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


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 30, 2023

OLD TAPPAN BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance, July 1, 2022		Cash Received	Budgetary Expenditures	June 30, 2023		MEMO GAAP Receivable
					Unearned Revenue	(Accounts Receivable)			Unearned Revenue	Accounts Receivable	
U.S. Department of Education Passed-Through State Department of Education											*
Special Revenue Fund											*
I.D.E.A. Part B, Basic	84.027A	H027A210100	7/1/22-9/30/23	\$ 143,944			\$ 143,944	\$ 143,944			*
I.D.E.A. Part B, Preschool	84.173A	H173A210114	7/1/22-9/30/23	13,511	-	-	13,511	13,511	-	-	*
Total Special Education Cluster (IDEA)					-	-	157,455	157,455	-	-	*
Elementary and Secondary School Emergency Relief Fund (ESSER):											*
ESSER II - Coronavirus Response and Relief Supplem. Appropriations	84.425D	S425D200027	3/13/20-9/30/23	291,788	\$ 261,788	\$ (261,788)	261,788	261,788			*
ESSER II - Mental Health	84.425D	S425D200027	3/13/20-9/30/23	45,000	31,650	(31,650)	14,768	15,502	1	(735)	*
American Rescue Plan (ARP) - ESSER III (Non-Title I)	84.425U	S425U210027	3/13/20-9/30/24	583,576	583,576	(583,576)	491,519	532,234	51,342	(92,057)	*
American Rescue Plan (ARP) - Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	53,961	53,961	(53,961)			53,961	(53,961)	*
American Rescue Plan (ARP) - Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	40,000	(40,000)	40,000	40,000			*
American Rescue Plan (ARP) - Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	40,000	(40,000)			40,000	(40,000)	*
American Rescue Plan (ARP) - NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	45,000	(45,000)	-	-	45,000	(45,000)	*
Total Elementary and Secondary School Emergency Relief Fund Cluster (ESSER)					1,055,975	(1,055,975)	808,075	849,524	190,304	(231,753)	*
Total U.S. Department of Education					1,055,975	(1,055,975)	965,530	1,006,979	190,304	(231,753)	*
Total Special Revenue Fund					1,055,975	(1,055,975)	965,530	1,006,979	190,304	(231,753)	*
Total Federal Financial Awards					\$ 1,055,975	\$ (1,055,975)	\$ 965,530	\$ 1,006,979	\$ 190,304	\$ (231,753)	*

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

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022		Cash Received	Budgetary Expenditures	June 30, 2023		Memo	
				Unearned Revenue	(Accounts Receivable)			Unearned Revenue	(Accounts Receivable)	GAAP Receivable	Cumulative Total Expenditures
State Department of Education											
General Fund											
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 642,924			\$ 579,684	\$ 642,924		\$ (63,240)		\$ 642,924
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	494,082		\$ (42,649)	42,649					-
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	20,128			18,148	20,128		(1,980)		20,128
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	20,128		(1,737)	1,737					-
Total State Aid Public Cluster					(44,386)	642,218	663,052		(65,220)		663,052
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	77,746			70,099	77,746		(7,647)		77,746
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	77,746		(6,711)	6,711					-
Additional Non-Public Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	6,838				6,838		(6,838)	\$ (6,838)	6,838
Additional Non-Public Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	5,430		(5,430)	5,430					-
Total Transportation Aid Cluster					(12,141)	82,240	84,584		(14,485)	(6,838)	84,584
Extraordinary Aid	23-100-034-5120-044	7/1/22-6/30/23	317,272				317,272		(317,272)		317,272
Extraordinary Aid	22-100-034-5120-044	7/1/21-6/30/22	354,151		(354,151)	354,151					-
On-Behalf TPAF											
Pension Contributions - Normal	23-495-034-5094-002	7/1/22-6/30/23	2,438,663			2,438,663	2,438,663				2,438,663
Pension Contributions - NCGI	23-495-034-5094-004	7/1/22-6/30/23	33,834			33,834	33,834				33,834
Post Retirement Medical Cont.	23-495-034-5094-004	7/1/22-6/30/23	649,519			649,519	649,519				649,519
Long-Term Disability Insurance Contribution	23-495-034-5094-001	7/1/22-6/30/23	658			658	658				658
Reimbursed Soc. Security Contribution	23-495-034-5094-003	7/1/22-6/30/23	518,918			467,892	518,918		(51,026)	(51,026)	518,918
Total Extraordinary Aid and On-Behalf TPAF Cluster					(354,151)	3,944,717	3,958,864		(368,298)	(51,026)	3,958,864
Total General Fund					(410,678)	4,669,175	4,706,500		(448,003)	(57,864)	4,706,500
Special Revenue Fund											
Schools Development Authority											
Emergent and Capital Maintenance Needs	N/A	N/A	16,367			16,367	16,367				16,367
Climate Awareness Education	23E00131		6,660			6,660	6,660				6,660
Total Special Revenue Fund						23,027	23,027				23,027
Total State Financial Assistance					\$ (410,678)	4,692,202	4,729,527		\$ (448,003)	\$ (57,864)	\$ 4,729,527
State Financial Assistance Not Subject to Single Audit Determination											
General Fund - On-Behalf TPAF											
Normal Cost	22-495-034-5094-002					(2,438,663)	(2,438,663)				
NCGI	22-495-034-5094-004					(33,834)	(33,834)				
Post Retirement Medical	22-495-034-5094-001					(649,519)	(649,519)				
Long-Term Disability Insurance	22-495-034-5094-004					(658)	(658)				
Total State Financial Assistance Subject to Single Audit						\$ 1,569,528	\$ 1,606,853				

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

NOTE 1 REPORTING ENTITY

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

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$15,109 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,721,609	\$ 4,721,609
Special Revenue Fund	\$ 1,006,979	23,027	<u>1,030,006</u>
Total Financial Assistance	<u>\$ 1,006,979</u>	<u>\$ 4,744,636</u>	<u>\$ 5,751,615</u>

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

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$518,918 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$2,472,497, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$649,519 and TPAF Long-Term Disability Insurance in the amount of \$658 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

NOTE 7 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

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

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

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

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

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

2) Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X no

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

Federal Awards Section

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section 516(a) of Circular U.S. Uniform Guidance _____ yes X no

Identification of major federal programs:

<p><u>AL Number(s):</u></p> <p><u>84.425D / 84.425U</u></p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p><u>Name of Federal Program or Cluster:</u></p> <p><u>ESSER Cluster</u></p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
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Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

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

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

Part 2 – Schedule of Financial Statement Findings

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

There are none.

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

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.

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

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

STATUS OF PRIOR YEAR FINDINGS

There were none.