

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

Paramus, New Jersey

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

Paramus Board of Education

Paramus, New Jersey

For The Fiscal Year Ended June 30, 2023

**Prepared by
Business Department**

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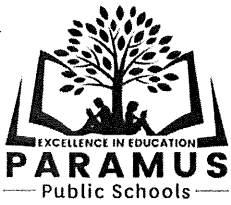
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INTRODUCTORY SECTION



PARAMUS PUBLIC SCHOOLS

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

January 12, 2024

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

Dear Board Members:

State Department of Education statutes require that all School District's prepare a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report (ACFR) of the Paramus Board of Education for the fiscal year ended June 30, 2023.

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

The Paramus Board of Education's financial statements have been audited by Lerch, Vinci & Bliss, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Paramus Board of Education for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Paramus Board of Education's financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

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

The District provides a full range of educational services appropriate to grade levels pre-K through 12. These include regular, as well as special education for handicapped youngsters. The District's student enrollment of 3,613 students for the 2022-2023 fiscal year represents a decrease of 50 students from the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-2023	3,613	(1.37%)
2021-2022	3,663	1.83%
2020-2021	3,597	(4.6%)
2019-2020	3,765	(0.6%)
2018-2019	3,781	0.3%
2017-2018	3,776	(1.2%)
2016-2017	3,823	(1.8%)
2015-2016	3,894	(1.0%)
2014-2015	3,933	(0.2%)
2013-2014	3,941	(2.3%)

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

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

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

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

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

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

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

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

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

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

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

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

In addition to routine maintenance, the District completed several significant construction projects including roof top unit replacement at the Paramus High School Auditorium, roof replacement at

Midland Elementary School, and roof recoating and full classroom renovations at Parkway Elementary School. Exterior doors around the district have been replaced.

To maintain a high level of school security, the district upgraded cameras at all elementary schools and both middle schools, continued utilizing armed security staff and extended hours to middle school armed guards. In addition we've reviewed/sharpened security drill procedures. An additional position for security was added to ensure one on one training is completed with every new employee and that ongoing training is provided to our armed guards.

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

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

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

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

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

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

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

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

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

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

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

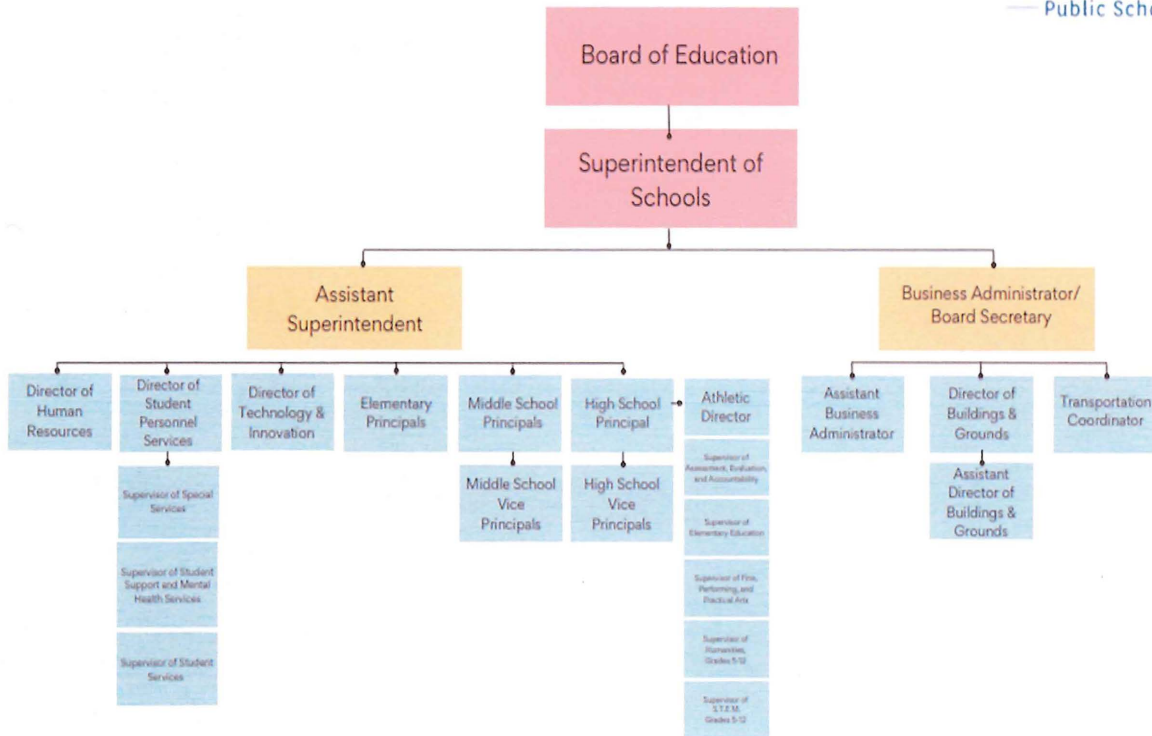
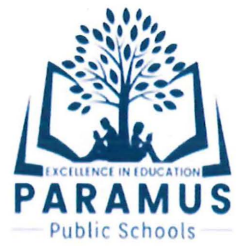
Respectfully submitted,



Sean Adams
Superintendent of Schools



Brooke Bartley
Business Administrator/Board Secretary



PARAMUS BOARD OF EDUCATION

**ROSTER OF OFFICIALS
AS OF JUNE 30, 2023**

	<u>Term Expires</u>
William Holzmann, President	2023
Lisa Cassesa, Vice President	2025
Joanne Bergmann	2023
Melissa Caminiti	2023
Christina Kardasakis	2024
Alison Donoghue	2024
Keri Greene	2025
Lisa Hochhauser	2024
George Song	2025

Other Officials

Sean Adams, Superintendent of Schools

Timothy Donohue, Assistant Superintendent

Brooke Bartley, Business Administrator/Board Secretary

Mattea Field, Assistant Business Administrator

PARAMUS BOARD OF EDUCATION

**CONSULTANTS AND ADVISORS
AS OF JUNE 30, 2023**

Architect

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

Audit Firm

Lerch, Vinci & Bliss, LLP
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Fair Lawn, New Jersey 07410

Attorneys

Board Attorney

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

Labor Negotiating Attorney

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

Bond Counsel

McManimon, Scotland & Baumann, LLC
75 Livingston Avenue
Roseland, New Jersey 07068

Official Depository

Capital One
464 Route 17 N.
Paramus, New Jersey 07652

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, 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 Trustees
Paramus Board of Education
145 Spring Valley Road
Paramus, New Jersey 07652

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Paramus Board of Education, as of and for the fiscal year ended June 30, 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 and each major fund of the Paramus 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 Paramus Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

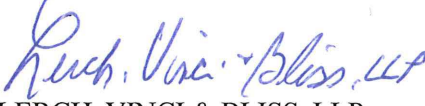
Other Information


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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 12, 2024 on our consideration of the Paramus Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Paramus Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Paramus Board of Education's internal control over financial reporting and compliance.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
January 12, 2024

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

PARAMUS BOARD OF EDUCATION

Management's Discussion and Analysis

This section of Paramus 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 Paramus Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$79,104,805 (net position).
- Overall District revenues were \$114,204,119. General revenues accounted for \$88,340,619 or 77% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$25,863,500 or 23% of total revenues.
- The School District had \$106,929,955 in expenses for governmental activities; only \$24,363,543 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$88,340,619 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 \$41,469,363 a decrease of \$1,064,732 when compared to the ending fund balance at June 30, 2022 of \$42,534,095.
- The General Fund unassigned fund balance at June 30, 2023 was \$1,584,971 a decrease of \$1,573,889 when compared with the ending fund balance of \$3,158,860 at June 30, 2022.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$2,643,485 which represents a decrease of \$1,438,699 when compared to the ending unassigned fund balance at June 30, 2022 of \$4,082,184

PARAMUS BOARD OF EDUCATION

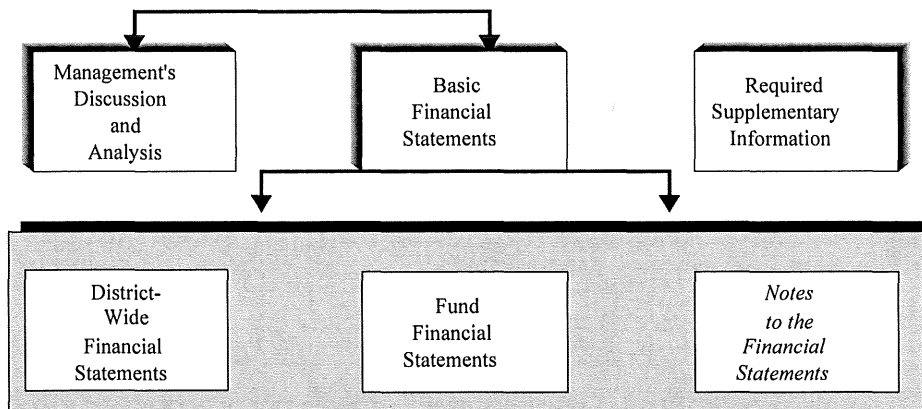
Management's Discussion and Analysis

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.



PARAMUS 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.

PARAMUS 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).

PARAMUS BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The District has two kinds of funds:

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

Notes to the Financial Statements

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

Other Information

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

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

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

PARAMUS 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 \$79,104,805 and \$73,453,333 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.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets						
Current Assets	\$ 43,638,867	\$ 43,953,324	\$ 449,420	\$ 655,641	\$ 44,088,287	\$ 44,608,965
Capital Assets	<u>61,519,582</u>	<u>58,662,194</u>	<u>182,200</u>	<u>174,321</u>	<u>61,701,782</u>	<u>58,836,515</u>
Total Assets	<u>105,158,449</u>	<u>102,615,518</u>	<u>631,620</u>	<u>829,962</u>	<u>105,790,069</u>	<u>103,445,480</u>
Deferred Outflows of Resources						
Deferred Amount on Refunding of Debt	227,957	291,717	-	-	227,957	291,717
Deferred Amount on Net Pension Liability	<u>764,637</u>	<u>395,232</u>	<u>-</u>	<u>-</u>	<u>764,637</u>	<u>395,232</u>
Total Deferred Outflows of Resources	<u>992,594</u>	<u>686,949</u>	<u>-</u>	<u>-</u>	<u>992,594</u>	<u>686,949</u>
Liabilities						
Long-Term Liabilities	21,466,168	20,369,863			21,466,168	20,369,863
Other Liabilities	<u>2,194,482</u>	<u>1,447,395</u>	<u>45,908</u>	<u>121,515</u>	<u>2,240,390</u>	<u>1,568,910</u>
Total Liabilities	<u>23,660,650</u>	<u>21,817,258</u>	<u>45,908</u>	<u>121,515</u>	<u>23,706,558</u>	<u>21,938,773</u>
Deferred Inflows of Resources						
Deferred Amount on Net Pension Liability	<u>3,971,300</u>	<u>8,740,323</u>	<u>-</u>	<u>-</u>	<u>3,971,300</u>	<u>8,740,323</u>
Total Deferred Inflows of Resources	<u>3,971,300</u>	<u>8,740,323</u>	<u>-</u>	<u>-</u>	<u>3,971,300</u>	<u>8,740,323</u>
Net Position						
Net Investment in Capital Assets	54,932,766	50,866,999	182,200	174,321	55,114,966	51,041,320
Restricted	34,963,354	32,539,189			34,963,354	32,539,189
Unrestricted	<u>(11,377,027)</u>	<u>(10,661,302)</u>	<u>403,512</u>	<u>534,126</u>	<u>(10,973,515)</u>	<u>(10,127,176)</u>
Total Net Position	<u>\$ 78,519,093</u>	<u>\$ 72,744,886</u>	<u>\$ 585,712</u>	<u>\$ 708,447</u>	<u>\$ 79,104,805</u>	<u>\$ 73,453,333</u>

PARAMUS 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 Activities</u>		<u>Business-Type 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	\$ 1,246,964	\$ 1,572,538	\$ 994,279	\$ 238,870	\$ 2,241,243	\$ 1,811,408
Operating Grants and Contributions	23,116,579	27,799,073	505,678	1,830,408	23,622,257	29,629,481
General Revenues						
Property Taxes	85,564,480	84,044,079			85,564,480	84,044,079
Other	<u>2,776,139</u>	<u>1,674,229</u>	<u>-</u>	<u>-</u>	<u>2,776,139</u>	<u>1,674,229</u>
Total Revenues	<u>112,704,162</u>	<u>115,089,919</u>	<u>1,499,957</u>	<u>2,069,278</u>	<u>114,204,119</u>	<u>117,159,197</u>
Expenses						
Instruction						
Regular	40,105,208	41,072,919			40,105,208	41,072,919
Special Education	18,171,538	17,415,264			18,171,538	17,415,264
Other Instruction	2,708,330	2,717,193			2,708,330	2,717,193
School Sponsored Activities and Athletics	2,375,340	2,464,529			2,375,340	2,464,529
Support Services						
Student and Instruction Related Services	17,135,838	16,975,885			17,135,838	16,975,885
General Administration Services	1,182,678	1,003,182			1,182,678	1,003,182
School Administration Services	5,844,926	5,784,392			5,844,926	5,784,392
Plant Operations and Maintenance	11,436,962	11,289,292			11,436,962	11,289,292
Pupil Transportation	5,827,981	4,412,435			5,827,981	4,412,435
Central Services	1,965,059	1,916,892			1,965,059	1,916,892
Interest on Debt	176,095	223,311			176,095	223,311
Food Services	<u>-</u>	<u>-</u>	<u>1,622,692</u>	<u>1,650,999</u>	<u>1,622,692</u>	<u>1,650,999</u>
Total Expenses	<u>106,929,955</u>	<u>105,275,294</u>	<u>1,622,692</u>	<u>1,650,999</u>	<u>108,552,647</u>	<u>106,926,293</u>
Change in Net Position	5,774,207	9,814,625	(122,735)	418,279	5,651,472	10,232,904
Net Position, Beginning of Year	<u>72,744,886</u>	<u>62,930,261</u>	<u>708,447</u>	<u>290,168</u>	<u>73,453,333</u>	<u>63,220,429</u>
Net Position, End of Year	<u>\$ 78,519,093</u>	<u>\$ 72,744,886</u>	<u>\$ 585,712</u>	<u>\$ 708,447</u>	<u>\$ 79,104,805</u>	<u>\$ 73,453,333</u>

PARAMUS BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities

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

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

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction				
Regular	\$ 40,105,208	\$ 41,072,919	\$ 32,002,198	\$ 30,815,615
Special Education	18,171,538	17,415,264	8,715,879	7,157,578
Other Instruction	2,708,330	2,717,193	2,374,940	2,283,640
School Sponsored Activities and Athletics	2,375,340	2,464,529	1,517,620	1,487,914
Support Services				
Student and Instruction Related Services	17,135,838	16,975,885	13,599,180	13,150,194
General Administration Services	1,182,678	1,003,182	1,116,756	919,954
School Administration Services	5,844,926	5,784,392	4,984,584	4,614,668
Plant Operations and Maintenance	11,436,962	11,289,292	11,225,827	10,062,110
Pupil Transportation	5,827,981	4,412,435	5,003,525	3,526,060
Central Services	1,965,059	1,916,892	1,849,808	1,662,639
Interest on Debt	176,095	223,311	176,095	223,311
	<u>176,095</u>	<u>223,311</u>	<u>176,095</u>	<u>223,311</u>
Total	<u>\$ 106,929,955</u>	<u>\$ 105,275,294</u>	<u>\$ 82,566,412</u>	<u>\$ 75,903,683</u>

PARAMUS BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$41,469,363, a decrease of \$1,064,732 from last year's fund balance of \$42,534,095.

Revenues for the District's governmental funds were \$119,716,449; total expenditures were \$120,781,181.

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 \$111,893,418 for the fiscal year ended June 30, 2023. State sources amounts to \$23,402,079, federal sources amounts to \$89,238 and local sources amounts to \$88,402,101.

Expenditures of the General Fund were \$112,376,725. Instructional expenditures were \$61,014,290 for support services were \$44,557,730 and capital expenditures totaled \$6,804,705 for the fiscal year ended June 30, 2023.

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

Revenues of the Special Revenue Fund were \$7,045,465 for the fiscal year ended June 30, 2023. State sources amounts to \$3,366,110, federal sources amounts to \$3,258,113 and local sources amounts to \$421,242.

Expenditures of the Special Revenue Fund were \$7,016,794. Instructional expenditures were \$5,161,247, expenditures for support services were \$1,652,080 and capital expenditures were \$203,467 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.

PARAMUS BOARD OF EDUCATION

Management's Discussion and Analysis

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2022 encumbrances.
- Appropriation of Prior Year Extraordinary Aid and Non Public Transportation

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 \$61,701,782 and \$58,836,515 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings and building improvements, machinery and various other types of equipment. Depreciation charges for the fiscal year 2022-2023 amounted to \$4,150,784 for governmental activities and \$20,854 for the Business-Type activities.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 400,645	\$ 400,645			\$ 400,645	\$ 400,645
Buildings and Building Improvements	102,983,072	98,457,534	\$ 145,725	\$ 145,725	103,128,797	98,603,259
Machinery and Equipment	11,147,344	9,733,669	468,700	439,967	11,616,044	10,173,636
Site Improvements	6,447,281	5,378,322	-	-	6,447,281	5,378,322
	<u>120,978,342</u>	<u>113,970,170</u>	<u>614,425</u>	<u>585,692</u>	<u>121,592,767</u>	<u>114,555,862</u>
Less Accumulated Depreciation	<u>59,458,760</u>	<u>55,307,976</u>	<u>432,225</u>	<u>411,371</u>	<u>59,890,985</u>	<u>55,719,347</u>
Total	<u>\$ 61,519,582</u>	<u>\$ 58,662,194</u>	<u>\$ 182,200</u>	<u>\$ 174,321</u>	<u>\$ 61,701,782</u>	<u>\$ 58,836,515</u>

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

PARAMUS 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 \$584,530, serial bonds (including unamortized discount) of \$6,814,773 and net pension liability of \$14,066,865 totaling \$21,466,168. This is in comparison to long-term liabilities at June 30, 2022 of \$20,369,863 or an increase of \$1,096,305.

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, Paramus Board of Education, 145 Spring Valley Road, Paramus, NJ 07652.

FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

PARAMUS BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 42,604,177	\$ 574,617	\$ 43,178,794
Receivables, net			
Intergovernmental	678,096	26,361	704,457
Other	181,594		181,594
Internal Balances	175,000	(175,000)	-
Inventory		23,442	23,442
Capital Assets			
Not Being Depreciated	400,645		400,645
Being Depreciated, Net	61,118,937	182,200	61,301,137
Total Assets	105,158,449	631,620	105,790,069
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding of Debt	227,957		227,957
Deferred Amount on Net Pension Liability	764,637	-	764,637
Total Deferred Outflows of Resources	992,594	-	992,594
LIABILITIES			
Accounts Payable and Other Liabilities	1,294,212	22,256	1,316,468
Payable to State Government	232,930		232,930
Accrued Interest Payable	24,978		24,978
Unearned Revenue	642,362	23,652	666,014
Noncurrent Liabilities			
Due within one year	1,293,453		1,293,453
Due beyond one year	20,172,715	-	20,172,715
Total Liabilities	23,660,650	45,908	23,706,558
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	3,971,300	-	3,971,300
Total Deferred Inflows of Resources	3,971,300	-	3,971,300
NET POSITION			
Net Investment in Capital Assets	54,932,766	182,200	55,114,966
Restricted for			
Capital Projects	29,099,824		29,099,824
Other Purposes	5,863,530		5,863,530
Unrestricted	(11,377,027)	403,512	(10,973,515)
Total Net Position	\$ 78,519,093	\$ 585,712	\$ 79,104,805

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

**PARAMUS BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 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	\$ 40,105,208	\$ 559,716	\$ 7,543,294		\$ (32,002,198)		\$ (32,002,198)
Special Education	18,171,538	279,332	9,176,327		(8,715,879)		(8,715,879)
Other Instruction	2,708,330		333,390		(2,374,940)		(2,374,940)
School Sponsored Activities and Athletics	2,375,340	407,916	449,804		(1,517,620)		(1,517,620)
Support Services							
Student and Instruction Related Services	17,135,838		3,536,658		(13,599,180)		(13,599,180)
School Administration Services	5,844,926		860,342		(4,984,584)		(4,984,584)
General Administration Services	1,182,678		65,922		(1,116,756)		(1,116,756)
Plant Operations and Maintenance	11,436,962		211,135		(11,225,827)		(11,225,827)
Pupil Transportation	5,827,981		824,456		(5,003,525)		(5,003,525)
Central Services	1,965,059		115,251		(1,849,808)		(1,849,808)
Interest on Long-Term Debt	176,095	-	-		(176,095)		(176,095)
Total Governmental Activities	<u>106,929,955</u>	<u>1,246,964</u>	<u>23,116,579</u>	<u>-</u>	<u>(82,566,412)</u>	<u>-</u>	<u>(82,566,412)</u>
Business-Type Activities							
Food Service	1,622,692	994,279	505,678	-	-	\$ (122,735)	(122,735)
Total Business-Type Activities	<u>1,622,692</u>	<u>994,279</u>	<u>505,678</u>	<u>-</u>	<u>-</u>	<u>(122,735)</u>	<u>(122,735)</u>
Total Primary Government	<u>\$ 108,552,647</u>	<u>\$ 2,241,243</u>	<u>\$ 23,622,257</u>	<u>\$ -</u>	<u>(82,566,412)</u>	<u>(122,735)</u>	<u>(82,689,147)</u>
General Revenues							
Property Taxes - General Purposes					84,786,914		84,786,914
Property Taxes - Debt Service					777,566		777,566
Miscellaneous Income					2,776,139		2,776,139
Total General Revenues					<u>88,340,619</u>	<u>-</u>	<u>88,340,619</u>
Change in Net Position					5,774,207	(122,735)	5,651,472
Net Position, Beginning of Year					<u>72,744,886</u>	<u>708,447</u>	<u>73,453,333</u>
Net Position, End of Year					<u>\$ 78,519,093</u>	<u>\$ 585,712</u>	<u>\$ 79,104,805</u>

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

FUND FINANCIAL STATEMENTS

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 41,967,157	\$ 636,999	\$ 21	\$ 42,604,177
Receivables, Net				
Other	181,594			181,594
Intergovernmental	229,007	449,089		678,096
Due from Other Funds	175,000	-	-	175,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 42,552,758</u>	<u>\$ 1,086,088</u>	<u>\$ 21</u>	<u>\$ 43,638,867</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 998,555	\$ 123,299		\$ 1,121,854
Payable to State Government	82,059	150,871		232,930
Payroll Deductions and Withholdings Payable	172,358			172,358
Unearned Revenue	218,427	423,935	-	642,362
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>1,471,399</u>	<u>698,105</u>	<u>-</u>	<u>2,169,504</u>
Fund Balances				
Restricted				
Debt Service			\$ 21	21
Excess Surplus	600,000			600,000
Excess Surplus - Designated for				
Subsequent Year's Budget	600,000			600,000
Capital Reserve	16,843,685			16,843,685
Capital Reserve - Designated for				
Subsequent Year's Budget	12,256,139			12,256,139
Maintenance Reserve	3,853,206			3,853,206
Maintenance Reserve - Designated for				
Subsequent Year's Budget	500,000			500,000
Emergency Reserve	855,750			855,750
Student Activities		387,983		387,983
Unemployment Compensation Reserve	266,591			266,591
Committed				
Year End Encumbrances	2,744,224			2,744,224
Assigned				
Year End Encumbrances	976,793			976,793
Unassigned	1,584,971	-	-	1,584,971
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>41,081,359</u>	<u>387,983</u>	<u>21</u>	<u>41,469,363</u>
Total Liabilities and Fund Balances	<u>\$ 42,552,758</u>	<u>\$ 1,086,088</u>	<u>\$ 21</u>	<u>\$ 43,638,867</u>

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

Total Fund Balance - Governmental Funds (Exhibit B-1)	\$	41,469,363
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$120,978,342 and the accumulated depreciation is \$59,458,760.</p>		61,519,582
<p>The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:</p>		(24,978)
<p>Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.</p>		227,957
<p>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.</p>		
Deferred Outflows of Resources	\$ 764,637	
Deferred Inflows of Resources	<u>(3,971,300)</u>	(3,206,663)
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. These items are as follows:</p>		
Bonds Payable, Including Unamortized		
Discount	(6,814,773)	
Net Pension Liability	(14,066,865)	
Compensated Absences Payable	<u>(584,530)</u>	<u>(21,466,168)</u>
Net Position of Governmental Activities (Exhibit A-1)	\$	<u>78,519,093</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources				
Property Taxes	\$ 84,786,914		\$ 777,566	\$ 85,564,480
Tuition	839,048			839,048
Interest Earned on Capital Reserve	507,850			507,850
Miscellaneous	2,268,289	\$ 421,242	-	2,689,531
	<hr/>	<hr/>	<hr/>	<hr/>
Total - Local Sources	88,402,101	421,242	777,566	89,600,909
State Sources	23,402,079	3,366,110	-	26,768,189
Federal Sources	89,238	3,258,113	-	3,347,351
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	111,893,418	7,045,465	777,566	119,716,449
EXPENDITURES				
Current				
Regular Instruction	39,360,064	1,437,492		40,797,556
Special Education Instruction	16,429,356	3,344,510		19,773,866
Other Instruction	2,933,495			2,933,495
School-Sponsored Activities and Athletics	2,291,375	379,245		2,670,620
Support Services				
Student and Instruction Related Services	16,753,722	1,652,080		18,405,802
School Administration Services	6,538,260			6,538,260
General Administration Services	1,225,861			1,225,861
Plant Operations and Maintenance	11,966,756			11,966,756
Pupil Transportation	5,837,695			5,837,695
Central Services	2,235,436			2,235,436
Debt Service				
Principal			1,275,000	1,275,000
Interest and Other Charges			112,662	112,662
Capital Outlay	6,804,705	203,467	-	7,008,172
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	112,376,725	7,016,794	1,387,662	120,781,181
Excess (Deficiency) of Revenues Over (Under) Expenditures	<hr/> (483,307)	<hr/> 28,671	<hr/> (610,096)	<hr/> (1,064,732)
Other Financing Sources (Uses)				
Transfers In			600,000	600,000
Transfers Out	(600,000)	-	-	(600,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(600,000)	-	600,000	-
Net Change in Fund Balances	(1,083,307)	28,671	(10,096)	(1,064,732)
Fund Balance, Beginning of Year	42,164,666	359,312	10,117	42,534,095
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balance, End of Year	\$ 41,081,359	\$ 387,983	\$ 21	\$ 41,469,363

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

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

Total net change in fund balances - governmental funds (Exhibit B-2) \$ (1,064,732)

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

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

Capital Outlay	\$ 7,008,172	
Depreciation Expense	<u>(4,150,784)</u>	
		2,857,388

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

Principal Repayments		
Bonds Payable		1,275,000

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

		<u>2,706,551</u>
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Change in net position of governmental activities (Exhibit A-2) \$ 5,774,207

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

	Business- Type Activities Enterprise Fund <u>Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 574,617
Intergovernmental Receivable	
State	1,206
Federal	25,155
Inventory	<u>23,442</u>
Total Current Assets	<u>624,420</u>
Capital Assets	
Buildings and Buildings Improvements	145,725
Equipment	468,700
Less: Accumulated Depreciation	<u>(432,225)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>182,200</u>
Total Assets	<u>806,620</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	22,256
Unearned Revenue	23,652
Due to Other Funds	<u>175,000</u>
Total Current Liabilities	<u>220,908</u>
NET POSITION	
Investment in Capital Assets	182,200
Unrestricted	<u>403,512</u>
Total Net Position	<u>\$ 585,712</u>

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

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

	Business- Type Activities Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales	
Reimbursable Programs	\$ 225,263
Non-Reimbursable Programs	727,673
Miscellaneous	<u>41,343</u>
Total Operating Revenues	<u>994,279</u>
OPERATING EXPENSES	
Cost of Sales	
Reimbursable Programs	429,066
Non-Reimbursable Programs	210,673
Salaries and Employee Benefits	772,397
Supplies and Materials	77,748
Management Fee	55,897
Other Purchased Services	23,054
Depreciation	20,854
Purchased Professional and Technical Services	28,108
Miscellaneous	<u>4,895</u>
Total Operating Expenses	<u>1,622,692</u>
Operating (Loss)	<u>(628,413)</u>
NONOPERATING REVENUES	
State Sources	
School Lunch Program	14,969
Federal Sources	
National School Lunch Program	311,469
Food Distribution Program	77,578
Supply Chain Assistance Funding Program	<u>101,662</u>
Total Nonoperating Revenues	<u>505,678</u>
Changes in Net Position	(122,735)
Total Net Position, Beginning of Year	<u>708,447</u>
Total Net Position, End of Year	<u>\$ 585,712</u>

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

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

	Business- Type Activities Enterprise Fund <u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 1,017,931
Cash Payments for Employees' Salaries and Benefits	(772,397)
Cash Payments to Suppliers for Goods and Services	<u>(853,288)</u>
Net Cash (Used for) Operating Activities	<u>(607,754)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash Received from Other Funds	175,000
Cash Received from State and Federal Subsidy Reimbursements	<u>595,101</u>
Net Cash Provided by Noncapital Financing Activities	<u>770,101</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	<u>(28,733)</u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(28,733)</u>
Net Change in Cash and Cash Equivalents	133,614
Cash and Cash Equivalents, Beginning of Year	<u>441,003</u>
Cash and Cash Equivalents, End of Year	<u>\$ 574,617</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH USED FOR OPERATING ACTIVITIES	
Operating (Loss)	<u>\$ (628,413)</u>
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities	
Depreciation	20,854
Non-Cash Federal Assistance	
Food Distribution Program- National School Lunch Program	77,578
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	(99,259)
Increase/(Decrease) in Unearned Revenue	23,652
(Increase)/Decrease in Inventory	<u>(2,166)</u>
Total Adjustments	<u>20,659</u>
Net Cash (Used for) Operating Activities	<u>\$ (607,754)</u>
Non-Cash Financing Activities	
National School Lunch (Food Distribution)	\$ 77,578

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 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.

**PARAMUS 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. The District currently has no fiduciary funds.

District-Wide Financial Statements

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

**PARAMUS 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.

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

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

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

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

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

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

5. Deferred Outflows/Inflows of Resources

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Compensated Absences*

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

7. *Pensions*

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

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

8. *Long-Term Obligations*

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

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

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

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 3C).

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Restricted Fund Balance (Continued)

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

Unemployment Compensation 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 5).

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

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

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

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

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

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

10. *Fund Balance Policies*

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Fund Balance Policies (Continued)

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

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

4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

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

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

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Compensated Absences	\$ (32,182)
Accrued Interest	3,188
Amortization of Deferred Amount on Refunding of Debt	(63,760)
Amortization of Bond Discount	(2,861)
PERS Net Pension Expense	<u>2,802,166</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	 <u>\$ 2,706,551</u>

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2022/2023. Also, during 2022/2023 the Board increased the original General Fund budget by \$5,478,097 and the original Special Revenues budget by \$4,625,585. The increases were funded by additional appropriation of 2021/22 unbudgeted extraordinary aid and nonpublic transportation aid, additional grant awards, student activity revenues and the reappropriation of prior year general fund encumbrances.

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

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

B. 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		\$ 27,968,216
Increased by:		
Interest Earnings	\$ 507,850	
Deposits Approved by Board Resolution	5,570,922	
Return of Unencumbered Budget Appropriations		
Funded from Capital Reserve	<u>5,577,836</u>	
		<u>11,656,608</u>
		39,624,824
Decreased by:		
Approved in District Budget		
Debt Service Fund	600,000	
Capital Projects	<u>9,925,000</u>	
		<u>10,525,000</u>
Balance, June 30, 2023		<u>\$ 29,099,824</u>

The June 30, 2023 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$56,865,714. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan and for the payment of long-term debt. The District has appropriated \$12,256,139 of the capital reserve as a withdrawal in the 2023/24 budget. Of that amount \$11,706,139 will be utilized for capital projects and \$550,000 will be transferred to the Debt Service Fund.

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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.

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

Balance, July 1, 2022	\$ 3,934,953
Increased by:	
Deposits Approved by Board Resolution	<u>418,253</u>
Balance, June 30, 2023	<u>\$ 4,353,206</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$4,353,206. The District has appropriated \$500,000 of the maintenance reserve as a withdrawal in the 2023/24 budget.

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>\$ 855,750</u>
Balance, June 30, 2023	<u>\$ 855,750</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 \$1,200,000. Of this amount, \$600,000 was designated and appropriated in the 2023/2024 original budget certified for taxes and the remaining amount of \$600,000 will be appropriated in the 2024/2025 original budget certified for taxes.

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

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for 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 \$20,519,068 and bank and brokerage firm balances of the Board's deposits amounted to \$22,783,864. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 22,645,365
Uninsured and Collateralized	<u>138,499</u>
	<u>\$ 22,783,864</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 balances of \$138,499 were exposed to custodial credit risk.

Depository Account

Uninsured and Collateralized

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

\$ 138,499

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.

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2023, the Board had the following investments:

<u>Investment Type:</u>	<u>Fair Value</u>
N.J. Cash Management Fund	\$ <u>22,659,726</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk. As of June 30, 2023, \$22,659,726 of the Board’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>
Uninsured and Collateralized:	
Collateral held by pledging financial institutions' trust department or agent but not in the Board's name	\$ <u>22,659,726</u>

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. More than five (5) percent of the Board’s investments are in NJ Cash Management Fund. These investments are 100% of the District’s total investments.

Fair Value of Investments. The Paramus Board of Education measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

Investments are valued based on price data obtained from observed transactions and market price quotations provided by N.J. Cash Management Fund. Since the value is not obtained from a quoted price in an active market the investments held by the District at June 30, 2023 are categorized as Level 2.

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

At June 30, 2023, the Board had the following recurring fair value measurement:

<u>Investments by Fair Value Level</u>	<u>June 30, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
New Jersey Cash Management Fund	\$ 22,659,726		\$ 22,659,726	
Total Investment at Fair Value	\$ 22,659,726	\$ -	\$ 22,659,726	\$ -

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>Food Service</u>	<u>Total</u>
Receivables:				
Accounts	\$ 103,197			\$ 103,197
Intergovernmental				
Federal	15,175	\$ 437,754	\$ 25,155	478,084
State	213,832	11,335	1,206	226,373
Other	78,397	-	-	78,397
Gross Receivables	410,601	449,089	26,361	886,051
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	\$ 410,601	\$ 449,089	\$ 26,361	\$ 886,051

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

General Fund		
Tuition Charges	\$	218,427
Special Revenue Fund		
Unencumbered Grant Draw Downs		131,604
Grant Draw Downs Year-End Encumbrances		<u>292,331</u>
 Total Unearned Revenue for Governmental Funds	 \$	 <u>642,362</u>

D. Capital Assets

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

	Balance, July 1, 2022	Increases	Decreases	Balance, June 30, 2023
Governmental Activities:				
Capital Assets, not Being Depreciated:				
Land	\$ 400,645	-	-	\$ 400,645
Total Capital Assets, not Being Depreciated	<u>400,645</u>	<u>-</u>	<u>-</u>	<u>400,645</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	98,457,534	\$ 4,525,538		102,983,072
Site Improvements	5,378,322	1,068,959		6,447,281
Machinery and Equipment	9,733,669	1,413,675	-	11,147,344
Total Capital Assets Being Depreciated	<u>113,569,525</u>	<u>7,008,172</u>	<u>-</u>	<u>120,577,697</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(46,528,550)	(2,983,037)		(49,511,587)
Site Improvements	(2,020,605)	(317,063)		(2,337,668)
Machinery and Equipment	(6,758,821)	(850,684)	-	(7,609,505)
Total Accumulated Depreciation	<u>(55,307,976)</u>	<u>(4,150,784)</u>	<u>-</u>	<u>(59,458,760)</u>
Total Capital Assets, Being Depreciated, Net	<u>58,261,549</u>	<u>2,857,388</u>	<u>-</u>	<u>61,118,937</u>
Government Activities Capital Assets, Net	<u>\$ 58,662,194</u>	<u>\$ 2,857,388</u>	<u>\$ -</u>	<u>\$ 61,519,582</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
Business-Type activities:				
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	\$ 145,725			\$ 145,725
Machinery and Equipment	<u>439,967</u>	\$ 28,733	-	<u>468,700</u>
Total Capital Assets Being Depreciated	<u>585,692</u>	<u>28,733</u>	-	<u>614,425</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(56,625)	(3,583)		(60,208)
Machinery and Equipment	<u>(354,746)</u>	<u>(17,271)</u>	-	<u>(372,017)</u>
Total Accumulated Depreciation	<u>(411,371)</u>	<u>(20,854)</u>	-	<u>(432,225)</u>
Total Capital Assets, Being Depreciated, Net	<u>174,321</u>	<u>7,879</u>	-	<u>182,200</u>
Business-Type Activities Capital Assets, Net	<u>\$ 174,321</u>	<u>\$ 7,879</u>	<u>\$ -</u>	<u>\$ 182,200</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 3,182,306
Special Education	<u>7,673</u>
Total Instruction	<u>3,189,979</u>
Support Services	
Student and Instruction Related Services	229,910
General Administrative Services	16,450
School Administrative Services	38,513
Plant Operations and Maintenance	498,233
Pupil Transportation	<u>177,699</u>
Total Support Services	<u>960,805</u>
Total Government Funds	<u>\$ 4,150,784</u>
Business-Type Activities:	
Food Service Fund	\$ 20,854
Total Depreciation Expense-Business-Type Activities	<u>\$ 20,854</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction and other significant commitments at June 30, 2023 as follows:

<u>Project/Purpose</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Repairs and Remediation at West Brook Middle School	\$ 1,099,814	\$ 112,000
Paving and Concrete Work at Various Schools	760,475	41,106
HVAC Repair at West Brook and Ridge Ranch Schools		1,060,000

E. Interfund Receivables, Payables, and Transfers

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Food Service Fund	\$ 175,000

Interfund transfers

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

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

F. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2023 is comprised of the following issue:

\$8,335,000, 2020 Refunding Bonds, due in annual installments of \$1,040,000 to \$1,235,000 through April 1, 2029, interest at 1.125% to 1.875%	<u>\$6,825,000</u>
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**PARAMUS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

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

Governmental Activities:

Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 1,235,000	\$ 99,913	\$ 1,334,913
2025	1,195,000	86,019	1,281,019
2026	1,155,000	71,081	1,226,081
2027	1,120,000	55,200	1,175,200
2028	1,080,000	38,400	1,118,400
2029	<u>1,040,000</u>	<u>17,500</u>	<u>1,057,500</u>
Total	<u>\$ 6,825,000</u>	<u>\$ 368,113</u>	<u>\$ 7,193,113</u>

Statutory Borrowing Power

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

4% of Equalized Valuation Basis (Municipal)	\$ 445,597,228
Less: Net Debt Issued and Authorized But Not Issued	<u>6,825,000</u>
Remaining Borrowing Power	<u>\$ 438,772,228</u>

G. 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, July 1, 2022	Additions	Reductions	Balance, June 30, 2023	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 8,100,000		\$ 1,275,000	\$ 6,825,000	\$ 1,235,000
Less:					
Unamortized Discount	<u>13,088</u>	<u>-</u>	<u>2,861</u>	<u>10,227</u>	<u>-</u>
Bonds Payable, Net	8,086,912	-	1,277,861	6,814,773	1,235,000
Net Pension Liability	11,730,603	\$ 3,511,701	1,175,439	14,066,865	
Compensated Absences	<u>552,348</u>	<u>32,182</u>	<u>-</u>	<u>584,530</u>	<u>58,453</u>
Governmental Activity Long-Term Liabilities	<u>\$ 20,369,863</u>	<u>\$ 3,543,883</u>	<u>\$ 2,453,300</u>	<u>\$ 21,466,168</u>	<u>\$ 1,293,453</u>

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

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

NOTE 5 OTHER INFORMATION

A. Risk Management

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

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

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

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

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

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

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

<u>Year Ended</u> <u>June 30,</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2023	\$ 181,585	\$ 113,510	\$ 266,591
2022	226,913	186,901	266,591
2021	220,910	140,950	266,591

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

NOTE 5 OTHER INFORMATION (Continued)

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation except for the school bus accident that occurred on May 17, 2018. There were numerous tort claims and/or complaints that were filed by parents on behalf of their children, school employees, and the employee of the company that owns the truck that collided with the bus. The claims, some of which are material, have been defended by the Board's general liability insurance carrier. More than half of the claims have been settled with eleven (11) lawsuits remaining to be resolved. The pending matters are currently in discovery. The amount of potential losses from the open claims cannot be determined, nor can the potential damages not covered by insurance be estimated. All of the previously settled complaints have been covered by the Board's insurance carrier with none or limited exposure to the District.

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

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2023, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

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

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

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

The following represent the membership tiers for TPAF:

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

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

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

Other Pension Funds

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

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

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 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:

Year Ended <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2023	\$ 1,175,439	\$ 12,423,123	\$ 182,571
2022	1,159,659	12,732,359	127,579
2021	1,137,827	8,990,575	124,976

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$3,737, \$3,783 and \$4,239, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,669,552 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 \$14,066,865 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 .09321 percent, which was a decrease of .00581 percent from its proportionate share measured as of June 30, 2021 of .09902 percent.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$1,626,727 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	\$ 101,528	\$ 89,533
Changes of Assumptions	43,584	2,106,367
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	582,215	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>37,310</u>	<u>1,775,400</u>
Total	<u>\$ 764,637</u>	<u>\$ 3,971,300</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	\$ (1,872,506)
2024	(1,032,640)
2025	(728,626)
2026	435,937
2027	(8,828)
Thereafter	<u>-</u>
	<u>\$ (3,206,663)</u>

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 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.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Sensitivity of Net Pension Liability

The following presents the District’s proportionate share of the PERS net pension liability calculated using the discount rate of 7.00 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>18,071,801</u>	\$ <u>14,066,865</u>	\$ <u>10,658,503</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.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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 \$4,234,882 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 \$157,355,714. 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 .30499 percent, which was an increase of .00148 percent from its proportionate share measured as of June 30, 2021 of .30351 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.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

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.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 184,502,919</u>	<u>\$ 157,355,714</u>	<u>\$ 134,487,605</u>

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

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

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

Plan Description and Benefits Provided

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

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

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

Plan Membership

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

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

Measurement Focus and Basis of Accounting

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

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

Collective Net OPEB Liability

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

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

Post-Retirement Medical Benefits Contributions

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

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2023, 2022 and 2021 were \$3,263,525, \$2,974,794 and \$2,817,506, 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 \$4,439,479. 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 \$147,385,627. 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 .29101 percent, which was a decrease of .00459 percent from its proportionate share measured as of June 30, 2021 of .29560 percent.

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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%.

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.

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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>177,380,525</u>
Changes Recognized for the Fiscal Year:	
Service Cost	7,964,738
Interest on the Total OPEB Liability	3,905,882
Differences Between Expected and Actual Experience	1,416,774
Changes of Assumptions	(39,537,517)
Gross Benefit Payments	(3,868,891)
Contributions from the Member	<u>124,116</u>
Net Changes	<u>(29,994,898)</u>
Balance, June 30, 2022 Measurement Date	\$ <u>147,385,627</u>

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

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

Sensitivity of OPEB Liability

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

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>173,236,301</u>	\$ <u>147,385,627</u>	\$ <u>126,667,604</u>

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability (Continued)

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

	<u>1%</u> <u>Decrease</u>	<u>Healthcare</u> <u>Cost Trend</u> <u>Rates</u>	<u>1%</u> <u>Increase</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 121,823,229	\$ 147,385,627	\$ 180,963,389

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

F. Tax Abatements

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

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

NOTE 6 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.

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

NOTE 6 RECENT HEALTHCARE DEVELOPMENTS

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 \$4,782,329 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Property Taxes	\$ 84,786,914		\$ 84,786,914	\$ 84,786,914	
Tuition from Individuals	674,532		674,532	559,716	\$ (114,816)
Tuition from Other LEAs Within State	362,314		362,314	279,332	(82,982)
Tuition from Summer School	3,000		3,000		(3,000)
Interest Earned on Capital Reserve Funds	5,000		5,000	507,850	502,850
Rents and Royalties	233,400		233,400	313,860	80,460
Unrestricted Miscellaneous Revenues	317,378	-	317,378	1,954,429	1,637,051
Total Local Sources	86,382,538	-	86,382,538	88,402,101	2,019,563
State Sources					
Special Education Aid	3,611,980		3,611,980	3,611,980	-
Security Aid	69,352		69,352	69,352	-
Transportation Aid	727,057		727,057	727,057	-
NonPublic Transportation Aid				80,496	80,496
Extraordinary Aid				682,653	682,653
Lead Testing for Schools Aid				5,794	5,794
On-Behalf TPAF (Non-Budget)					
Social Security Contribution				2,669,552	2,669,552
Pension Contribution				12,253,125	12,253,125
NCGI Premium				169,998	169,998
Long Term Disability Insurance				3,737	3,737
Post Retirement Medical Contribution	-	-	-	3,263,525	3,263,525
Total State Sources	4,408,389	-	4,408,389	23,537,269	19,128,880
Federal Sources					
FEMA - Public Assistance - Hurricane IDA				22,500	22,500
Medicaid Reimbursement	61,367	-	61,367	66,738	5,371
Total Federal Sources	61,367	-	61,367	89,238	27,871
Total Revenues	90,852,294	-	90,852,294	112,028,608	21,176,314
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	614,670	\$ 50,873	665,543	665,543	-
Kindergarten	1,087,530	55,548	1,143,078	1,143,078	-
Grades 1-5	7,410,370	(218,688)	7,191,682	7,181,497	10,185
Grades 6-8	5,450,940	(370,411)	5,080,529	5,080,529	-
Grades 9-12	7,652,678	(160,881)	7,491,797	7,491,797	-
Regular Programs - Home Instruction					
Salaries of Teachers	5,000	7,345	12,345	12,345	-
Purchased Professional-Educational Services	5,000	750	5,750	5,410	340
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	457,123	124,913	582,036	582,036	-
Purchased Professional-Educational Services	8,100	8,175	16,275	12,998	3,277
Purchased Technical Services	33,100	108,628	141,728	125,465	16,263
Other Purchased Services	3,000	695	3,695	3,236	459
General Supplies	1,932,506	553,966	2,486,472	1,896,172	590,300
Textbooks	270,715	(6,324)	264,391	255,039	9,352
Other Objects	23,400	18,939	42,339	39,191	3,148
Total Regular Programs	24,954,132	173,528	25,127,660	24,494,336	633,324
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	458,395	34,867	493,262	493,262	-
Other Salaries for Instruction	533,668	58,839	592,507	592,507	-
General Supplies	9,400	457	9,857	5,420	4,437
Total Learning and/or Language Disabilities	1,001,463	94,163	1,095,626	1,091,189	4,437

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT					
Special Education (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 661,590	\$ 25,437	\$ 687,027	\$ 687,027	
Other Salaries for Instruction	379,348	596,501	975,849	975,698	\$ 151
Purchased Professional-Educational Services		50,000	50,000	50,000	
General Supplies	7,000	9,085	16,085	14,621	1,464
Total Multiple Disabilities	1,047,938	681,023	1,728,961	1,727,346	1,615
Resource Room/Resource Center					
Salaries of Teachers	3,947,200	(72,058)	3,875,142	3,872,944	2,198
Other Salaries for Instruction	965,512	(234,040)	731,472	731,472	-
General Supplies	17,750	(9,404)	8,346	6,436	1,910
Total Resource Room	4,930,462	(315,502)	4,614,960	4,610,852	4,108
Autism					
Salaries of Teachers	217,895	37,757	255,652	255,652	-
Other Salaries for Instruction	938,948	(398,080)	540,868	540,868	-
Purchased Professional-Educational Services	-	75,000	75,000	75,000	-
General Supplies	18,500	4,768	23,268	23,246	22
Other Objects	2,500	(2,432)	68	68	-
Total Autism	1,177,843	(282,987)	894,856	894,834	22
Preschool Disabilities - Full - Time					
Salaries of Teachers	283,613	89,392	373,005	373,005	-
Other Salaries for Instruction	269,135	(21,158)	247,977	247,977	-
Purchased Professional-Educational Services		63,162	63,162	63,162	-
General Supplies	6,800	121	6,921	4,144	2,777
Total Preschool Disabilities - Full - Time	559,548	131,517	691,065	688,288	2,777
Home Instruction					
Salaries of Teachers	50,000	13,605	63,605	63,605	-
Purchased Professional-Educational Services	18,000	2,189	20,189	15,399	4,790
Total Home Instruction	68,000	15,794	83,794	79,004	4,790
Total Special Education	8,785,254	324,008	9,109,262	9,091,513	17,749
Basic Skills/Remedial					
Salaries of Teachers	423,475	33,621	457,096	457,096	-
General Supplies	-	657	657	637	20
Total Basic Skills/Remedial	423,475	34,278	457,753	457,733	20
Bilingual Education					
Salaries of Teachers	749,837	34,459	784,296	784,296	-
Other Salaries for Instruction	47,684	(12,810)	34,874	34,874	-
Purchased Professional-Educational Services	3,000	5,470	8,470	5,567	2,903
General Supplies	9,000	-	9,000	3,169	5,831
Total Bilingual Education	809,521	27,119	836,640	827,906	8,734
School Sponsored Co-Curricular Activities					
Salaries	172,010	92,089	264,099	264,099	
Supplies and Materials	40,178	(20,500)	19,678	19,567	111
Other Objects	4,600	31,650	36,250	33,371	2,879
Total School Sponsored Co-Curricular Activities	216,788	103,239	320,027	317,037	2,990
School Sponsored Athletics - Instruction					
Salaries	603,600	29,069	632,669	632,669	-
Purchased Services	179,275	-	179,275	144,439	34,836
Supplies and Materials	81,500	16,221	97,721	86,699	11,022
Other Objects	42,000	-	42,000	31,077	10,923
Total School Sponsored Athletics - Instruction	906,375	45,290	951,665	894,884	56,781

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Other Supplemental/At-Risk Programs - Instruction					
Salaries of Reading Specialists	\$ 793,273	\$ (2,322)	\$ 790,951	\$ 790,817	\$ 134
General Supplies	3,500	-	3,500	2,160	1,340
Total Other Supplemental/At-Risk Programs - Instruction	796,773	(2,322)	794,451	792,977	1,474
Total - Instruction	36,892,318	705,140	37,597,458	36,876,386	721,072
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Regular	73,422	(29,117)	44,305	25,728	18,577
Tuition to Other LEAs Within the State - Special	348,087	72,070	420,157	420,157	-
Tuition to County Voc. School Dist.-Regular	828,009	81,315	909,324	861,280	48,044
Tuition to County Voc. School Dist.-Special	152,820	-	152,820	127,464	25,356
Tuition to CSSD & Reg. Day Schools	1,003,321	77,984	1,081,305	857,027	224,278
Tuition to Private Schools - Disabled W/ State	1,409,988	(381,673)	1,028,315	904,856	123,459
Tuition to Private Schools - Disabled Outside of State	-	1,339	1,339	-	1,339
Tuition - State Facilities	61,944	-	61,944	61,944	-
Total Undistributed Expenditures - Instruction (Tuition)	3,877,591	(178,082)	3,699,509	3,258,456	441,053
Attendance and Social Work Services					
Salaries	55,816	(18,602)	37,214	37,214	-
Total Attendance and Social Work Services	55,816	(18,602)	37,214	37,214	-
Health Services					
Salaries	872,660	111,550	984,210	983,857	353
Purchased Professional and Technical Services	360,000	(58,351)	301,649	222,988	78,661
Supplies and Materials	53,120	(9,456)	43,664	40,700	2,964
Other Objects	2,500	(1,500)	1,000	190	810
Total Health Services	1,288,280	42,243	1,330,523	1,247,735	82,788
Speech, OT, PT and Related Services					
Salaries	1,895,765	(129,483)	1,766,282	1,766,282	-
Purchased Professional - Educational Services	1,225,000	236,880	1,461,880	1,380,675	81,205
Supplies and Materials	5,000	7,613	12,613	12,613	-
Total Speech, OT, PT and Related Services	3,125,765	115,010	3,240,775	3,159,570	81,205
Other Supp. Serv. Students - Extra Services					
Purchased Professional - Educational Services	475,000	353,614	828,614	724,749	103,865
Total Other Supp. Serv. Students - Extra Services	475,000	353,614	828,614	724,749	103,865
Other Support Services - Students - Guidance					
Salaries of Other Professional Staff	1,377,648	59,322	1,436,970	1,436,970	-
Salaries of Secretarial and Clerical Assistants	279,563	7,902	287,465	287,046	419
Purchased Professional - Educational Services	-	26,563	26,563	26,563	-
Other Purchased Professional and Technical Services	12,950	(4,751)	8,199	8,199	-
Supplies and Materials	10,500	(1,945)	8,555	8,147	408
Other Objects	2,100	(505)	1,595	1,594	1
Total Other Support Services - Students - Guidance	1,682,761	86,586	1,769,347	1,768,519	828
Other Support Services - Students - Child Study Teams					
Salaries of Other Professional Staff	1,810,459	(124,146)	1,686,313	1,686,313	-
Salaries of Secretarial and Clerical Assistants	181,735	4,840	186,575	186,215	360
Unused Vacation Payment to Terminated/Retired Staff	-	13,794	13,794	13,794	-
Purchased Professional/Educational Services	391,000	182,393	573,393	562,113	11,280
Supplies and Materials	8,000	51,826	59,826	59,826	-
Total Other Support Services - Students - Child Study Teams	2,391,194	128,707	2,519,901	2,508,261	11,640

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Improvement of Instruction Services/ Other Support Services-Instructional Staff					
Salaries of Supervisors of Instruction	\$ 557,495	\$ (29,850)	\$ 527,645	\$ 527,645	-
Salaries of Other Professional Staff	4,500	-	4,500	-	\$ 4,500
Salaries of Secretarial and Clerical	255,285	(47,062)	208,223	205,796	2,427
Salaries of Facilitators, Math/Literacy Coaches and Masters	74,050	-	74,050	74,050	-
Other Purchased Professional and Technical Services	53,350	27,375	80,725	62,755	17,970
Other Purchased Services	500	-	500	-	500
Supplies and Materials	1,600	-	1,600	585	1,015
Other Objects	4,566	297	4,863	2,026	2,837
Total Improvement of Instruction Services/ Other Support Services-Instructional Staff	951,346	(49,240)	902,106	872,857	29,249
Educational Media Services/School Library					
Salaries	728,475	(2,464)	726,011	726,011	-
Salaries of Technology Coordinators	466,325	19,060	485,385	485,385	-
Travel	-	1,770	1,770	1,770	-
Supplies and Materials	83,490	(2,649)	80,841	76,155	4,686
Total Educational Media Services/School Library	1,278,290	15,717	1,294,007	1,289,321	4,686
Instructional Staff Training Services					
Salaries of Other Professional Staff	18,000	(200)	17,800	2,324	15,476
Purchased Professional- Educational Services	52,000	25,250	77,250	74,015	3,235
Other Purchased Services	47,300	(5,062)	42,238	23,520	18,718
Supplies and Materials	12,500	(1,000)	11,500	4,359	7,141
Total Instructional Staff Training Services	129,800	18,988	148,788	104,218	44,570
Support Services General Administration					
Salaries	261,778	69,461	331,239	330,415	824
Legal Services	130,000	39,527	169,527	136,903	32,624
Audit Fees	45,000	10,076	55,076	55,076	-
Architectural/Engineering Services	66,000	(44,645)	21,355	5,250	16,105
Other Purchased Professional Services	25,400	50,000	75,400	49,482	25,918
Communications/Telephone	209,330	10,319	219,649	184,469	35,180
BOE Other Purchased Services	10,700	2,500	13,200	993	12,207
Miscellaneous Purchased Services	179,250	(17,000)	162,250	161,758	492
General Supplies	19,847	(4,225)	15,622	3,083	12,539
Judgements Against the School District	25,000	(11,365)	13,635	13,568	67
Miscellaneous Expenditures	12,900	429	13,329	12,840	489
BOE Membership Dues and Fees	41,590	(10,827)	30,763	29,720	1,043
Total Support Services General Administration	1,026,795	94,250	1,121,045	983,557	137,488
Support Services School Administration					
Salaries of Principals/Asst. Principals	2,018,813	15,772	2,034,585	2,034,585	-
Salaries of Other Professional Staff	966,953	152,000	1,118,953	1,118,399	554
Salaries of Secretarial and Clerical Assistants	973,099	(49,610)	923,489	923,489	-
Unused Vacation Payments to Terminated/Retired Staff	20,000	(60)	19,940	19,940	-
Other Purchased Services	11,500	2,230	13,730	13,730	-
Supplies and Materials	43,605	(671)	42,934	33,654	9,280
Total Support Services School Administration	4,033,970	119,661	4,153,631	4,143,797	9,834
Undistributed Expenditures - Central Services					
Salaries	1,190,877	(43,841)	1,147,036	1,147,036	-
Unused Vacation Payments to Terminated/Retired Staff	-	33,773	33,773	33,773	-
Purchased Professional Services	7,500	11,500	19,000	12,768	6,232
Purchased Technical Services	27,100	35,280	62,380	62,380	-
Misc. Purchased Services	13,000	11,317	24,317	23,226	1,091
Supplies and Materials	21,700	(10,841)	10,859	10,513	346
Miscellaneous Expenditures	6,633	(2,968)	3,665	3,534	131
Total Undistributed Expenditures - Central Services	1,266,810	34,220	1,301,030	1,293,230	7,800

PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	\$ 274,347	\$ 4,498	\$ 278,845	\$ 274,465	\$ 4,380
Purchased Technical Services	40,000	19,820	59,820	5,008	54,812
Travel	-	1,884	1,884	1,770	114
Total Undistributed Expenditures - Admin. Info. Tech.	314,347	26,202	340,549	281,243	59,306
Required Maintenance For School Facilities					
Salaries	724,492	(100,352)	624,140	624,140	-
Unused Vacation Payments to Terminated/Retired Staff		3,846	3,846	3,846	
Cleaning, Repair, and Maintenance Services	916,475	58,864	975,339	785,551	189,788
Lead Testing of Drinking Water		10,808	10,808	7,056	3,752
General Supplies	348,750	(30,047)	318,703	274,202	44,501
Total Required Maintenance For School Facilities	1,989,717	(56,881)	1,932,836	1,694,795	238,041
Custodial Services					
Salaries	3,270,274	79,200	3,349,474	3,348,571	903
Salaries of Non-Instructional Aides	419,742	44,503	464,245	289,245	175,000
Unused Vacation Payments to Terminated/Retired Staff	50,000	(44,243)	5,757	5,758	(1)
Purchased Professional and Technical Services	377,155	273,969	651,124	376,709	274,415
Cleaning, Repair, and Maintenance Services	596,500	(204,039)	392,461	362,863	29,598
Other Purchased Property Services	120,000	-	120,000	93,527	26,473
Insurance	418,450	154,000	572,450	571,821	629
Miscellaneous Purchased Services	2,000	-	2,000	1,901	99
General Supplies	232,000	132,728	364,728	341,938	22,790
Energy (Natural Gas)	814,171	(172,010)	642,161	520,060	122,101
Energy (Electricity)	1,162,000	(108,941)	1,053,059	1,053,059	-
Energy (Gasoline)	50,000	48,915	98,915	98,887	28
Other Objects	1,500	1,200	2,700	1,400	1,300
Total Custodial Services	7,513,792	205,282	7,719,074	7,065,739	653,335
Care & Upkeep of Grounds					
Salaries	284,398	3,240	287,638	287,638	-
Cleaning, Repair, and Maintenance Services	24,000	90,744	114,744	85,500	29,244
General Supplies	58,000	56,212	114,212	88,458	25,754
Total Care & Upkeep of Grounds	366,398	150,196	516,594	461,596	54,998
Security					
Salaries	609,655	110,223	719,878	719,878	-
Purchased Professional and Technical Services	45,000	17,579	62,579	61,995	584
General Supplies	60,000	(30,260)	29,740	24,336	5,404
Other Objects	300	(300)	-	-	-
Total Security	714,955	97,242	812,197	806,209	5,988
Student Transportation Services					
Salaries for Pupil Transportation					
(Non-Instructional Aides)	54,095	5,505	59,600	59,481	119
(Between Home and School) - Regular	554,998	42,905	597,903	597,903	
(Between Home and School) - Spec Ed	178,582	5,376	183,958	183,868	90
(Other than Between Home and School)	90,000	29,393	119,393	119,393	-
Management Fee - ESC & CTSA Trans Program	62,658	(13,712)	48,946	48,946	-
Other Purchased Professional and Technical Services	39,347	(19,990)	19,357	18,808	549
Cleaning, Repair and Maintenance Services	48,690	-	48,690	35,464	13,226
Contracted Services - Aid in Lieu of Payments	220,000	67,280	287,280	272,193	15,087
Contracted Services (Between Home and School)-Vendors	1,114,655	296,000	1,410,655	1,406,809	3,846
Contracted Services (Other Than Between Home and School)-Vendors	57,000	-	57,000	21,909	35,091
Contracted Services (Between Home and School) - Joint Agreements	10,000	(10,000)	-	-	-
Contracted Services (Special Ed Students)	1,093,182	170,000	1,263,182	1,116,258	146,924
Contracted Services (Regular Ed Students)-ESCs & CTSA	448,068	(156,000)	292,068	248,855	43,213
Contracted Services (Special Ed Students)-ESCs & CTSA	1,834,208	(319,000)	1,515,208	1,272,902	242,306
Miscellaneous Purchased Services - Transportation	13,500	-	13,500	7,453	6,047
General Supplies	3,000	-	3,000	2,015	985
Transportation Supplies	114,000	(48,915)	65,085	32,567	32,518
Other Objects	2,450	-	2,450	-	2,450
Total Student Transportation Services	5,938,433	48,842	5,987,275	5,444,824	542,451

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Unallocated Benefits					
Social Security Contributions	\$ 1,401,000	-	\$ 1,401,000	\$ 1,363,725	\$ 37,275
Other Retirement Contributions - PERS	1,289,762	\$ (109,557)	1,180,205	1,180,205	-
Other Retirement Contributions - Regular	171,864	10,707	182,571	182,571	-
Workmen's Compensation	576,550	(135,233)	441,317	441,317	-
Health Benefits	11,408,765	(335,146)	11,073,619	9,937,596	1,136,023
Tuition Reimbursement	81,000	10,500	91,500	74,155	17,345
Other Employee Benefits	356,162	(9,393)	346,769	344,319	2,450
Unused Sick Payment to Terminated/Retired Staff	100,000	(71,928)	28,072	28,071	1
Total Employee Benefits	15,385,103	(640,050)	14,745,053	13,551,959	1,193,094
On Behalf TPAF (Non-Budget)					
Pension Contribution				12,253,125	(12,253,125)
NCGI Premium				169,998	(169,998)
Post Retirement Medical Contribution				3,263,525	(3,263,525)
Long Term Disability Insurance(Non Budgeted)				3,737	(3,737)
Social Security Contribution	-	-	-	2,669,552	(2,669,552)
Total On Behalf	-	-	-	18,359,937	(18,359,937)
Total Undistributed Expenditures	53,806,163	593,905	54,400,068	69,057,786	(14,657,718)
Total Current Expenditures	90,698,481	1,299,045	91,997,526	105,934,172	(13,936,646)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction					
Grades 9-12	9,500	27,412	36,912	36,862	50
Multiple Disabilities		8,296	8,296	8,296	-
School Sponsored Athletics		41,500	41,500	41,500	-
Undistributed Expenditures					
Instruction	300,000	265,100	565,100	266,912	298,188
Non-Instructional		57,398	57,398	45,840	11,558
Support Services - Instructional Staff		3,375	3,375	3,375	-
Admin. Info. Tech.	125,000	(43,535)	81,465	32,952	48,513
Required Maint for School Facilities	150,000	(101,798)	48,202	48,202	-
Custodial Services		156,662	156,662	147,487	9,175
Care and Upkeep of Grounds		293,054	293,054	293,054	-
Security		1,031,483	1,031,483	1,031,482	1
Student Transportation - Non-Instructional		3,340	3,340	3,339	1
School Buses - Regular	-	246,324	246,324	244,184	2,140
Total Equipment	584,500	1,988,611	2,573,111	2,203,485	369,626
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	-	591,498	591,498	374,679	216,819
Construction Services		6,284,094	6,284,094	3,746,326	2,537,768
Assessment for Debt Service on SDA Funding	51,813	-	51,813	51,813	-
Total Facilities Acquis. and Const. Services	51,813	6,875,592	6,927,405	4,172,818	2,754,587
Interest Deposit to Capital Reserve	5,000	-	5,000	-	5,000
Total Capital Outlay	641,313	8,864,203	9,505,516	6,376,303	3,129,213

PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
SPECIAL SCHOOLS					
Adult Education In-Local - Support Services					
Salaries	\$ 14,000	\$ (494)	\$ 13,506	\$ 6,596	\$ 6,910
Other Purchased Services	95,000	-	95,000	30,761	64,239
Supplies and Materials	3,500	-	3,500	1,550	1,950
Other Objects	-	494	494	494	-
Total Adult Education-In-Local - Support Services	<u>112,500</u>	<u>-</u>	<u>112,500</u>	<u>39,401</u>	<u>73,099</u>
Total Adult Education	<u>112,500</u>	<u>-</u>	<u>112,500</u>	<u>39,401</u>	<u>73,099</u>
Total Special Schools	<u>112,500</u>	<u>-</u>	<u>112,500</u>	<u>39,401</u>	<u>73,099</u>
Transfer of Funds to Charter Schools	-	26,849	26,849	26,849	-
Total Expenditures	<u>91,452,294</u>	<u>10,190,097</u>	<u>101,642,391</u>	<u>112,376,725</u>	<u>(10,734,334)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(600,000)</u>	<u>(10,190,097)</u>	<u>(10,790,097)</u>	<u>(348,117)</u>	<u>10,441,980</u>
Other Financing Sources (Uses)					
Capital Reserve Transfer to Capital Projects	(9,925,000)	4,712,000	(5,213,000)		5,213,000
Capital Reserve Transfer to Debt Service	(600,000)	-	(600,000)	(600,000)	-
Total Other Financing Sources/(Uses)	<u>(10,525,000)</u>	<u>4,712,000</u>	<u>(5,813,000)</u>	<u>(600,000)</u>	<u>5,213,000</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Sources	<u>(11,125,000)</u>	<u>(5,478,097)</u>	<u>(16,603,097)</u>	<u>(948,117)</u>	<u>15,654,980</u>
Fund Balances, Beginning of Year	<u>43,087,990</u>	<u>-</u>	<u>43,087,990</u>	<u>43,087,990</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 31,962,990</u>	<u>\$ (5,478,097)</u>	<u>\$ 26,484,893</u>	<u>\$ 42,139,873</u>	<u>\$ 15,654,980</u>
Reconciliation of Fund Balance					
Restricted Fund Balance:					
Excess Surplus - Designated for Subsequent Year's Budget				\$ 600,000	
Excess Surplus				600,000	
Capital Reserve				16,843,685	
Capital Reserve - Designated for Subsequent Year's Budget				12,256,139	
Maintenance Reserve				3,853,206	
Maintenance Reserve - Designated for Subsequent Year's Budget				500,000	
Emergency Reserve				855,750	
Unemployment Compensation Reserve				266,591	
Committed Fund Balance					
Year End Encumbrances				2,744,224	
Assigned Fund Balance					
Year End Encumbrances				976,793	
Unassigned Fund Balance				<u>2,643,485</u>	
				42,139,873	
Less: State Aid Payments not Recognized on GAAP Basis				<u>(1,058,514)</u>	
Fund Balance, GAAP Basis				<u>\$ 41,081,359</u>	

PARAMUS BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustment	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Intergovernmental					
State	\$ 3,003,000	\$ 848,382	\$ 3,851,382	\$ 3,472,359	\$ (379,023)
Federal	1,618,000	3,331,224	4,949,224	3,267,983	(1,681,241)
Local Sources					
Miscellaneous	20,000	445,979	465,979	460,004	(5,975)
Total Revenues	<u>4,641,000</u>	<u>4,625,585</u>	<u>9,266,585</u>	<u>7,200,346</u>	<u>(2,066,239)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	206,800	1,660,749	1,867,549	906,206	961,343
Purchased Prof. and Technical Services	515,000	(510,613)	4,387	-	4,387
Tuition	700,000	140,338	840,338	840,338	-
Other Purchased Services		-	-	-	-
General Supplies	172,000	82,633	254,633	194,657	59,976
Co-Curricular - Student Activities		379,245	379,245	379,245	-
Textbooks	174,000	73,239	247,239	207,112	40,127
Total Instruction	<u>1,767,800</u>	<u>1,825,591</u>	<u>3,593,391</u>	<u>2,527,558</u>	<u>1,065,833</u>
Support Services					
Salaries of Teachers	23,000	97,316	120,316	34,600	85,716
Personal Services-Employee Benefits	55,000	98,892	153,892	85,111	68,781
Purchased Prof. and Technical Services	108,000	2,264,466	2,372,466	1,766,157	606,309
Purchased Professional/Educational Services	2,129,000	195,249	2,324,249	2,221,786	102,463
Other Purchased Professional Services		154,014	154,014	154,014	-
Other Purchased Services		16,160	16,160	2,035	14,125
General Supplies	550,000	(442,579)	107,421	98,152	9,269
Other Objects	8,200	-	8,200	5,000	3,200
Total Support Services	<u>2,873,200</u>	<u>2,383,518</u>	<u>5,256,718</u>	<u>4,366,855</u>	<u>889,863</u>
Facilities Acquisition and Construction					
Buildings		177,909	177,909	90,123	87,786
Instructional Equipment	-	238,567	238,567	187,139	51,428
Total Facilities Acq. & Construction	<u>-</u>	<u>416,476</u>	<u>416,476</u>	<u>277,262</u>	<u>139,214</u>
Total Expenditures	<u>4,641,000</u>	<u>4,625,585</u>	<u>9,266,585</u>	<u>7,171,675</u>	<u>2,094,910</u>
Net Changes in Fund Balances	-	-	-	28,671	28,671
Fund Balances, Beginning of Year	<u>359,312</u>	<u>-</u>	<u>359,312</u>	<u>359,312</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 359,312</u>	<u>\$ -</u>	<u>\$ 359,312</u>	<u>\$ 387,983</u>	<u>\$ 28,671</u>
Recapitulation of Restricted Fund Balances					
Student Activities				<u>\$ 387,983</u>	

**PARAMUS BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual revenues (budgetary basis)	\$ 112,028,608	\$ 7,200,346
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
June 30, 2023 Encumbrances		(311,659)
June 30, 2022 Encumbrances		156,778
State Aid payments recognized for GAAP statements purposes, not recognized for budgetary purposes - prior year	923,324	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. Current Year	<u>(1,058,514)</u>	<u>-</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 111,893,418</u>	<u>\$ 7,045,465</u>
Uses/outflows of resources		
Actual expenditures (budgetary basis)	\$ 112,376,725	\$ 7,171,675
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
June 30, 2023 Encumbrances		(311,659)
June 30, 2022 Encumbrances	<u>-</u>	<u>156,778</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 112,376,725</u>	<u>\$ 7,016,794</u>

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

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

PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Last 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)	0.09321%	0.09902%	0.10401%	0.10362%	0.10536%	0.11067%	0.10572%	0.11196%	0.12424%	0.11994%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 14,066,865</u>	<u>\$ 11,730,603</u>	<u>\$ 16,961,461</u>	<u>\$ 18,669,856</u>	<u>\$ 20,743,897</u>	<u>\$ 25,761,293</u>	<u>\$ 31,309,752</u>	<u>\$ 25,132,522</u>	<u>\$ 23,261,089</u>	<u>\$ 22,921,968</u>
District's Covered Employee Payroll	<u>\$ 7,270,072</u>	<u>\$ 6,820,467</u>	<u>\$ 7,246,038</u>	<u>\$ 7,366,080</u>	<u>\$ 7,275,488</u>	<u>\$ 7,327,343</u>	<u>\$ 7,497,718</u>	<u>\$ 7,318,066</u>	<u>\$ 7,692,702</u>	<u>\$ 8,238,802</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	193%	172%	234%	253%	285%	352%	418%	343%	302%	278%
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%	47.92%	52.08%	48.72%

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

PARAMUS BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S 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	\$ 1,175,439	\$ 1,159,659	\$ 1,137,827	\$ 1,007,873	\$ 1,047,943	\$ 1,025,203	\$ 939,157	\$ 962,546	\$ 1,024,215	\$ 903,686
Contributions in Relation to the Contractually Required Contributions	<u>1,175,439</u>	<u>1,159,659</u>	<u>1,137,827</u>	<u>1,007,873</u>	<u>1,047,943</u>	<u>1,025,203</u>	<u>939,157</u>	<u>962,546</u>	<u>1,024,215</u>	<u>903,686</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll	<u>\$ 7,513,964</u>	<u>\$ 7,270,072</u>	<u>\$ 6,820,467</u>	<u>\$ 7,246,038</u>	<u>\$ 7,366,080</u>	<u>\$ 7,275,488</u>	<u>\$ 7,327,343</u>	<u>\$ 7,497,712</u>	<u>\$ 7,318,066</u>	<u>\$ 7,692,702</u>
Contributions as a Percentage of Covered Employee Payroll	15.64%	15.95%	16.68%	13.91%	14.23%	14.09%	12.82%	12.84%	14.00%	11.75%

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

TEACHERS PENSION AND ANNUITY FUND
Last 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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>157,355,714</u>	<u>145,913,725</u>	<u>201,849,480</u>	<u>185,885,867</u>	<u>187,876,418</u>	<u>197,068,702</u>	<u>233,807,483</u>	<u>183,628,826</u>	<u>158,957,607</u>	<u>146,804,041</u>
Total	<u>\$ 157,355,714</u>	<u>\$ 145,913,725</u>	<u>\$ 201,849,480</u>	<u>\$ 185,885,867</u>	<u>\$ 187,876,418</u>	<u>\$ 197,068,702</u>	<u>\$ 233,807,483</u>	<u>\$ 183,628,826</u>	<u>\$ 158,957,607</u>	#####
District's Covered Employee Payroll	<u>\$ 37,453,942</u>	<u>\$ 35,906,841</u>	<u>\$ 33,279,960</u>	<u>\$ 33,094,769</u>	<u>\$ 32,768,289</u>	<u>\$ 31,539,543</u>	<u>\$ 30,515,234</u>	<u>\$ 29,997,401</u>	<u>\$ 29,582,096</u>	<u>\$ 28,604,775</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	0%	0%	0%	0%	0%	0%	0%	0	0%	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.

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

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

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Six Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 7,964,738	\$ 9,231,033	\$ 5,140,153	\$ 4,999,101	\$ 5,565,352	\$ 6,694,348
Interest on the Total OPEB Liability	3,905,882	4,601,438	4,422,963	5,401,789	5,743,009	4,966,771
Changes of Benefit Terms	-	(188,800)				
Differences Between Expected and Actual Experience	1,416,774	(31,129,903)	32,888,666	(22,078,785)	(12,339,339)	
Changes of Assumptions	(39,537,517)	174,999	36,204,104	1,832,282	(15,651,995)	(20,688,988)
Gross Benefit Payments	(3,868,891)	(3,624,644)	(3,450,477)	(3,772,319)	(3,647,151)	(3,521,424)
Contribution from the Member	<u>124,116</u>	<u>117,636</u>	<u>104,584</u>	<u>111,822</u>	<u>126,051</u>	<u>129,668</u>
Net Change in Total OPEB Liability	(29,994,898)	(20,818,241)	75,309,993	(13,506,110)	(20,204,073)	(12,419,625)
Total OPEB Liability - Beginning	<u>177,380,525</u>	<u>198,198,766</u>	<u>122,888,773</u>	<u>136,394,883</u>	<u>156,598,956</u>	<u>169,018,581</u>
Total OPEB Liability - End of Year	<u>\$ 147,385,627</u>	<u>\$ 177,380,525</u>	<u>\$ 198,198,766</u>	<u>\$ 122,888,773</u>	<u>\$ 136,394,883</u>	<u>\$ 156,598,956</u>
District's Proportionate Share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share	<u>147,385,627</u>	<u>177,380,525</u>	<u>198,198,766</u>	<u>122,888,773</u>	<u>136,394,883</u>	<u>156,598,956</u>
Total OPEB Liability - Ending	<u>\$ 147,385,627</u>	<u>\$ 177,380,525</u>	<u>\$ 198,198,766</u>	<u>\$ 122,888,773</u>	<u>\$ 136,394,883</u>	<u>\$ 156,598,956</u>
Covered Employee Payroll	<u>\$ 44,724,014</u>	<u>\$ 42,727,308</u>	<u>\$ 40,525,998</u>	<u>\$ 40,460,849</u>	<u>\$ 40,043,777</u>	<u>\$ 38,866,886</u>
District's Proportionate Share of the OPEB Liability as a Percentage of Covered Employee Payroll:	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

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

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

SPECIAL REVENUE FUND

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

	Nonpublic Textbooks	Nonpublic Nursing Services	Nonpublic Technology	Nonpublic Security	Nonpublic Compensatory Education	Nonpublic ESL	Nonpublic Suppl. Inst.	Nonpublic Exam. and Class.	Nonpublic Home Instruction	Nonpublic Corrective Speech	Student Activities	Other Local Grants	Total Exhibit E-1A	Total Exhibit E-1B	Total
REVENUES															
Intergovernmental															
State	\$ 207,112	\$ 443,408	\$ 151,874	\$ 797,108	\$ 362,786	\$ 30,269	\$ 473,298	\$ 544,944	\$ 9,031	\$ 358,050				\$ 94,479	\$ 3,472,359
Federal													\$ 1,937,597	1,330,386	3,267,983
Other	-	-	-	-	-	-	-	-	-	-	\$ 407,916	\$ 52,088	-	-	460,004
Total Revenues	\$ 207,112	\$ 443,408	\$ 151,874	\$ 797,108	\$ 362,786	\$ 30,269	\$ 473,298	\$ 544,944	\$ 9,031	\$ 358,050	\$ 407,916	\$ 52,088	\$ 1,937,597	\$ 1,424,865	\$ 7,200,346
EXPENDITURES															
Instruction															
Salaries of Teachers													\$ 166,169	\$ 740,037	\$ 906,206
Purchased Prof. and Tech. Services													-	-	-
Tuition													811,538	28,800	840,338
Other Purchased Services													-	-	-
General Supplies			\$ 114,404										-	-	-
Co-Curricular - Student Activities/Athletics											\$ 379,245	\$ 3,305	23,493	53,455	194,657
Textbooks	\$ 207,112	-	-	-	-	-	-	-	-	-	-	-	-	-	207,112
Total Instruction	207,112	-	114,404	-	-	-	-	-	-	-	379,245	3,305	1,001,200	822,292	2,527,558
Support Services															
Salaries of Teachers													34,600	-	34,600
Personal Services Employee-Benefits													85,111	-	85,111
Purchased Prof. & Tech. Services				\$ 445,607									808,100	512,450	1,766,157
Purchased Prof. Ed. Services		\$ 443,408			\$ 362,786	\$ 30,269	\$ 473,298	\$ 544,944	\$ 9,031	\$ 358,050			-	-	2,221,786
Other Purchased Professional Services				154,014									-	-	154,014
Other Purchased Services													2,035	-	2,035
General Supplies				96,601									1,551	-	98,152
Other Objects													5,000	-	5,000
Total Support Services	-	443,408	-	696,222	362,786	30,269	473,298	544,944	9,031	358,050	-	-	936,397	512,450	4,366,855
Facilities Acquisition & Construction															
Construction Services														90,123	90,123
Instructional Equipment			37,470	100,886									48,783	-	187,139
Total Facilities Acquisition & Construction	-	-	37,470	100,886	-	-	-	-	-	-	-	48,783	-	90,123	277,262
Total Expenditures	\$ 207,112	\$ 443,408	\$ 151,874	\$ 797,108	\$ 362,786	\$ 30,269	\$ 473,298	\$ 544,944	\$ 9,031	\$ 358,050	\$ 379,245	\$ 52,088	\$ 1,937,597	\$ 1,424,865	\$ 7,171,675
Excess (Deficiency) of Revenues over Expenditures											28,671				28,671
Fund Balance, Beginning of Year											359,312				359,312
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 387,983	\$ -	\$ -	\$ -	\$ 387,983

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

	ESEA				IDEA Basic	IDEA Preschool	ARP IDEA Basic	ARP IDEA Preschool	CARES Emergency Relief Grant	Total Exhibit E-1A
	Title I	Title II Part - A	Title III	Title IV						
REVENUES										
Intergovernmental										
Federal	\$ 244,967	\$ 72,432	\$ 40,177	\$ 24,982	\$ 1,365,692	\$ 38,743	\$ 138,704	\$ 1,005	\$ 10,895	\$ 1,937,597
Total Revenues	<u>\$ 244,967</u>	<u>\$ 72,432</u>	<u>\$ 40,177</u>	<u>\$ 24,982</u>	<u>\$ 1,365,692</u>	<u>\$ 38,743</u>	<u>\$ 138,704</u>	<u>\$ 1,005</u>	<u>\$ 10,895</u>	<u>\$ 1,937,597</u>
EXPENDITURES										
Instruction										
Salaries of Teachers	\$ 150,851			\$ 15,318						\$ 166,169
Purchased Prof. & Tech. Services										-
Other Purchased Services										-
Tuition					\$ 776,197	\$ 35,341				811,538
General Supplies	6,128	-	\$ 2,386	1,165	-	3,402	-	-	\$ 10,412	23,493
Total Instruction	<u>156,979</u>	<u>-</u>	<u>2,386</u>	<u>16,483</u>	<u>776,197</u>	<u>38,743</u>	<u>-</u>	<u>-</u>	<u>10,412</u>	<u>1,001,200</u>
Support Services										
Salaries of Teachers			34,600							34,600
Personal Services-Employee Benefits	82,526		2,585							85,111
Purchased Prof. & Tech. Services		\$ 70,397		8,499	589,495		\$ 138,704	\$ 1,005		808,100
Purchased Prof. Ed. Services										-
Other Purchased Services		2,035								2,035
General Supplies	462		606						483	1,551
Other Objects	5,000									5,000
Total Support Services	<u>87,988</u>	<u>72,432</u>	<u>37,791</u>	<u>8,499</u>	<u>589,495</u>	<u>-</u>	<u>138,704</u>	<u>1,005</u>	<u>483</u>	<u>936,397</u>
Facilities Acquisition & Construction										
Instructional Equipment	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition & Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 244,967</u>	<u>\$ 72,432</u>	<u>\$ 40,177</u>	<u>\$ 24,982</u>	<u>\$ 1,365,692</u>	<u>\$ 38,743</u>	<u>\$ 138,704</u>	<u>\$ 1,005</u>	<u>\$ 10,895</u>	<u>\$ 1,937,597</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	CRRSA - ESSER II		AMERICAN RESCUE PLAN					Total Exhibit E-1B	
	Learning Acceleration	Mental Health	ESSER	Accelerated Learning Coach and Educator Support	NJTSS Mental Health Support	ACSERS Aid	SDA Emergent Capital Maint		Climate Awareness
REVENUES									
Intergovernmental									
State							\$ 90,123	\$ 4,356	\$ 94,479
Federal	\$ 12,577	\$ 9,500	\$ 1,122,083	\$ 132,250	\$ 25,176	\$ 28,800	-	-	1,330,386
Total Revenues	\$ 12,577	\$ 9,500	\$ 1,122,083	\$ 132,250	\$ 25,176	\$ 28,800	\$ 90,123	\$ 4,356	\$ 1,424,865
EXPENDITURES									
Instruction									
Salaries of Teachers	\$ 12,577		\$ 727,460						\$ 740,037
Purchased Prof. & Tech. Services									-
Other Purchased Services									-
Tuition						\$ 28,800			28,800
General Supplies	-	\$ 9,500	19,623	-	\$ 19,976	-	-	\$ 4,356	53,455
Total Instruction	12,577	9,500	747,083	-	19,976	28,800	-	4,356	822,292
Support Services									
Salaries of Teachers									-
Personal Services-Employee Benefits									-
Purchased Prof. & Tech. Services			375,000	\$ 132,250	5,200				512,450
Purchased Prof. Ed. Services									-
Other Purchased Services									-
General Supplies									-
Other Objects	-	-	-	-	-	-	-	-	-
Total Support Services	-	-	375,000	132,250	5,200	-	-	-	512,450
Facilities Acquisition & Construction									
Construction Services							\$ 90,123		90,123
Instructional Equipment	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition & Construction	-	-	-	-	-	-	90,123	-	90,123
Total Expenditures	\$ 12,577	\$ 9,500	\$ 1,122,083	\$ 132,250	\$ 25,176	\$ 28,800	\$ 90,123	\$ 4,356	\$ 1,424,865
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL PROJECTS FUND

NOT APPLICABLE

ENTERPRISE FUNDS

NOT APPLICABLE

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

PARAMUS BOARD OF EDUCATION
 SCHEDULE OF SERIAL BONDS PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds	11/5/2020	\$ 8,335,000	4/1/2024	\$ 1,235,000	1.125%				
			4/1/2025	1,195,000	1.250%				
			4/1/2026	1,155,000	1.375%				
			4/1/2027	1,120,000	1.500%				
			4/1/2028	1,080,000	1.750%				
			4/1/2029	1,040,000	1.875%				
					\$ 8,100,000	-	\$ 1,275,000	\$ 6,825,000	
					\$ 8,100,000	\$ -	\$ 1,275,000	\$ 6,825,000	

SCHEDULE OF CAPITAL & OTHER FINANCING AGREEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOT APPLICABLE

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

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 777,566	-	\$ 777,566	\$ 777,566	-
Total Revenues	<u>777,566</u>	<u>-</u>	<u>777,566</u>	<u>777,566</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Principal	1,275,000	-	1,275,000	1,275,000	-
Interest	112,663	-	112,663	112,662	\$ 1
Total Expenditures	<u>1,387,663</u>	<u>-</u>	<u>1,387,663</u>	<u>1,387,662</u>	<u>1</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>(610,097)</u>	<u>-</u>	<u>(610,097)</u>	<u>(610,096)</u>	<u>1</u>
Other Financing Sources (Uses)					
Operating Transfers In-Capital Reserve	600,000	-	600,000	600,000	-
Total Other Financing Sources	<u>600,000</u>	<u>-</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures and Other Financing Sources	<u>(10,097)</u>	<u>-</u>	<u>(10,097)</u>	<u>(10,096)</u>	<u>1</u>
Fund Balance, Beginning of Year	<u>10,117</u>	<u>-</u>	<u>10,117</u>	<u>10,117</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 21</u>	<u>\$ 1</u>
Restricted for Debt Service:					
Designated for Subsequent Year's Budget				\$ 20	
Available for Debt Service				<u>1</u>	
				<u>\$ 21</u>	

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

As of June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	(Restated)						(Restated)			
Governmental Activities										
Net Investment in Capital Assets	\$ 35,209,488	\$ 39,957,382	\$ 41,735,254	\$ 43,973,893	\$ 46,480,657	\$ 48,743,148	\$ 49,755,257	\$ 50,001,559	\$ 50,866,999	\$ 54,932,766
Restricted	12,674,591	14,660,403	17,097,317	19,585,301	19,871,637	20,848,890	26,261,714	29,744,455	32,539,189	34,963,354
Unrestricted	(20,932,272)	(20,314,957)	(20,324,594)	(21,758,843)	(21,857,653)	(21,252,867)	(20,833,101)	(16,815,753)	(10,661,302)	(11,377,027)
Total governmental activities net position	\$ 26,951,807	\$ 34,302,828	\$ 38,507,977	\$ 41,800,351	\$ 44,494,641	\$ 48,339,171	\$ 55,183,870	\$ 62,930,261	\$ 72,744,886	\$ 78,519,093
Business-Type Activities										
Investment in Capital Assets	\$ 164,909	\$ 172,989	\$ 170,386	\$ 168,991	\$ 169,056	\$ 163,885	\$ 185,463	\$ 169,289	\$ 174,321	\$ 182,200
Restricted										
Unrestricted	270,522	230,000	175,679	118,939	123,501	135,699	111,406	120,879	534,126	403,512
Total Business-Type Activities Net Position	\$ 435,431	\$ 402,989	\$ 346,065	\$ 287,930	\$ 292,557	\$ 299,584	\$ 296,869	\$ 290,168	\$ 708,447	\$ 585,712
District-Wide										
Net Investment in Capital Assets	\$ 35,374,397	\$ 40,130,371	\$ 41,905,640	\$ 44,142,884	\$ 46,649,713	\$ 48,907,033	\$ 49,940,720	\$ 50,170,848	\$ 51,041,320	\$ 55,114,966
Restricted	12,674,591	14,660,403	17,097,317	19,585,301	19,871,637	20,848,890	26,261,714	29,744,455	32,539,189	34,963,354
Unrestricted	(20,661,750)	(20,084,957)	(20,148,915)	(21,639,904)	(21,734,152)	(21,117,168)	(20,721,695)	(16,694,874)	(10,127,176)	(10,973,515)
Total District Net Position	\$ 27,387,238	\$ 34,705,817	\$ 38,854,042	\$ 42,088,281	\$ 44,787,198	\$ 48,638,755	\$ 55,480,739	\$ 63,220,429	\$ 73,453,333	\$ 79,104,805

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

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

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

	Fiscal Year Ended June 30.									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 30,870,406	\$ 35,405,836	\$ 37,580,253	\$ 41,188,789	\$ 43,695,052	\$ 39,759,002	\$ 39,336,658	\$ 44,132,065	\$ 41,072,919	\$ 40,105,208
Special Education	14,342,356	15,896,202	17,011,501	18,113,912	19,168,385	19,037,559	17,830,513	19,097,391	17,415,264	18,171,538
Other Instruction	2,401,823	2,853,123	3,026,442	3,530,919	2,976,844	2,794,724	2,685,417	2,895,590	2,717,193	2,708,330
School Sponsored Activities and Athletics	1,769,801	1,991,962	2,175,830	2,392,640	2,518,879	2,318,185	2,189,465	2,543,446	2,464,529	2,375,340
Support Services:										
Student and Instruction Related Services	10,488,907	12,091,605	12,918,305	14,318,550	15,254,439	15,576,419	15,399,675	16,805,183	16,975,885	17,135,838
School Administration Services	4,977,054	5,947,989	6,073,147	6,696,125	6,706,583	6,238,192	6,039,070	6,776,335	5,784,392	5,844,926
General Administration Services	975,612	1,055,628	919,677	1,149,132	1,168,841	1,196,287	1,285,274	1,060,527	1,003,182	1,182,678
Plant Operations and Maintenance	10,992,476	11,066,092	11,631,973	12,263,703	12,058,625	12,150,036	10,591,090	10,732,116	11,289,292	11,436,962
Pupil Transportation	3,203,080	3,250,926	3,426,661	3,546,666	3,716,755	4,127,509	3,666,992	4,063,281	4,412,435	5,827,981
Central Services	1,893,852	2,071,816	2,195,762	2,427,720	2,778,712	2,627,995	2,507,800	2,812,672	1,916,892	1,965,059
Interest on Long-Term Debt	721,476	765,720	599,248	563,082	524,055	479,631	434,095	272,742	223,311	176,095
Total Governmental Activities Expenses	82,636,843	92,396,899	97,558,799	106,191,238	110,567,170	106,305,539	101,966,049	111,191,348	105,275,294	106,929,955
Business-Type Activities:										
Food Service	1,090,992	1,247,618	1,317,291	1,333,494	1,236,660	1,261,418	896,609	365,742	1,650,999	1,622,692
Total Business-Type Activities Expense	1,090,992	1,247,618	1,317,291	1,333,494	1,236,660	1,261,418	896,609	365,742	1,650,999	1,622,692
Total District Expenses	\$ 83,727,835	\$ 93,644,517	\$ 98,876,090	\$ 107,524,732	\$ 111,803,830	\$ 107,566,957	\$ 102,862,658	\$ 111,557,090	\$ 106,926,293	\$ 108,552,647
Program Revenues										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 529,896	\$ 516,473	\$ 355,685	\$ 251,265	\$ 440,494	\$ 464,978	\$ 530,613	\$ 220,274	\$ 556,429	\$ 559,716
Special Education	336,063	818,739	673,683	747,278	1,075,711	712,656	526,778	666,374	641,472	279,332
Transportation	-	-	-	-	-	-	-	-	-	-
School Sponsored Activities and Athletics	-	-	-	-	-	-	-	217,071	374,637	407,916
Operating Grants and Contributions	11,755,186	19,985,595	22,884,855	29,558,192	32,730,075	27,572,398	25,106,044	34,090,678	27,799,073	23,116,579
Capital Grants and Contributions	601,080	286,180	4,080	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	13,222,225	21,606,987	23,918,303	30,556,735	34,246,280	28,750,032	26,163,435	35,194,397	29,371,611	24,363,543
Business-Type Activities:										
Food Service										
Charges for Services	\$ 958,036	\$ 1,069,902	\$ 1,101,865	\$ 1,123,628	\$ 1,088,699	\$ 1,105,686	\$ 778,094	\$ 7,164	\$ 238,870	\$ 994,279
Operating Grants and Contributions	140,492	145,014	158,502	151,731	152,588	162,759	115,800	351,877	1,830,408	505,678
Total Business-Type Activities Program Revenues	1,098,528	1,214,916	1,260,367	1,275,359	1,241,287	1,268,445	893,894	359,041	2,069,278	1,499,957
Total District Program Revenues	\$ 14,320,753	\$ 22,821,903	\$ 25,178,670	\$ 31,832,094	\$ 35,487,567	\$ 30,018,477	\$ 27,057,329	\$ 35,553,438	\$ 31,440,889	\$ 25,863,500
Net (Expense)/Revenue										
Governmental Activities	\$ (69,414,618)	\$ (70,789,912)	\$ (73,640,496)	\$ (75,634,503)	\$ (76,320,890)	\$ (77,555,507)	\$ (75,802,614)	\$ (75,996,951)	\$ (75,903,683)	\$ (82,566,412)
Business-Type Activities	7,536	(32,702)	(56,924)	(58,135)	4,627	7,027	(2,715)	(6,701)	418,279	(122,735)
Total District-Wide Net Expense	\$ (69,407,082)	\$ (70,822,614)	\$ (73,697,420)	\$ (75,692,638)	\$ (76,316,263)	\$ (77,548,480)	\$ (75,805,329)	\$ (76,003,652)	\$ (75,485,404)	\$ (82,689,147)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes General Purposes	\$ 71,357,641	\$ 72,774,791	\$ 74,230,284	\$ 75,704,884	\$ 77,040,097	\$ 78,406,873	\$ 79,975,010	\$ 81,574,510	\$ 83,206,000	\$ 84,786,914
Property Taxes Debt Service	2,269,316	2,240,359	1,664,672	1,186,267	950,492	987,682	934,081	905,080	838,079	777,566
Unrestricted Grants and Contributions	-	71,146	77,127	110,143	114,530	8,094	-	-	-	-
Debt Service Aid	248,324	238,735	234,467	248,000	-	-	-	-	-	-
Investment Earnings	75,013	56,015	62,181	-	-	-	-	-	-	-
Miscellaneous Income	1,676,745	2,759,887	1,576,914	1,677,583	910,061	1,997,388	1,085,152	1,263,752	1,674,229	2,776,139
Total Governmental Activities	75,627,039	78,140,933	77,845,645	78,926,877	79,015,180	81,400,037	81,994,243	83,743,342	85,718,308	88,340,619
Business-Type Activities:										
Investment Earnings	1,784	260	-	-	-	-	-	-	-	-
Total Business-Type Activities	1,784	260	-	-	-	-	-	-	-	-
Total District-Wide	\$ 75,628,823	\$ 78,141,193	\$ 77,845,645	\$ 78,926,877	\$ 79,015,180	\$ 81,400,037	\$ 81,994,243	\$ 83,743,342	\$ 85,718,308	\$ 88,340,619
Change in Net Position										
Governmental Activities	\$ 6,212,421	\$ 7,351,021	\$ 4,205,149	\$ 3,292,374	\$ 2,694,290	\$ 3,844,530	\$ 6,191,629	\$ 7,746,391	\$ 9,814,625	\$ 5,774,207
Business-Type Activities	9,320	(32,442)	(56,924)	(58,135)	4,627	7,027	(2,715)	(6,701)	418,279	(122,735)
Total District	\$ 6,221,741	\$ 7,318,579	\$ 4,148,225	\$ 3,234,239	\$ 2,698,917	\$ 3,851,557	\$ 6,188,914	\$ 7,739,690	\$ 10,232,904	\$ 5,651,472

PARAMUS 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 (Restated)	2021	2022	2023
General Fund										
Restricted	\$ 11,362,486	\$ 15,658,856	\$ 18,866,176	\$ 20,985,876	\$ 21,853,343	\$ 22,904,640	\$ 27,930,985	\$ 31,445,593	\$ 34,225,510	\$ 35,775,371
Committed					536,676	296,927	283,889	759,315	3,681,709	2,744,224
Assigned	764,796	423,089	450,098	681,114	404,826	773,862	437,611	1,087,700	1,098,587	976,793
Unassigned	1,411,670	1,375,542	1,449,856	1,462,799	1,529,274	1,521,456	1,431,107	3,066,465	3,158,860	1,584,971
Total General Fund	<u>\$ 13,538,952</u>	<u>\$ 17,457,487</u>	<u>\$ 20,766,130</u>	<u>\$ 23,129,789</u>	<u>\$ 24,324,119</u>	<u>\$ 25,496,885</u>	<u>\$ 30,083,592</u>	<u>\$ 36,359,073</u>	<u>\$ 42,164,666</u>	<u>\$ 41,081,359</u>
All Other Governmental Funds										
Restricted	\$ 1,912,105	\$ 895,547	\$ 425,141	\$ 593,425	\$ 74,044	\$ 1	\$ 386,480	\$ 354,612	\$ 369,429	\$ 388,004
Total all Other Governmental Funds	<u>\$ 1,912,105</u>	<u>\$ 895,547</u>	<u>\$ 425,141</u>	<u>\$ 593,425</u>	<u>\$ 74,044</u>	<u>\$ 1</u>	<u>\$ 386,480</u>	<u>\$ 354,612</u>	<u>\$ 369,429</u>	<u>\$ 388,004</u>

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

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property Taxes	\$ 73,626,957	\$ 75,015,150	\$ 75,894,956	\$ 76,891,151	\$ 77,990,589	\$ 79,394,555	\$ 80,909,091	\$ 82,479,590	\$ 84,044,079	\$ 85,564,480
Tuition Charges	865,959	1,335,212	1,029,368	998,543	1,516,205	1,177,634	1,057,391	886,648	1,197,901	839,048
Interest Earnings	75,013	56,015	62,181	41,027	79,800	186,324	52,553	28,250	36,790	507,850
Miscellaneous	1,727,512	2,850,999	1,644,345	1,739,805	954,272	1,901,382	1,077,079	1,492,200	2,036,365	2,689,531
State Sources	10,831,079	11,569,634	12,367,663	13,498,297	15,059,320	17,087,294	18,553,309	21,032,772	25,989,586	26,768,189
Federal Sources	1,722,744	1,938,222	1,932,853	2,035,034	1,848,564	2,070,297	1,904,159	2,616,903	4,053,615	3,347,351
Total Revenue	88,849,264	92,765,232	92,931,366	95,203,857	97,448,750	101,817,486	103,553,582	108,536,363	117,358,336	119,716,449
Expenditures										
Instruction										
Regular Instruction	29,069,631	29,668,702	30,729,149	31,369,479	33,520,028	33,065,439	34,262,199	36,500,297	40,208,652	40,797,556
Special Education Instruction	14,372,065	14,812,182	15,625,057	15,728,815	16,712,908	17,950,710	17,362,610	17,726,427	18,262,376	19,773,866
Other Instruction	2,401,823	2,603,483	2,710,245	2,979,333	2,552,759	2,572,177	2,558,782	2,627,921	2,837,385	2,933,495
School Sponsored Activities and Athletics	1,769,801	1,695,789	1,804,093	1,792,302	1,915,177	2,007,825	1,996,581	2,185,900	2,624,948	2,670,620
Support Services:										
Student and Inst. Related Services	10,417,119	10,954,311	11,471,646	11,936,892	12,727,655	14,235,992	14,543,877	15,216,281	17,570,284	18,405,802
General Administration	963,246	1,028,507	872,675	1,062,754	1,061,911	1,154,733	1,273,493	898,153	1,013,434	1,225,861
School Administration Services	4,945,173	5,284,232	5,320,345	5,435,025	5,469,498	5,628,909	5,759,463	6,050,912	6,112,715	6,538,260
Plant Operations and Maintenance	10,800,079	10,735,054	11,250,614	11,341,176	10,937,350	11,728,980	10,552,677	10,263,520	11,583,712	11,966,756
Pupil Transportation	2,993,422	3,155,756	3,312,186	3,394,786	3,533,245	3,901,318	3,516,745	3,879,863	4,290,931	5,837,695
Central Services	1,899,277	2,001,690	2,095,043	2,182,442	2,411,548	2,538,398	2,539,542	2,694,653	2,098,737	2,235,436
Capital Outlay	3,931,168	2,591,737	3,284,295	3,871,428	4,399,240	4,346,601	3,333,416	2,746,263	3,494,190	7,008,172
Debt Service:										
Principal	1,770,051	4,540,180	1,010,000	1,000,000	995,000	1,090,000	1,080,000	1,200,000	1,270,000	1,275,000
Bond Issuance Costs								119,980		-
Interest and Other Charges	851,846	791,632	607,781	577,482	537,482	497,681	454,081	302,560	170,562	112,662
Total Expenditures	86,184,701	89,863,255	90,093,129	92,671,914	96,773,801	100,718,763	99,233,466	102,412,730	111,537,926	120,781,181
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	2,664,563	2,901,977	2,838,237	2,531,943	674,949	1,098,723	4,320,116	6,123,633	5,820,410	(1,064,732)
Other Financing Sources (Uses)										
Original Issue Discount								(17,157)		-
Refunding Bonds Issued								8,335,000		-
Payment to Refunded Bond Escrow Agent								(8,197,863)		-
Transfers In	4,257,176	3,132,696	2,000,000	387,998	770,142	636,691	600,000	600,000	600,000	600,000
Transfers Out	(4,257,176)	(3,132,696)	(2,000,000)	(387,998)	(770,142)	(636,691)	(600,000)	(600,000)	(600,000)	(600,000)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	119,980	-	-
Net Change in Fund Balances	\$ 2,664,563	\$ 2,901,977	\$ 2,838,237	\$ 2,531,943	\$ 674,949	\$ 1,098,723	\$ 4,320,116	\$ 6,243,613	\$ 5,820,410	\$ (1,064,732)
Debt Service as a Percentage of										
Noncapital Expenditures	3.19%	6.11%	1.86%	1.78%	1.66%	1.65%	1.60%	1.63%	1.33%	1.22%

* Noncapital expenditures are total expenditures less capital outlay.

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

	<u>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>
Tuition	\$ 865,959	\$ 1,335,212	\$ 1,029,368	\$ 998,543	\$ 1,516,205	\$ 1,177,634	\$ 1,057,391	\$ 886,648	\$ 1,197,951	\$ 839,048
Interest Income	72,837	54,231	62,181	85,057	145,580	351,225	347,598	77,202	66,891	1,256,067
Bldg. Rental	81,853	43,482	37,553	152,471	187,463	164,999	249,846	109,291	267,499	313,860
Borough of Paramus - Shared Services								497,818		
Refunds		1,637,975	1,428	11,242	13,443	45,410	16,273	53,150		
Miscellaneous	573,571	125,355	170,287	310,960	195,411	606,197	88,656	12,686	518,393	1,086,360
Special Schools Fees	1,021,321	953,075	1,031,179	1,117,853	368,164	307,729	382,779	513,605	811,317	119,852
Cancellation of Prior Year Accounts Payable			25,528							
Cancellation of Accrued Liability of Claims Health Claim Reimbursements			310,939			521,828				
	-	-	-	-	-	-	-	-	-	-
	<u>\$ 2,615,541</u>	<u>\$ 4,149,330</u>	<u>\$ 2,668,463</u>	<u>\$ 2,676,126</u>	<u>\$ 2,426,266</u>	<u>\$ 3,175,022</u>	<u>\$ 2,142,543</u>	<u>\$ 2,150,400</u>	<u>\$ 2,862,051</u>	<u>\$ 3,615,187</u>

Source: School District's Financial Statements

PARAMUS 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	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Valuation	Total Direct School Tax Rate ^a
2014	\$ 142,215,000	\$ 4,171,077,547	\$ 1,479,800	\$ 22,400	\$ 3,542,561,600	\$ 111,783,600	\$ 18,642,800	\$ 7,987,782,747	\$ 4,987,188	\$ 7,992,769,935	\$ 8,834,630,995	\$ 0.930
2015	137,950,900	4,203,955,147	1,479,800	22,400	3,532,924,100	109,198,200	16,964,600	8,002,495,147	5,235,279	8,007,730,426	8,758,087,401	0.944
2016	137,301,800	4,225,646,147	1,479,800	22,400	3,513,162,400	108,289,700	16,964,600	8,002,866,847	5,153,630	8,008,020,477	8,810,817,359	0.954
2017	137,252,400	4,265,444,247	1,479,800	22,400	3,500,165,000	101,312,100	16,964,600	8,022,640,547	4,687,668	8,027,328,215	9,669,326,922	0.965
2018	142,303,300	4,274,723,247	1,479,800	22,400	3,492,492,700	99,013,200	16,964,600	8,026,999,247	4,357,977	8,031,357,224	10,511,862,247	0.980
2019	144,594,500	4,333,905,447	1,421,900	22,400	3,443,882,320	99,158,800	16,964,600	8,039,949,967	4,628,293	8,044,578,260	10,018,186,246	0.997
2020 (A)	162,521,500	5,071,690,600	2,162,700	11,200	4,592,844,620	139,530,000	63,885,300	10,032,645,920	5,729,604	10,038,375,524	10,344,291,557	0.814
2021	161,665,500	5,188,308,600	2,187,600	10,900	4,424,639,220	139,140,900	65,881,700	9,981,834,420	5,845,246	9,987,679,666	9,988,770,574	0.834
2022	155,924,000	5,710,269,200	2,398,800	10,900	4,887,951,420	157,219,800	67,226,600	10,981,000,720	6,007,091	10,987,007,811	10,995,760,089	0.772
2023	164,567,100	6,141,790,400	2,563,700	10,900	5,256,851,220	167,395,500	70,035,500	11,803,214,320	-	11,803,214,320	12,388,393,406	0.733

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

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

<u>Year Ended</u> <u>December 31,</u>	<u>Total</u>	<u>Local</u> <u>School</u> <u>District</u>	<u>Municipality</u>	<u>County</u>
2014	\$ 1.719	\$ 0.930	\$ 0.535	\$ 0.254
2015	1.734	0.944	0.530	0.260
2016	1.752	0.954	0.529	0.269
2017	1.801	0.965	0.533	0.303
2018	1.833	0.980	0.534	0.319
2019	1.856	0.997	0.558	0.301
2020	1.595	0.814	0.526	0.255
2021	1.654	0.834	0.567	0.253
2022	1.552	0.772	0.539	0.241
2023	1.534	0.733	0.550	0.251

Source: Tax Duplicates, Borough of Paramus

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

Taxpayer	2023		Taxpayer	2014	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Westland GSP L.P.	\$ 830,556,200	7.04%	Westland GSP L.P.	\$ 739,346,600	9.25%
The Valley Hospital Inc	375,000,000	3.18%	Vornado, Bergen Mall LLC	245,110,300	3.07%
VNO Bergen Mall, LLC	333,125,100	2.82%	ALX of Paramus LLC	163,601,800	2.05%
Westland GSP L.P.	244,275,000	2.07%	Westland GSP L.P.	97,069,400	1.21%
Ikea Property Inc	185,000,000	1.57%	Paramus Park	93,832,000	1.17%
Westland GSP L.P.	121,525,000	1.03%	Faber Bros Inc NJ	70,000,000	0.88%
Faber Bros Inc NJ	92,319,100	0.78%	Country Club Office Plaza	60,000,000	0.75%
Paramus Park - Brookfield Prop	71,997,500	0.61%	Paramus Park - Macy's Inc.	49,362,500	0.62%
Gabriel, J & Temple Ridge	70,709,900	0.60%	Farber, William A	48,956,500	0.61%
Farber, WM A Trustees	62,283,800	0.53%	Mack Paramus Affiliates	46,351,800	0.58%
	<u>\$ 2,386,791,600</u>	<u>20.22%</u>		<u>\$ 1,613,630,900</u>	<u>20.19%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Local School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 73,626,957	\$ 73,626,957	100.00%	N/A
2015	75,015,150	75,015,150	100.00%	N/A
2016	75,894,956	75,894,956	100.00%	N/A
2017	76,891,151	76,891,151	100.00%	N/A
2018	77,990,589	77,990,589	100.00%	N/A
2019	79,394,555	74,860,648	94.29%	\$ 4,533,907
2020	80,909,091	80,909,091	100.00%	N/A
2021	82,479,590	82,479,590	100.00%	N/A
2022	84,044,079	80,577,161	95.87%	4,533,907
2023	85,564,480	85,564,480	100.00%	N/A

N/A = Not Applicable

PARAMUS BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>			
2014	\$ 19,320,000	\$ 410,180	\$ 19,730,180	26,593	\$ 742
2015	15,190,000		15,190,000	26,596	571
2016	14,180,000		14,180,000	26,648	532
2017	13,180,000		13,180,000	26,591	496
2018	12,185,000		12,185,000	26,596	458
2019	11,095,000		11,095,000	26,456	419
2020	10,015,000		10,015,000	26,261	381
2021	9,370,000		9,370,000	26,063	360
2022	8,100,000		8,100,000	26,416	307
2023	6,825,000		6,825,000	26,359	259

Source: District records

PARAMUS 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 Valuation of Property	Per Capita
2014	\$ 19,320,000		\$ 19,320,000	0.24%	\$ 727
2015	15,190,000		15,190,000	0.19%	571
2016	14,180,000		14,180,000	0.18%	532
2017	13,180,000		13,180,000	0.16%	496
2018	12,185,000		12,185,000	0.15%	458
2019	11,095,000		11,095,000	0.14%	419
2020	10,015,000		10,015,000	0.10%	381
2021	9,370,000		9,370,000	0.09%	360
2022	8,100,000		8,100,000	0.07%	307
2023	6,825,000		6,825,000	0.06%	259

Source: District records

**PARAMUS BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
FOR THE YEAR ENDED DECEMBER 31, 2022
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
MUNICIPAL DEBT:			
Borough of Paramus (1)	\$ 50,259,939	\$ 5,471,352	\$ 44,788,587
Paramus School District	<u>8,100,000</u>	<u>8,100,000</u>	<u>-</u>
	<u>\$ 58,359,939</u>	<u>\$ 13,571,352</u>	<u>44,788,587</u>
 OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY			
Bergen County:			
County of Bergen(A)			85,229,166
Bergen County Utilities Authority - Water Pollution Control (B)			<u>11,728,435</u>
			<u>96,957,601</u>
Total Direct and Overlapping Outstanding Debt			<u>\$ 141,746,188</u>

SOURCE:

- (1) Borough of Paramus 2022 Annual Debt Statement
(A) The debt for this entity was apportioned to Borough of Paramus by dividing the municipality's 2022 equalized value by the total 2022 equalized value for the County of Bergen.
(B) Overlapping debt was computed based upon municipal flow to the Authority.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 343,601,966	\$ 346,591,299	\$ 347,117,624	\$ 360,415,977	\$ 383,721,993	\$ 399,658,452	\$ 410,037,120	\$ 401,737,592	\$ 414,175,899	\$ 445,597,228
Total net debt applicable to limit	19,320,000	15,190,000	14,180,000	13,180,000	12,185,000	11,095,000	10,015,000	9,370,000	8,100,000	6,825,000
Legal debt margin	<u>\$ 324,281,966</u>	<u>\$ 331,401,299</u>	<u>\$ 332,937,624</u>	<u>\$ 347,235,977</u>	<u>\$ 371,536,993</u>	<u>\$ 388,563,452</u>	<u>\$ 400,022,120</u>	<u>\$ 392,367,592</u>	<u>\$ 406,075,899</u>	<u>\$ 438,772,228</u>
Total net debt applicable to the limit as a percentage of debt limit	5.62%	4.38%	4.09%	3.66%	3.18%	2.78%	2.44%	2.33%	1.96%	1.53%

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

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

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized valuation basis
	2022 \$12,780,494,320
	2021 10,842,748,664
	2020 9,796,549,087
	<u>\$33,419,792,071</u>
Average Equalized Valuation of Taxable Property	<u>\$11,139,930,690</u>
Debt Limit (4 % of Average Equalization Value)	445,597,228
Total Net Debt Applicable to Limit	<u>6,825,000</u>
Legal debt margin	<u>\$ 438,772,228</u>

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2014	26,593	\$ 73,883	5.40%
2015	26,596	77,323	4.50%
2016	26,648	78,836	4.00%
2017	26,591	81,024	4.00%
2018	26,596	85,191	3.40%
2019	26,456	88,241	2.80%
2020	26,261	91,972	9.50%
2021	26,063	97,343	5.90%
2022	26,416	N/A	3.30%
2023	26,359	N/A	N/A

Source: New Jersey State Department of Education

N/A - Not Available

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

Employer	2023		2014	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>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	259	245	258	263	263	263	265	264	268	278
Special Education	191	195	193	193	191	194	201	190	174	183
Support Services:										
Student & Instruction Related Services	91	89	91	90	90	95	96	92	102	102
General Administration	2	2	2	2	2	2	2	2	2	2
School Administrative Services	41	39	38	36	36	36	36	39	37	37
Central Services	15	15	14	14	14	14	14	14	13	11
Administrative Information Technology	6	7	7	7	8	9	9	8	3	4
Plant Operations and Maintenance	105	105	87	92	92	90	90	86	90	93
Pupil Transportation	21	20	21	20	20	18	17	14	12	16
Special Schools	33	36	22	16	1	1	1	1	-	-
Total	<u>764</u>	<u>753</u>	<u>733</u>	<u>733</u>	<u>717</u>	<u>722</u>	<u>731</u>	<u>710</u>	<u>701</u>	<u>726</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teacher/Pupil Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
2014	3,941	\$ 79,631,636	\$ 20,206	2.59%	387	1:09.98	1:09.72	1:10.85	3,940	3,798	-2.26%	96.40%
2015	3,933	81,939,706	20,834	3.11%	398	1:10.40	1:09.66	1:10.41	3,934	3,787	-0.15%	96.26%
2016	3,894	85,191,053	21,878	5.01%	418	1:09.20	1:09.22	1:10.11	3,894	3,742	-1.02%	96.10%
2017	3,823	87,223,004	22,815	4.29%	420	1:09.20	1:08.94	1:10.41	3,823	3,663	-1.82%	95.81%
2018	3,776	90,842,079	24,058	5.45%	422	1:08.83	1:09.23	1:10.24	3,776	3,624	-1.23%	95.97%
2019	3,781	94,784,481	25,069	4.20%	402	1:09.76	1:09.22	1:09.96	3,781	3,615	0.13%	95.61%
2020	3,765	94,365,969	25,064	-0.02%	438	1:09.38	1:08.37	1:09.64	3,765	3,660	-0.42%	97.21%
2021	3,597	98,043,907	27,257	8.75%	408	1:08.56	1:09.22	1:09.69	3,597	3,541	-4.46%	98.44%
2022	3,663	106,603,174	29,103	6.77%	401	1:09.27	1:09.15	1:09.90	3,663	3,485	1.83%	95.14%
2023	3,613	112,385,347	31,106	14.12%	402	1:09.43	1:08.95	1:09.47	3,613	3,403	-1.37%	94.19%

Sources: District records

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Building</u>										
<u>Elementary</u>										
Memorial										
Square Feet	49,250	49,250	49,250	49,250	49,250	49,250	49,250	49,250	49,250	49,250
Capacity (students)	365	365	365	365	365	365	365	365	365	365
Enrollment	319	340	307	295	307	310	312	277	291	298
Midland										
Square Feet	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750
Capacity (students)	321	321	321	321	321	321	321	321	321	321
Enrollment ^a	237	236	229	236	212	192	180	155	154	187
Stony Lane										
Square Feet	30,700	30,700	30,700	30,700	30,700	30,700	30,700	30,700	30,700	30,700
Capacity (students)	270	270	270	270	270	270	270	270	270	270
Enrollment	206	196	201	192	184	177	187	172	198	216
Ridge Ranch										
Square Feet	46,430	46,430	46,430	46,430	46,430	46,430	46,430	46,430	46,430	46,430
Capacity (students)	476	476	476	476	476	476	476	476	476	476
Enrollment	315	297	327	330	344	347	340	344	370	355
Parkway										
Square Feet	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000
Capacity (students)	476	476	476	476	476	476	476	476	476	476
Enrollment	251	267	289	288	291	314	316	259	293	305
<u>Middle School</u>										
East Brook										
Square Feet	115,971	115,971	115,971	115,971	115,971	115,971	115,971	115,971	115,971	115,971
Capacity (students)	876	876	876	876	876	876	876	876	876	876
Enrollment	608	652	618	619	608	589	587	604	598	597
West Brook										
Square Feet	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Capacity (students)	876	876	876	876	876	876	876	876	876	876
Enrollment	627	624	620	585	509	584	577	585	551	507
<u>High School</u>										
Square Feet	297,950	297,950	297,950	297,950	297,950	297,950	297,950	297,950	297,950	297,950
Capacity (students)	1,944	1,944	1,944	1,944	1,944	1,944	1,944	1,944	1,944	1,944
Enrollment	1,272	1,322	1,303	1,278	1,240	1,268	1,266	1,201	1,208	1,148

Number of Schools at June 30, 2023

Elementary = 5

Middle School = 2

Senior High School = 1

Source: District Records

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

<u>School Facilities</u>	<u>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>
Memorial School	\$ 121,064	\$ 117,535	\$ 132,273	\$ 130,594	\$ 107,136	\$ 151,728	\$ 86,349	\$ 98,771	\$ 88,407	\$ 100,867
Midland School	40,339	39,163	44,074	43,515	35,699	50,557	28,772	32,911	29,458	33,610
Parkway School	27,773	26,963	30,344	29,959	24,578	34,808	19,809	22,659	20,281	23,140
Ridge Ranch School	88,904	86,313	97,136	95,903	78,677	111,423	63,411	72,534	64,922	74,073
Stony Lane School	36,289	35,231	39,648	39,145	32,114	45,480	25,883	29,607	26,500	30,236
Paramus High School	1,445,512	1,403,379	1,579,351	1,559,307	1,279,223	1,811,653	1,031,020	1,179,348	1,055,590	1,204,379
East Brook Middle School	99,985	97,071	109,243	107,856	88,483	125,311	71,315	81,575	73,014	83,306
West Brook Middle School	<u>174,252</u>	<u>169,173</u>	<u>190,386</u>	<u>187,970</u>	<u>154,207</u>	<u>218,390</u>	<u>124,287</u>	<u>142,167</u>	<u>127,249</u>	<u>145,184</u>
Total School Facilities	<u>\$ 2,034,118</u>	<u>\$ 1,974,828</u>	<u>\$ 2,222,455</u>	<u>\$ 2,194,249</u>	<u>\$ 1,800,117</u>	<u>\$ 2,549,350</u>	<u>\$ 1,450,846</u>	<u>\$ 1,659,572</u>	<u>\$ 1,485,421</u>	<u>\$ 1,694,795</u>

Source: District Records

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

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

Source: District's records

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Paramus Board of Education as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Paramus Board of Education's basic financial statements and have issued our report thereon dated January 12, 2024.

Report on Internal Control Over Financial Reporting

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

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

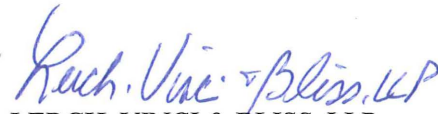
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

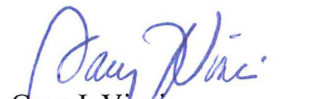
Report on Compliance and Other Matters

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

Purpose of this Report

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


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
January 12, 2024



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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CHRISTINA CUIFFO, CPA, PSA
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 Trustees
Paramus Board of Education
145 Spring Valley Road
Paramus, New Jersey 07652

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

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

In our opinion, the Paramus Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 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 Paramus Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Paramus Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance


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


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

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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Paramus Board of Education, as of and for the fiscal year ended June 30, 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 January 12, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
January 12, 2024

PARAMUS 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	Federal FAIN Number	Award Amount	Grant Period	July 1, 2022				June 30, 2023				MEMO GAAP Receivable
					Accounts Receivable	Unearned Revenue	Accounts Receivable Carryover	Unearned Revenue Carryover	Cash Received	Budgetary Expenditures	Accounts Receivable	Unearned Revenue	
U.S. Department of Education													
Passed-through State Department of Education													
General Fund													
Medicaid Reimbursement	93.778	2005NJ5MAP	\$ 66,738	7/1/22-6/30/23					\$ 51,563	\$ 66,738	\$ (15,175)		\$ (15,175)
Medicaid Reimbursement	93.778	2005NJ5MAP	45,670	7/1/21-6/30/22	(12,987)				12,987				
FEMA - Public Assistance - Hurricane IDA	97.036	N/A	22,500	7/1/22-6/30/23	-	-	-	-	22,500	22,500	-	-	-
Total General Fund					(12,987)	-	-	-	87,050	89,238	(15,175)	-	(15,175)
U.S. Department of Education													
Passed-through State Department of Education													
Special Revenue Fund													
I.D.E.A. Part B													
Basic Regular	84.027A	H027A210100	1,518,064	7/1/22-9/30/23			\$ (250,494)	\$ 73,203	1,501,579	1,365,692	(266,979)	\$ 225,575	(41,404)
Basic Regular, Carryover	84.027A	H027A210100	1,444,132	7/1/21-9/30/22	(250,494)	73,203	250,494	(73,203)					
ARP IDEA Basic	84.027X	H027X210100	333,890	7/1/21-9/30/22	(157,184)	138,704			28,480	138,704	(128,704)	-	(128,704)
ARP IDEA Preschool	84.173X	H173X200114	28,499	7/1/21-9/30/22	(8,160)	1,005			6,270	1,005	(1,890)	-	(1,890)
Preschool	84.173A	H173A200114	44,260	7/1/22-9/30/23			(6,901)	1,040	44,604	38,743	(6,557)	6,557	-
Preschool, Carryover	84.173A	H173A200114	36,515	7/1/21-9/30/22	(6,901)	1,040	6,901	(1,040)	-	-	-	-	-
Total I.D.E.A. Cluster					(422,739)	213,952	-	-	1,580,933	1,544,144	(404,130)	232,132	(171,998)
ESEA													
Title I	84.010	S010A220030	306,890	7/1/22-9/30/23			(201,338)	1,001	294,078	244,967	(214,150)	62,924	(151,226)
Title I c/o	84.010	S010A210030	220,660	7/1/21-9/30/22	(201,338)	1,001	201,338	(1,001)					
Title II Part A	84.367A	S367A220029	76,926	7/1/22-9/30/23			(60,291)	37,007	84,184	72,432	(53,033)	41,501	(11,532)
Title II Part A c/o	84.367A	S367A210029	60,737	7/1/21-9/30/22	(60,291)	37,007	60,291	(37,007)					
Title III	84.365	S365A220030	30,571	7/1/22-9/30/23			(17,651)	11,662	37,370	40,177	(10,852)	2,056	(8,796)
Title III c/o	84.365	S365A210030	29,573	7/1/21-9/30/22	(17,651)	11,662	17,651	(11,662)					
Title III - Immigrant c/o	84.365	S365A180030	9,738	7/1/18-6/30/19	(3,043)	559			2,484		(559)	559	-
Title IV	84.424	S424A220031	20,933	7/1/22-9/30/23			(41,863)	27,962	41,187	24,982	(21,609)	23,913	
Title IV c/o	84.424	S424A210031	21,705	7/1/21-9/30/22	(41,863)	27,962	41,863	(27,962)					
CARES Emergency Relief Grant	84.425D	S425D200027	369,653	3/13/20-9/30/22						10,895	(10,895)		(10,895)
CRRSA - ESSER II	84.425D	S425D210027	974,676	3/13/20-9/30/23	(99,556)	61,953			37,604		(61,952)	61,953	
CRRSA - Learning Acceleration	84.425D	S425D210027	62,550	3/13/20-9/30/23	(50,595)	28,215			34,957	12,577	(15,638)	15,638	-
CRRSA - Mental Health	84.425D	S425D210027	45,000	3/13/20-9/30/23	(15,484)	15,484				9,500	(15,484)	5,984	(9,500)
ARP - ESSER	84.425U	S425U210027	2,190,521	3/13/20-9/30/24	(2,190,521)	2,022,651			1,237,954	1,122,083	(952,567)	900,568	(51,999)
ARP - Accelerated Learning Coach and Educator	84.425U	S425U210027	300,001	3/13/20-9/30/24	(300,001)	293,426			138,825	132,250	(161,176)	161,176	-
ARP - Evidence Based Summer Learning	84.425U	S425U210027	40,000	3/13/20-9/30/24	(40,000)	40,000					(40,000)	40,000	-
ARP - Evidence Based Comprehensive Beyond	84.425U	S425U210027	40,000	3/13/20-9/30/24	(40,000)	40,000					(40,000)	40,000	-
ARP - NJTSS Mental Health Support Staffing	84.425U	S425U210027	45,000	3/13/20-9/30/24	(45,000)	45,000			18,877	25,176	(26,123)	19,824	(6,299)
Total Education Stabilization Relief Cluster					(2,781,157)	2,546,729	-	-	1,468,217	1,312,481	(1,323,835)	1,245,143	(78,693)
ACSERS Aid	21.027	SLFRFDOE1SES	28,800	7/1/22-6/30/23					14,400	28,800	(14,400)	-	(14,400)
ACSERS Aid	21.027	SLFRFDOE1SES	161,917	7/1/21-6/30/22	(161,917)				161,917				
CRF - Nonpublic Technology	21.019	N/A	161,822	7/1/20-6/30/21	(1,432)	323			-	-	(1,432)	323	(1,109)
Total Special Revenue Fund					(3,691,431)	2,839,195	-	-	3,684,770	3,267,983	(2,044,000)	1,608,551	(437,754)

PARAMUS 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	Federal FAIN Number	Award Amount	Grant Period	July 1, 2022				June 30, 2023				MEMO GAAP Receivable	
					Accounts Receivable	Unearned Revenue	Accounts Receivable Carryover	Unearned Revenue Carryover	Cash Received	Budgetary Expenditures	Accounts Receivable	Unearned Revenue		
U.S. Department of Education Passed-through State Department of Education Enterprise Fund														*
National School Lunch Program	10.555													*
Non-Cash Assistance (Food Distribution)		231NJ304N1099	\$ 77,578	7/1/22-6/30/23					\$ 77,578	\$ 77,578				*
Cash Assistance		231NJ304N1099	311,469	7/1/22-6/30/23					286,314	311,469	\$ (25,155)		\$ (25,155)	*
Cash Assistance		221NJ304N1099	1,662,107	7/1/21-6/30/22	\$ (115,984)				115,984					*
Emergency Operational Cost Program - Schools	10.555	202121H170341	74,709	7/1/21-6/30/22	(74,709)				74,709					*
Supply Chain Assistance Funding Program	10.555	231NJ344N8903	101,662	7/1/22-6/30/23	-	-	-	-	101,662	101,662	-	-	-	*
Total Child Nutrition Cluster					(190,693)	-	-	-	656,247	490,709	(25,155)	-	(25,155)	*
Total Federal Financial Awards					\$ (3,895,111)	\$ 2,839,195	\$ -	\$ -	\$ 4,428,067	\$ 3,847,930	\$ (2,084,330)	\$ 1,608,551	\$ (478,084)	*

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

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

State Grantor/Program Title	Project Number	Amount	Period	Balance July 1, 2022	Cash Received	Budgetary Expenditures	Refund of Prior Balance	June 30, 2023			Memo	
								(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education												
General Fund												
Special Education Aid	23-495-034-5120-089	\$ 3,611,980	7/1/22-6/30/23		\$ 3,304,021	\$ 3,611,980		\$ (307,959)				\$ 3,611,980
Special Education Aid	22-495-034-5120-089	2,865,514	7/1/21-6/30/22	\$ (229,123)	229,123							
Security Aid	23-495-034-5120-084	69,352	7/1/22-6/30/23		63,439	69,352		(5,913)				69,352
Security Aid	22-495-034-5120-084	69,352	7/1/21-6/30/22	(5,545)	5,545	-	-	-	-	-	-	-
Total State Aid Public Cluster				(234,668)	3,602,128	3,681,332	-	(313,872)	-	-	-	3,681,332
Transportation Aid	23-495-034-5120-014	727,057	7/1/22-6/30/23		665,068	727,057		(61,989)				727,057
Transportation Aid	22-495-034-5120-014	727,057	7/1/21-6/30/22	(58,135)	58,135							
NonPublic Transportation Aid	23-495-034-5120-014	80,496	7/1/22-6/30/23		-	80,496		(80,496)			\$ (80,496)	80,496
NonPublic Transportation Aid	22-495-034-5120-014	67,280	7/1/21-6/30/22	(67,280)	67,280	-	-	-	-	-	-	-
Total Transportation Aid Cluster				(125,415)	790,483	807,553	-	(142,485)	-	-	(80,496)	807,553
Extraordinary Aid	23-100-034-5120-044	682,653	7/1/22-6/30/23			682,653		(682,653)				682,653
Extraordinary Aid	22-100-034-5120-044	630,521	7/1/21-6/30/22	(630,521)	630,521							
Lead Testing for Schools Aid On-Behalf TPAF	23-495-034-5120-104	5,794	7/1/22-6/30/23		5,794	5,794						5,794
Pension Contribution	23-495-034-5094-002	12,253,125	7/1/22-6/30/23		12,253,125	12,253,125						12,253,125
Long Term Disability Insurance	23-495-034-5094-004	3,737	7/1/22-6/30/23		3,737	3,737						3,737
NCCI	23-495-034-5094-004	169,998	7/1/22-6/30/23		169,998	169,998						169,998
Post Retirement Medical Contributions	23-495-034-5094-001	3,263,525	7/1/22-6/30/23		3,263,525	3,263,525						3,263,525
Social Security Contributions	23-495-034-5094-003	2,669,552	7/1/22-6/30/23		2,536,216	2,669,552		(133,336)			(133,336)	2,669,552
Social Security Contributions	22-495-034-5094-003	2,574,468	7/1/21-6/30/22	(127,459)	127,459	-	-	-	-	-	-	-
Total General Fund				(1,118,063)	23,382,986	23,537,269	-	(1,272,346)	-	-	(213,832)	23,537,269
Special Revenue Fund												
SDA Emergent and Capital Maintenance Needs	N/A	87,786	7/1/22-6/30/23		87,786				\$ 87,786			-
SDA Emergent and Capital Maintenance Needs	N/A	90,123	7/1/21-6/30/22		90,123	90,123						90,123
Climate Change Awareness Grant	N/A	6,660	7/1/22-6/30/23		4,356	4,356		(2,304)	2,304		(2,304)	4,356
NJ Nonpublic Aid												
Textbooks	23-100-034-5120-064	240,702	7/1/22-6/30/23		240,702	207,112				\$ 33,590		207,112
Textbooks	22-100-034-5120-064	217,513	7/1/21-6/30/22	10,538			\$ 10,538					
Nursing	23-100-034-5120-070	443,408	7/1/22-6/30/23		443,408	443,408						443,408
Security	23-100-034-5120-509	811,595	7/1/22-6/30/23		811,595	797,108				14,487		797,108
Security	22-100-034-5120-509	689,150	7/1/21-6/30/22	9,212			9,212					
Technology	23-100-034-5120-373	153,174	7/1/22-6/30/23		153,174	151,874				1,300		151,874
Technology	22-100-034-5120-373	152,208	7/1/20-6/30/21									
Auxiliary												
Compensatory Education	23-100-034-5120-067	403,230	7/1/22-6/30/23		403,230	362,786				40,444		362,786
Compensatory Education	22-100-034-5120-067	438,942	7/1/21-6/30/22	125,770			125,770					
ESL	23-100-034-5120-067	40,090	7/1/22-6/30/23		40,090	30,269				9,821		30,269
ESL	22-100-034-5120-067	29,964	7/1/21-6/30/22	6,060			6,060					
Home Instruction	23-100-034-5120-067	9,031	7/1/22-6/30/23			9,031		(9,031)			(9,031)	9,031
Home Instruction	22-100-034-5120-067	4,550	7/1/21-6/30/22	(4,550)	4,550	-	-	-	-	-	-	-
Total Auxiliary Cluster				127,280	447,870	402,086	131,830	(9,031)	-	50,265	(9,031)	402,086
Handicapped												
Supplementary Instruction	23-100-034-5120-066	473,298	7/1/22-6/30/23		473,298	473,298						473,298
Supplementary Instruction	22-100-034-5120-066	484,862	7/1/21-6/30/22	5,848			5,848					
Examination and Classification	23-100-034-5120-066	596,173	7/1/22-6/30/23		596,173	544,944				51,229		544,944
Examination and Classification	22-100-034-5120-066	779,177	7/1/21-6/30/22	162,520			162,520					
Corrective Speech	23-100-034-5120-066	358,050	7/1/22-6/30/23		358,050	358,050						358,050
Corrective Speech	22-100-034-5120-066	361,770	7/1/21-6/30/22	10,230	-	-	10,230	-	-	-	-	-
Total Handicapped Cluster				178,598	1,427,521	1,376,292	178,598	-	-	51,229	-	1,376,292
Total Special Revenue Fund				325,628	3,706,535	3,472,359	330,178	(11,335)	90,090	150,871	(11,335)	3,472,359

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

State Grantor/Program Title	Project Number	Amount	Period	Balance July 1, 2022	Cash Received	Budgetary Expenditures	Refund of Prior Balance	June 30, 2023			Memo	
								(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education												
State Department of Agriculture												
Enterprise Fund												
State School Lunch Program	23-100-010-3350-023	\$ 14,969	7/1/22-6/30/23		\$ 13,763	\$ 14,969		\$ (1,206)			\$ (1,206)	\$ 14,969
State School Lunch Program	22-100-010-3350-023	39,114	7/1/21-6/30/22	\$ (2,669)	2,669	-	-	-	-	-	-	-
Total Enterprise Fund				(2,669)	16,432	14,969	-	(1,206)	-	-	(1,206)	14,969
Total State Financial Assistance Subject to Single Audit Determination												
				\$ (795,104)	\$ 27,105,953	\$ 27,024,597	\$ 330,178	\$ (1,284,887)	90,090	\$ 150,871	\$ (226,373)	\$ 27,024,597
Less On-Behalf TPAF Pension and Annuity Aid												
Pension Contribution	23-495-034-5094-002	12,253,125	7/1/22-6/30/23		12,253,125	12,253,125						12,253,125
Long Term Disability Insurance	23-495-034-5094-004	3,737	7/1/22-6/30/23		3,737	3,737						3,737
NCGI	22-495-034-5094-004	169,998	7/1/22-6/30/23		169,998	169,998						169,998
Post Retirement Medical Contributions	23-495-034-5094-001	3,263,525	7/1/22-6/30/23	-	3,263,525	3,263,525	-	-	-	-	-	3,263,525
				-	15,690,385	15,690,385	-	-	-	-	-	15,690,385
Total for State Financial Assistance Subject to Major Program Determination												
				\$ (795,104)	\$ 11,415,568	\$ 11,334,212	\$ 330,178	\$ (1,284,887)	\$ 90,090	\$ 150,871	\$ (226,373)	\$ 11,334,212

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

NOTE 1 REPORTING ENTITY

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

NOTE 2 BASIS OF PRESENTATION

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

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$135,190 for the general fund and a decrease of \$154,881 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 89,238	\$ 23,402,079	\$ 23,491,317
Special Revenue Fund	3,258,113	3,366,110	6,624,223
Food Service Fund	490,709	14,969	505,678
Total Awards Financial Assistance	<u>\$ 3,838,060</u>	<u>\$ 26,783,158</u>	<u>\$ 30,621,218</u>

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

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$2,669,552 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 \$12,423,123, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$3,263,525 and TPAF Long-Term Disability Insurance in the amount of \$3,737 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.

**PARAMUS 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: Unmodified

Internal control over financial reporting:

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

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

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

Federal Awards Section

Internal Control over major programs:

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

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

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

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

Identification of major federal programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425D, 84.425U</u>	<u>Education Stabilization Fund - CARES Emergency Relief; CRRSA ESSER II, ARP - ESSER</u>
<u>84.027A, 84.027X, 84.173A, 84.173X</u>	<u>IDEA - Basic, ARP - Basic IDEA - Preschool, ARP - Preschool</u>
_____	_____
_____	_____

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

Auditee qualified as low-risk auditee? yes X no

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

Part I – Summary of Auditor’s Results

State Awards Section

Internal control over major programs:

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

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

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

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

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
<u>23-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>
<u>23-100-034-5120-064</u>	<u>Nonpublic Textbook Aid</u>
_____	_____
_____	_____

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

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

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

PARAMUS 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.

**PARAMUS BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.