

# Parsippany-Troy Hills School District

Parsippany  
County of Morris  
New Jersey

Annual Comprehensive Financial Report  
For the Year Ended  
June 30, 2024

# **Parsippany-Troy Hills School District**

Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**Parsippany-Troy Hills School District**  
**Parsippany, New Jersey**

Prepared by Parsippany-Troy Hills  
Business Office

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## Introductory Section

## ***Parsippany-Troy Hills Township Schools***

***Robin C. Tedesco***  
***Interim Business Administrator/Board Secretary***

***292 Parsippany Rd, P.O. Box 52***  
***Parsippany, NJ 07054-0052***  
***(973)263-7200 ext. 7209***  
***E-mail: rctedesco@pthsd.net***

December 19, 2024

The Honorable President and  
Members of the Board of Education  
Parsippany-Troy Hills School District  
County of Morris, New Jersey

Dear Board Members and Constituents:

The Annual Comprehensive Financial Report (“ACFR”) of the Parsippany-Troy Hills School District (the "District") for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the district. All disclosures necessary to enable the reader to gain an understanding of the district’s financial activities have been included.

The ACFR is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter (designed to complement Management’s Discussion and Analysis and should be read in conjunction with it), the District’s organizational chart, a roster of officials and a list of professionals that provide services to the District. The financial section includes the Independent Auditors’ Report, the Management’s Discussion and Analysis, the basic financial statements and notes providing an overview of the District’s financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, generally presented on a multi-year basis and is unaudited. The District is required to undergo an annual single audit in conformity with the provisions of the Federal Uniform Guidance and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on the internal control over compliance and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

### **1. REPORTING ENTITY AND ITS SERVICES**

The Parsippany-Troy Hills School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (“GASB”). All funds and the government-wide financial statements of the district are included in this report. The Parsippany-Troy Hills School District 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 general as well as special education for handicapped children. Considerable emphasis is placed on an ESL program serving appropriate students, while both a basic skills and a gifted and talented program are in place to meet students' needs. The district completed the 2023-2024 fiscal year with a resident enrollment of 7,163 students and an average daily enrollment of 7,131 students, which is an increase of 118 from the previous year's average daily enrollment.

The following details the changes in the average daily enrollment of the District over the past five years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment Student Enrollment</u>	<u>Percent Change</u>
2023-2024	7,131	1.53%
2022-2023	7,013	-0.03%
2021-2022	7,015	-0.95%
2020-2021	7,082	-1.73%
2019-2020	7,207	1.08%

The District is anticipating a resident enrollment of approximately 7,025 students for the 2024-2025 school year.

## **2. ECONOMIC CONDITION AND OUTLOOK**

The Township of Parsippany-Troy Hills is Morris County's most populous township. The township's proximity to New York City and local transit makes it a desirable area for corporate headquarters, while its older neighborhoods and lake communities have attracted a diverse resident base. The school district continues to closely monitor the progress of planned construction in the form of townhomes, apartments, and mixed-use development, some of which will address the township's adherence toward Council on Affordable Housing ("COAH") regulations, as these developments could significantly increase enrollment.

## **3. MAJOR INITIATIVES**

### **Facilities Management**

During the 2023-2024 school year, the District started the addition of six classrooms and one small group instruction space at Littleton Elementary School. This project is expected to be finished during the 2024-2025 school year. The Calabria Education Center chiller replacement project was completed as well as a partial roof replacement. The District continued the replacement of gymnasium windows at five elementary schools, replacing building windows at Troy Hills Elementary School, and Intervale Elementary School. The Parsippany High School auditorium lighting project and the cafeteria chiller replacement were completed. At the Joseph R. Windish Building the district installed a new boiler as well as replacing the current air conditioning system throughout the building. In addition to these projects, the District replaced interior and exterior doors, repaved areas around the schools, replaced classroom and hallway floors and did several small projects throughout the fourteen schools. Due to all the school buildings in the district being

over fifty years old, as presented in schedule J-18, and as a guide for budgeting facility projects, the district maintains a Five-Year Facility Plan listing potential projects to be completed each year.

### **Financial Planning**

The District's administration continues to closely monitor the cost of operations and continues to explore cost efficiencies. While expenditures for employee health care, special education costs and contractual salaries increase well above 2%, the District is limited to a 2% tax levy cap. In order to manage such costs and keep the overall budget within the limit of the tax levy cap it is important to analyze all costs and investigate all avenues of cost savings. The District continues to outsource substitutes and investigate areas for shared services in an effort to contain costs. The Business Office maintains streamlined school budgets and closely reviews departmental budgets in the District in an effort to maximize supplies and services to the students while keeping costs flat.

### **Personnel Management**

The Office of Human Resources uses established procedures to ensure that all candidates hired in the District have the proper credentials under New Jersey law to perform their job. In order to find the best possible candidates for open positions in the District, the Human Resources Department uses Applitrack to manage all job postings and applications. Once a candidate is chosen the district provides orientation and professional development, if needed, to help acclimate the individual. For certain positions in the district, a newly hired employee is given a mentor to help guide them in their work. As an on-going service, in collaboration with the Superintendent's Office as well as the Curriculum Office, the District continues to develop and provide professional development activities so that teachers and support staff can meet District and State requirements throughout their employment.

Personnel policies and specified job descriptions are reviewed and revised as necessary in collaboration with Board's Personnel Committee. The Office of Human Resources is continually updating and refining the district's employment practices. The District's evaluation process follows the State's observation and evaluation requirements under the NJ Achieve law. The District used both the Marshall and Danielson models for evaluations during the 2023-2024 school year.

### **Educational Program**

The Parsippany-Troy Hills Township School District developed a Strategic Plan which focuses on creating innovative and rigorous educational experiences for students, coaching students to develop social and emotional skills so they may become self-aware and responsible citizens, and promoting professional growth experiences for the adult learners in the school community. The District has developed a Curriculum Renewal Plan which provides for the thoughtful and thorough review of all curricular offerings. As a result, NJ Learning Standards and Next Generation Science Standards have been infused into the instructional program and a rich, balanced literacy program is in place in all grade levels. A broad range of STEM and technology electives are available to middle and high school students. The STEM Pathways program which was implemented at both high schools has attracted many students who are interested in pursuing college studies in these fields and continues to grow. The District continues to support a program by which select high school seniors are afforded internship opportunities during the final marking period of their senior

year. High school students also have the choice of dual enrollment through a partnership with New Jersey Institute of Technology.

In order to provide students with an instructional environment in which they can thrive, the District has developed a program for professional staff development that encourages self-directed professional growth in specifically targeted areas of instruction. The District's strong, collaborative ongoing relationship with Montclair State University's Network for Educational Renewal affords an opportunity for free and discounted professional development experiences related to district initiatives and statewide initiatives. Additionally, the District provides teachers with opportunities to best meet the needs of all learners through best practices and research. The District looks to continue the implementation of multiple technology-related experiences and training including providing additional training on integrating Google Apps for Education into the classroom.

#### **4) INTERNAL ACCOUNTING CONTROLS**

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

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

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

#### **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. The legal level of budgetary control is established at line-item accounts within each fund. 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 amount as amended for the fiscal year is reflected in the financial section.

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

reported as assigned fund balance at June 30, 2024, in the basic financial statements generally accepted in the United States.

## **6) ACCOUNTING SYSTEM AND REPORTS**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the district is organized on the basis of funds. These funds and the government-wide financial statements are explained in "Notes to the Basic Financial Statements," Note 1.

## **7) OTHER INFORMATION**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of PKF O'Connor Davies, LLP was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Uniform Guidance and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

## **8) AWARDS**

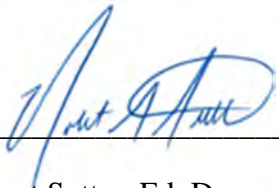
The International Association of School Business Officials ("ASBO") awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the seventh consecutive year that the district has applied for and received this prestigious award. In order to be awarded this certificate, the district published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States and applicable legal requirements.

The Certificate is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Programs' requirements and we are submitting it to ASBO to determine its eligibility for the fiscal year 2023-2024 certificate.

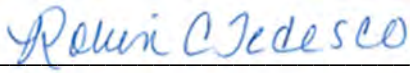


## 9) ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the Parsippany-Troy Hills School District 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 the financial and accounting staff.

A handwritten signature in blue ink, appearing to read "Robert Sutter", written over a horizontal line.

Robert Sutter, Ed. D.  
Superintendent of Schools

A handwritten signature in blue ink, appearing to read "Robin C. Tedesco", written over a horizontal line.

Robin C. Tedesco  
Interim Business Administrator/Board Secretary

# POLICY

## PARSIPPANY-TROY HILLS TOWNSHIP SCHOOL DISTRICT

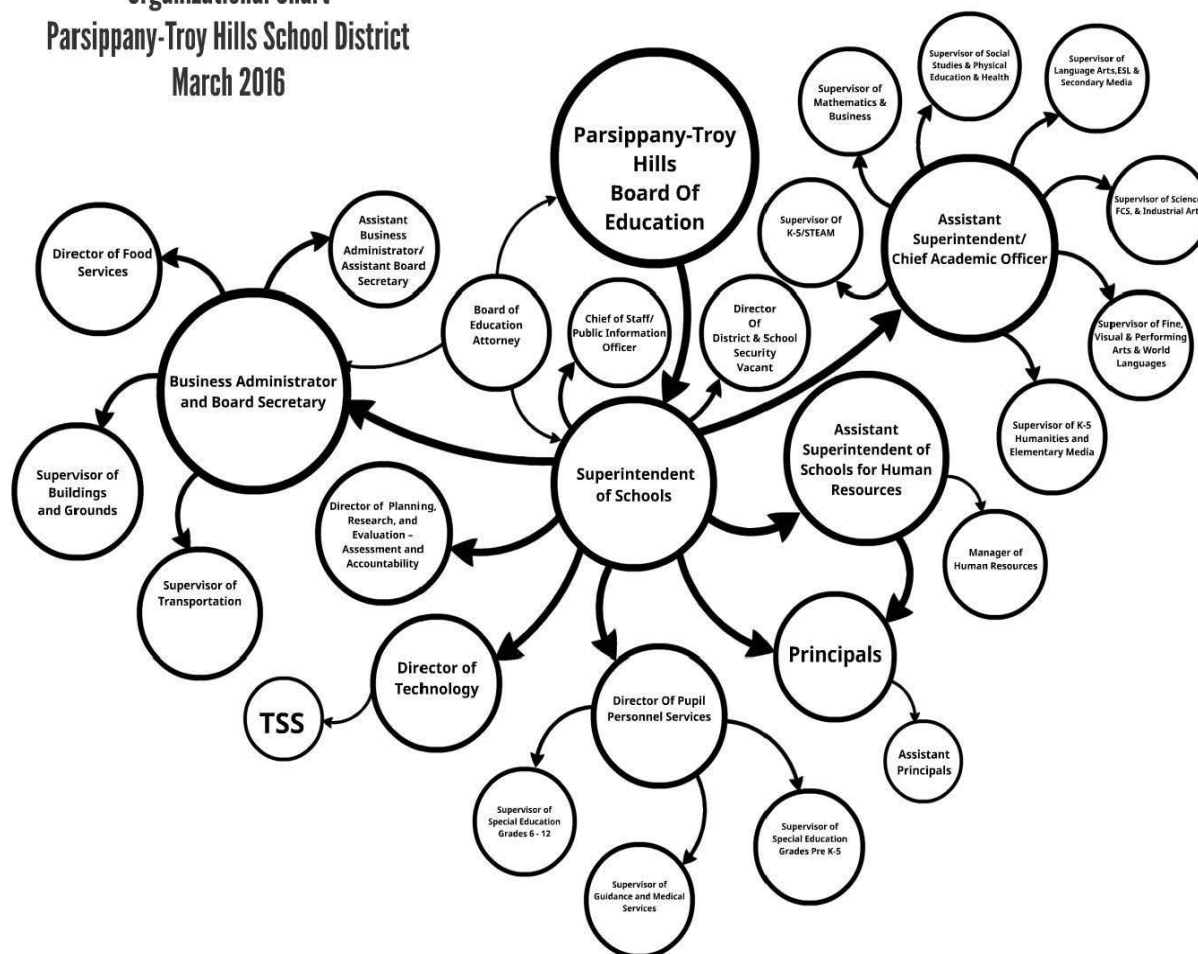
ADMINISTRATION

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Organizational Chart

### 1110 ORGANIZATIONAL CHART

Organizational Chart  
Parsippany-Troy Hills School District  
March 2016



Adopted: 8 January 2009

Revised: 25 August 2011

Revised: 24 July 2014

Revised: 22 March 2016



**PARSIPPANY-TROY HILLS SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2024**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Andrew Choffo, President	2026
Susy Golderer, Vice-President	2024
Sheethal Abraham	2024
Timothy Berrios	2026
Alison Cogan	2025
Judy Mayer	2024
Jack Raia	2025
Michelle Shappell	2025
Dr. Wendy Wright	2026

<u>Other Officials</u>	<u>Title</u>
Robert Sutter, Ed.D.	Superintendent of Schools
Robin Tedesco	Interim Business Administrator/Board Secretary
Denis Mulroony, Ed.D.	Assistant Superintendent for Curriculum and Instruction
Todd Ricker	Director of Human Resources
Nancy Gigante, Ed.D.	Director of Planning, Research & Evaluation-Assessment & Accountability

**Attorney**

Schenck, Price, Smith & King, LLP  
220 Park Avenue  
P.O. Box 991  
Florham Park, NJ 07932

**Independent Auditors**

PKF O'Connor Davies, LLP  
20 Commerce Drive, Suite 301  
Cranford, NJ 07016

**Official Depository**

Wells Fargo Bank  
250 Parsippany Road  
Parsippany, NJ 07054

State of New Jersey Cash Management Fund  
Citi Fund Services  
P.O. Box 182218  
Columbus, OH 43218-2218

NJ Asset and Rebate Management Program  
821 Alexander Road, Suite 110  
Princeton, NJ 08540



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Parsippany-Troy Hills Township School  
District**

**for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2023.**

The district report meets the criteria established for  
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

**Ryan S. Stechschulte  
President**

A handwritten signature in black ink, reading 'James M. Rowan'.

**James M. Rowan, CAE, SFO  
CEO/Executive Director**

## Financial Section

## **Independent Auditors' Report**

**Honorable President and Members  
of the Board of Education  
Parsippany-Troy Hills School District  
Parsippany, New Jersey**

### **Report on the Audit of 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 Parsippany-Troy Hills School District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### ***Responsibilities of Management for the Financial Statements***

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

**Honorable President and Members  
of the Board of Education  
Parsippany-Troy Hills School District**

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards*, we:

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

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



**Honorable President and Members  
of the Board of Education  
Parsippany-Troy Hills School District**

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***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedules included under Required Supplementary Information in the accompanying table of contents 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements, long-term debt schedules, and the schedules of expenditures of federal awards and state financial assistance, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for 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 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 GAAS. In our opinion, the combining and individual fund financial statements, long-term debt schedules and 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.

**Honorable President and Members  
of the Board of Education  
Parsippany-Troy Hills School District**

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***Other Information***

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2024. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2024 on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
December 19, 2024

*Scott A. Clelland*

Scott A. Clelland, CPA  
Licensed Public School Accountant, No. 1049

Required Supplementary Information  
Part I

Management's Discussion and Analysis

# **Parsippany-Troy Hills School District Management's Discussion and Analysis**

Year ended June 30, 2024

As management of the Parsippany-Troy Hills School District, we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the year ended June 30, 2024. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current year and the prior year is presented in the MD&A as required by GASB Statement No. 34.

## **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This document also contains required and other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets, deferred outflows of resources, liabilities and deferred inflows of resources of the District, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation and sick leave).

The government-wide financial statements are Schedules A-1 and A-2.

**Fund financial statements.** A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the

District can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, special revenue fund and debt service fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund and special revenue fund to demonstrate compliance with this budget. The legal level of budgetary control is established at line item accounts within each fund.

The basic governmental fund financial statements are Schedules B-1, B-2, and B-3.

**Proprietary funds.** The District maintains one proprietary fund type, consisting of two enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the operations of its food service and adult and community education programs.

The basic enterprise fund financial statements are Schedules B-4, B-5, and B-6.

**Notes to the basic financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information (RSI).** The District is required to present certain required supplementary information related to pensions and OPEB are presented immediately following the notes to the basic financial statements.

**Supplementary and Other information.** The combining statements referred to earlier in connection with governmental funds are presented immediately following the RSI.

## Financial Highlights

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. However, in the case of the District, it does not adequately reflect the District's position. Governmental activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$39,696,003 for the fiscal year ended June 30, 2024. Governmental activities net position increased in the current year by \$3,368,816.

The following table provides a summary of net position relating to the District's governmental and business-type activities at June 30, 2024 and 2023:

	2024			2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>						
Current and other assets	\$ 35,811,769	\$ 4,882,718	\$40,694,487	\$ 38,649,126	\$ 4,559,157	\$43,208,283
Capital assets, net	66,669,875	1,219,486	67,889,361	64,731,819	1,028,250	65,760,069
Total assets	102,481,644	6,102,204	108,583,848	103,380,945	5,587,407	108,968,352
<b>Deferred Outflows of Resources:</b>						
Deferred loss on refunding of debt	588,555		588,555	813,129		813,129
Pension deferrals	2,789,196		2,789,196	3,873,976		3,873,976
Total deferred outflows	3,377,751		3,377,751	4,687,105		4,687,105
<b>Liabilities:</b>						
Current liabilities	13,781,018	983,769	14,764,787	11,837,633	729,910	12,567,543
Net pension liability	24,851,720		24,851,720	26,522,665		26,522,665
Long-term liabilities outstanding	24,785,039		24,785,039	28,123,979		28,123,979
Total liabilities	63,417,777	983,769	64,401,546	66,484,277	729,910	67,214,187
<b>Deferred Inflow of Resources:</b>						
Pension deferrals	2,745,615		2,745,615	5,256,586		5,256,586
Total deferred inflow	2,745,615		2,745,615	5,256,586		5,256,586
<b>Net Position:</b>						
Net investment in capital assets	39,776,307	1,219,486	40,995,793	34,776,141	1,028,250	35,804,391
Restricted	21,043,030		21,043,030	19,608,884		19,608,884
Unrestricted (deficit)	(21,123,334)	3,898,949	(17,224,385)	(18,057,838)	3,829,247	(14,228,591)
Total net position	\$ 39,696,003	\$ 5,118,435	\$44,814,438	\$ 36,327,187	\$ 4,857,497	\$41,184,684

### *Governmental activities*

Current and other assets decreased due to the results of operations as well as an decrease in accounts receivable due to decreased grant activity during the year.

Capital assets, net increased due to capital asset acquisitions exceeding depreciation expense.

The decreases in the deferred outflows of resources and the deferred inflow of resources are the result of the actuarial calculation related to GASB Nos. 68 and 71, mainly due to a change in assumptions. Amortization of losses on defeasances account for the decrease in the unamortized loss on refunded debt.

The decrease in the net pension liability is the result of the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions (GASB 68)* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68 (GASB 71)*.

Long-term liabilities decreased mainly due to the scheduled repayment of serial bonds payable and financed purchases payable.

The largest portion of the District's net position is its net investment in capital assets. Restricted net position includes those that are subject to restrictions (e.g., capital reserve and excess fund balance). Restricted net position increased during the year ended June 30, 2024 mainly as the result of increases in capital reserve and excess fund balance.

### *Business-type activities*

The business-type activities net position for the year ended June 30, 2024 of \$5,118,435 increased from the prior year mainly due to positive operating results in the Food Service Program.

## **Changes in Net Position**

**Government-wide activities.** The key elements of the District's changes in net position for the years ended June 30, 2024 and 2023 follow. The following table provides a summary of changes in net position relating to the District's governmental and business-type activities at June 30, 2024 and 2023:

	2024			2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for services	\$ 1,119,801	\$ 3,887,103	\$ 5,006,904	\$ 1,027,914	\$ 3,970,822	\$ 4,998,736
Operating and capital grants and contributions	4,412,895	1,417,784	5,830,679	4,733,641	1,554,876	6,288,517
Capital grants and contributions	169,315		169,315	168,097		168,097
General revenues:						
Property taxes	154,025,595		154,025,595	151,141,443		151,141,443
Grants and contributions not restricted to specific programs	33,612,775		33,612,775	33,847,019		33,847,019
Miscellaneous	919,805		919,805	579,755		579,755
Total Revenues	194,260,186	5,304,887	199,565,073	191,497,869	5,525,698	197,023,567
Expenses:						
Instructional	99,886,164	1,942,662	101,828,826	96,913,713	1,856,510	98,770,223
Support services	89,334,603	3,101,287	92,435,890	86,026,157	3,214,796	89,240,953
Charter school	812,532		812,532	660,920		660,920
Interest and other charges on long-term debt	858,071		858,071	961,976		961,976
Total Expenses	190,891,370	5,043,949	195,935,319	184,562,766	5,071,306	189,634,072
Change in net position	3,368,816	260,938	3,629,754	6,935,103	454,392	7,389,495
Net position-beginning of year	36,327,187	4,857,497	41,184,684	29,392,084	4,403,105	33,795,189
Net position-end of year	\$ 39,696,003	\$ 5,118,435	\$ 44,814,438	\$ 36,327,187	\$ 4,857,497	\$ 41,184,684

### *Governmental activities*

Property tax revenues increased due to an increase in the tax levy. The increase in instructional and support services expenses is due to the district spending more within those categories during the year.

### *Business-type activities*

Overall, the net position of the business-type activities increased by \$260,938 due to positive 2024 operating results in the Food Services Program and the Adult and Community Education Program.

## **Financial Analysis of the District's Funds**

As noted earlier, 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.

**General Fund.** The general fund is the main operating fund of the District. At the end of the current fiscal year, unassigned fund balance was \$3,461,660, while the total fund balance was \$28,144,744. The net change in total fund balance for the General Fund was a decrease of \$4,962,593, which was mainly attributable to the District's expenditures exceeding revenues in the current year.

**Special Revenue Fund.** The special revenue fund is used to track the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes,



other than debt service or capital projects. Revenues and expenditures for the current fiscal year decreased \$269,851 and \$303,740, respectively, from 2022-23. The decreases are mainly due to decreases in federal and state grants related to the COVID-19 pandemic response. IDEA Part B, Basic was the largest grant with \$1,671,774 being spent in 2023-24.

*Capital Projects Fund.* The capital projects fund accounts for resources to be used for acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds). The fund balance in the capital projects fund is \$280,906 at June 30, 2024.

*Debt Service Fund.* The debt service fund accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. The fund balance in the debt service fund is \$0 at June 30, 2024.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2024, and the increases and decreases in relation to prior year.

	Amount	Percent of Total	Increase (Decrease) from 2023	Percent of Increase Decrease
Sources of Income:				
Local	\$ 156,130,491	73.87%	\$ 3,315,202	2.17%
State	50,987,954	24.12%	3,276,973	6.87%
Federal	4,254,562	2.01%	(353,135)	-7.66%
	<u>\$ 211,373,007</u>	<u>100.00%</u>	<u>\$ 6,239,040</u>	<u>3.04%</u>

The increase in local sources is mainly attributable to the increase in the local tax levy.

The increase in state sources is due to an increase in on-behalf pension benefits paid by the State on behalf of the District compared to the prior year.

The decrease in federal sources is due to decreased COVID-19 related grant spending compared to the prior year.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2024, and the increases and decreases in relation to the prior year.

Expenditure Category:	Amount	Percent of Total	Increase (Decrease) from 2023	Percent of Increase (Decrease)
Instruction	\$ 68,081,572	31.37%	\$ 1,006,944	1.50%
Support Services	135,254,414	62.33%	5,929,315	4.58%
Capital outlay	7,925,795	3.65%	2,999,615	60.89%
Charter Schools	812,532	0.37%	151,612	22.94%
Debt service				
Principal	3,878,031	1.79%	37,136	0.97%
Interest	1,064,391	0.49%	(115,303)	-9.77%
	<u>\$ 217,016,735</u>	<u>100.00%</u>	<u>\$ 10,009,319</u>	<u>4.84%</u>

The increase in instruction is mainly attributable to salary increases and increased spending on instructional materials.

The increase in support services is mainly attributable to the increase in the on-behalf post-retirement benefit contributions paid by the State on behalf of the District.

The increase in capital outlay is attributable to the District completing more district-wide capital projects in fiscal year 2024.

### **General Fund Budgetary Highlights**

The District budget is prepared according to New Jersey Statutes. The most significant budgeted fund is the general fund. During the fiscal year, there were several differences between the original budget and the final amended budget as a result of transfers being applied to certain line items. These transfers were made between line items as part of the normal process as permitted by State guidelines. Readers should refer to Section C of the financial report for comparisons between the actual and budgeted amounts.

State sources exceeded anticipated revenues by \$38,709,936 as a result of the District not anticipating revenues related to Extraordinary aid, Non-public transportation aid, State on-behalf TPAF pension, medical and disability contributions, and State reimbursed TPAF social security contributions.

## Capital Assets

At the end of the fiscal years ended June 30, 2024 and 2023, the District had \$67,889,361 and \$65,760,069, respectively, invested in land, land improvements, construction in progress, building and building improvements and machinery and equipment, net of accumulated depreciation or amortization.

	Capital Assets (Net of Depreciation)			
	Governmental Activities		Business-type Activities	
	2024	2023	2024	2023
Land	\$ 3,956,475	\$ 3,956,475		
Construction in progress	5,426,005	1,601,658		
Land improvements	4,076,886	3,941,676		
Buildings and building improvements	49,260,951	51,375,136		
Machinery and equipment	3,949,558	3,856,874	\$ 1,219,486	\$ 1,028,250
Total	\$66,669,875	\$64,731,819	\$ 1,219,486	\$ 1,028,250

The increase in land improvements and machinery and equipment is mainly due to additions exceeding depreciation expense during the 2024 fiscal year. The increase in construction in progress is due to unfinished projects exceeding those being completed and transferred to depreciable during the 2024 fiscal year. The decrease in building and building improvements is due to depreciation expense exceeding additions during the 2024 fiscal year.

For more detailed information, please refer to Note 4 to the basic financial statements.

## Debt Administration

At June 30, 2024, the District had \$53,971,796 of outstanding long-term liabilities. Of this amount, \$1,258,947 is for compensated absences; \$18,028,583 of serial bonds including an unamortized premium on bonds of \$1,483,583; \$379,006 is for other post-employment retirement benefits payable; and \$9,453,540 is for financed purchases payable. This amount also includes the District's net pension liability of \$24,851,720 at June 30, 2024.

The June 30, 2024 liability for compensated absences increased from June 30, 2023 by \$153,835 is due to accruals exceeding payouts during the year. Serial bonds and unamortized premium on bonds decreased according to their respective amortization schedules.

For more detailed information on the net pension liability, refer to Note 6 of the basic financial statements.

## Economic Factors and Next Year's Budget

The fiscal outlook in the near term is a concern for most school districts and municipalities, including this one. Top-down changes in funding will require flexibility and very careful planning at the local level. With the continued uncertainty from the State of New Jersey's budget, the adoption of a budget that maintains educational services at a higher level

becomes more and more difficult. The District will continue to employ prudent and responsible fiscal practices to maintain its sound financial condition. At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect the financial health in the future:

1. Contract negotiations were settled with the maintenance, custodial, and bus drivers' union with the new agreement expiring on June 30, 2024. Contract negotiations were settled with the teachers' union with the new agreement expiring on June 30, 2025.

All of the above factors were considered in preparing the District's 2024-25 fiscal year budget.

### **Requests for Information**

This financial report is designed to provide a general overview of the Parsippany-Troy Hills School District finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board of Education Office, PO Box 52, Parsippany, New Jersey 07054.

# Basic Financial Statements

# Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2024.

## Parsippany-Troy Hills School District

## Statement of Net Position

June 30, 2024

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 32,273,561	\$ 4,618,802	\$ 36,892,363
Accounts receivable	3,198,607	183,412	3,382,019
Other assets		21,074	21,074
Inventories		59,430	59,430
Restricted assets:			
Cash held with fiscal agent	339,601		339,601
Capital assets, non-depreciable	9,382,480		9,382,480
Capital assets, depreciable, net	57,287,395	1,219,486	58,506,881
Total assets	102,481,644	6,102,204	108,583,848
<b>Deferred outflows of resources</b>			
Pension deferrals	2,789,196		2,789,196
Unamortized deferred loss on refunded debt	588,555		588,555
Total deferred outflows of resources	3,377,751		3,377,751
<b>Liabilities</b>			
Accounts payable and accrued liabilities	4,264,473	277,074	4,541,547
Accrued interest payable	386,922		386,922
Payable to state government	45,024		45,024
Other liabilities	4,506,680	908	4,507,588
Unearned revenue	242,882	705,787	948,669
Net pension liability	24,851,720		24,851,720
Current portion of long-term obligations	4,335,037		4,335,037
Noncurrent portion of long-term obligations	24,785,039		24,785,039
Total liabilities	63,417,777	983,769	64,401,546
<b>Deferred inflow of resources</b>			
Pension deferrals	2,745,615		2,745,615
<b>Net position</b>			
Net investment in capital assets	39,776,307	1,219,486	40,995,793
Restricted for:			
Capital projects	280,906		280,906
Capital reserve	8,029,845		8,029,845
Unemployment compensation claims	1,715,833		1,715,833
Student activities	510,393		510,393
Scholarships	58,539		58,539
Excess fund balance	10,447,514		10,447,514
Unrestricted (deficit)	(21,123,334)	3,898,949	(17,224,385)
Total net position	\$ 39,696,003	\$ 5,118,435	\$ 44,814,438

See accompanying notes to the basic financial statements.

## Parsippany-Troy Hills School District

## Statement of Activities

Year ended June 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business-type Activities	Total
			Grants and Contributions	Grants and Contributions			
<b>Governmental activities</b>							
Instruction							
Regular	\$ 67,628,022				\$ (67,628,022)		\$ (67,628,022)
Special education	22,619,791		\$ 2,383,139		(20,236,652)		(20,236,652)
Other instruction	6,740,249				(6,740,249)		(6,740,249)
School sponsored instruction	2,898,102				(2,898,102)		(2,898,102)
Support services:							
Tuition	8,783,090	\$ 330,856	2,002,445		(6,449,789)		(6,449,789)
Student activities	29,860,773			\$ 169,315	(29,691,458)		(29,691,458)
Instruction services	6,041,794				(6,041,794)		(6,041,794)
General administration services	1,442,112				(1,442,112)		(1,442,112)
School administration services	7,960,821				(7,960,821)		(7,960,821)
Central services	2,679,665				(2,679,665)		(2,679,665)
Admin information technology	2,840,138				(2,840,138)		(2,840,138)
Plant operations and maintenance	16,565,772				(16,565,772)		(16,565,772)
Pupil transportation	12,382,141				(12,382,141)		(12,382,141)
Other	778,297	788,945	27,311		37,959		37,959
Interest and other charges on long-term debt	858,071				(858,071)		(858,071)
Charter schools	812,532				(812,532)		(812,532)
Total governmental activities	190,891,370	1,119,801	4,412,895	169,315	(185,189,359)		(185,189,359)
<b>Business-type activities</b>							
Food service	3,101,287	1,899,278	1,417,783			\$ 215,774	215,774
Adult and community education	1,942,662	1,987,826				45,164	45,164
Total business-type activities	5,043,949	3,887,104	1,417,783			260,938	260,938
Total primary government	\$ 195,935,319	\$ 5,006,905	\$ 5,830,678	\$ 169,315	(185,189,359)	260,938	(184,928,421)

**General revenues**

Property taxes, levied for general purposes	151,422,993	151,422,993
Property taxes, levied for debt service	2,602,602	2,602,602
State aid not restricted	33,575,037	33,575,037
Federal aid not restricted	37,738	37,738
Investment earnings	638,791	638,791
Miscellaneous income	281,014	281,014
Total general revenues	188,558,175	188,558,175

Change in net position	3,368,816	260,938	3,629,754
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Net position—beginning	36,327,187	4,857,497	41,184,684
Net position—ending	\$ 39,696,003	\$ 5,118,435	\$ 44,814,438



## Fund Financial Statements

# Governmental Funds

Parsippany-Troy Hills School District  
Governmental Funds

Balance Sheet

June 30, 2024

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	
<b>Assets</b>				
Cash and cash equivalents	\$ 31,423,723	\$ 568,932	\$ 280,906	\$ 32,273,561
Accounts receivable:				
State	2,347,527			2,347,527
Federal		821,279		821,279
Interfund	229,034			229,034
Other	12,785	17,016		29,801
Restricted assets:				
Cash held with fiscal agents	339,601			339,601
<b>Total assets</b>	<b>\$ 34,352,670</b>	<b>\$ 1,407,227</b>	<b>\$ 280,906</b>	<b>\$ 36,040,803</b>
<b>Liabilities and fund balances</b>				
Liabilities:				
Accounts payable	\$ 1,617,481	\$ 405,120		\$ 2,022,601
Intergovernmental payables:				
State		45,024		45,024
Interfunds payable		229,034		229,034
Payroll withholdings payable	3,794,927			3,794,927
Unemployment claims payable	389,421			389,421
Other liabilities	322,332			322,332
Unearned revenue	83,765	159,117		242,882
<b>Total liabilities</b>	<b>6,207,926</b>	<b>838,295</b>		<b>7,046,221</b>
Fund balances:				
Restricted for:				
Capital reserve	8,029,845			8,029,845
Excess fund balance-current year	6,631,230			6,631,230
Excess fund balance-prior year	3,816,284			3,816,284
Unemployment compensation reserve	1,715,833			1,715,833
Capital projects			\$ 280,906	280,906
Student activities		510,393		510,393
Scholarships		58,539		58,539
Assigned to:				
Designated for subsequent year expenditures	1,482,273			1,482,273
Other purposes	3,007,619			3,007,619
Unassigned	3,461,660			3,461,660
<b>Total fund balances</b>	<b>28,144,744</b>	<b>568,932</b>	<b>280,906</b>	<b>28,994,582</b>
<b>Total liabilities and fund balances</b>	<b>\$ 34,352,670</b>	<b>\$ 1,407,227</b>	<b>\$ 280,906</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$133,759,364 and the accumulated depreciation is \$67,089,489.	66,669,875
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(386,922)
Net deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	43,581
Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the new bonds.	588,555
Net pension liability is not due and payable in the current period and therefore the liability is not reported in the funds.	(24,851,720)
Accrued pension contributions for the June 30, 2025 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide Statement of Net Position.	(2,241,872)
Long-term liabilities, including bonds payable, financed purchases payable, premiums on bonds, other post-employment benefits payable liabilities and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(29,120,076)

Net position of governmental activities	<u><u>\$ 39,696,003</u></u>
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Parsippany-Troy Hills School District  
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2024

	Major Funds				Total
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Governmental Funds
<b>Revenues:</b>					
Local sources:					
Local tax levy	\$ 151,422,993			\$ 2,602,602	\$ 154,025,595
Tuition	330,856				330,856
Interest	638,791				638,791
Miscellaneous	281,014	\$ 854,235			1,135,249
Total local sources	152,673,654	854,235		2,602,602	156,130,491
State sources	50,156,960	300,096		530,898	50,987,954
Federal sources	37,738	4,216,824			4,254,562
Total revenues	202,868,352	5,371,155		3,133,500	211,373,007
<b>Expenditures:</b>					
Current:					
Regular instruction	45,730,447				45,730,447
Special education instruction	13,377,065	2,383,139			15,760,204
Other instruction	4,644,100				4,644,100
School sponsored instruction	1,946,821				1,946,821
Support services and undist costs:					
Tuition	8,783,090				8,783,090
Student services	18,835,852	2,002,445			20,838,297
Instruction services	4,091,702				4,091,702
General administration	1,116,425				1,116,425
School administration	5,467,585				5,467,585
Central services	1,875,004				1,875,004
Admin info technology	2,221,189				2,221,189
Plant oper. and maintenance	12,700,384				12,700,384
Pupil transportation	10,724,286				10,724,286
Unallocated benefits	66,658,155				66,658,155
Other		778,297			778,297
Charter school	812,532				812,532
Capital outlay	7,756,480	169,315			7,925,795
Debt service:					
Principal	1,628,031			2,250,000	3,878,031
Interest	180,891			883,500	1,064,391
Total expenditures	208,550,039	5,333,196		3,133,500	217,016,735
(Deficiency) Excess of revenues (under) over expenditures	(5,681,687)	37,959		-	(5,643,728)
Other financing sources (uses):					
Assets acquired under financed purchases (non-budgeted)	1,000,000				1,000,000
Transfers in			\$ 280,906		280,906
Transfers out	(280,906)				(280,906)
Total other financing sources (uses)	719,094	-	280,906	-	1,000,000
Net change in fund balances	(4,962,593)	37,959	280,906	-	(4,643,728)
Fund balances, July 1	33,107,337	530,973	-	-	33,638,310
Fund balances, June 30	\$ 28,144,744	\$ 568,932	\$ 280,906	\$ -	\$ 28,994,582

See accompanying notes to the basic financial statements.

Parsippany-Troy Hills School District  
Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities

Year ended June 30, 2024

**Total net change in fund balances - governmental funds (from B-2)** **\$ (4,643,728)**

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

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

Capital additions	\$	6,839,194	
Loss on disposal of capital assets		(20,808)	
Depreciation expense		(4,880,330)	1,938,056

In the statement of activities, interest on long-term debt/financed purchases is accrued, regardless of when due. In the governmental funds, interest is reported when due. The amount presented is the change from prior year.	22,240
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Governmental funds report the effect of refunding transactions when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This represents the current year amortization related to the deferred interest costs.	(224,574)
--	-----------

Repayments of bond principal are expenditures in the governmental funds, but the payment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	2,250,000
---	-----------

Governmental funds report the effect of premiums on bonds when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the current year amortization of the premium in the treatment of long-term debt and related items.	408,653
--	---------

Other Postemployment Benefit (OPEB) payable is reported in the statement of net position but does not require the use of current financial resources and therefore is not reported in the Governmental Funds. The amount presented is the change from prior year.	(4,454)
--	---------

Financed purchase agreements entered into by the district are other financing sources in the Governmental Funds, but the acquisition increases long-term liabilities in the statement of net position and is not reported in the statement of activities.	(1,000,000)
--	-------------

Repayment of financed purchases is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	1,628,031
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In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).	(153,835)
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Certain expenses reported in the statement of activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds: Pension expense	3,148,427
--	-----------

<b>Change in net position of governmental activities (A-2)</b>	<b>\$ 3,368,816</b>
--	---------------------

Proprietary Fund

Parsippany-Troy Hills School District  
Proprietary Funds

Statement of Net Position

June 30, 2024

	<b>Major Enterprise Funds</b>		<b>Total</b>
	<b>Food Service</b>	<b>Adult and Community Education</b>	
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 3,749,431	\$ 869,371	\$ 4,618,802
Accounts receivable:			
State	13,274		13,274
Federal	170,138		170,138
Other assets		21,074	21,074
Inventories	59,430		59,430
Total current assets	3,992,273	890,445	4,882,718
Non-current assets:			
Capital assets:			
Equipment	2,205,571		2,205,571
Accumulated depreciation	(986,085)		(986,085)
Total capital assets, net	1,219,486		1,219,486
Total assets	5,211,759	890,445	6,102,204
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	79,768	197,306	277,074
Due to grantor	908		908
Unearned revenue	125,664	580,123	705,787
Total current liabilities	206,340	777,429	983,769
<b>Net position</b>			
Investment in capital assets	1,219,486		1,219,486
Unrestricted	3,785,933	113,016	3,898,949
Total net position	\$ 5,005,419	\$ 113,016	\$ 5,118,435

Parsippany-Troy Hills School District  
Proprietary Funds

Statement of Revenues, Expenses and  
Changes in Net Position

Year ended June 30, 2024

	<b>Major Enterprise Funds</b>		<b>Total</b>
	<b>Food Service</b>	<b>Adult and Community Education</b>	
Operating revenues:			
Local sources:			
Daily sales-reimbursable programs	\$ 999,238		\$ 999,238
Daily sales-non reimbursable programs	800,104		800,104
Special event income	99,936		99,936
Adult school income		\$ 1,987,826	1,987,826
Total operating revenues	1,899,278	1,987,826	3,887,104
Operating expenses:			
Cost of sales - reimbursable programs	922,136		922,136
Cost of sales - non-reimbursable programs	257,014		257,014
Salaries and wages	1,000,562	561,016	1,561,578
Purchased professional/technical services	41,101	1,072,647	1,113,748
Other purchased services	5,411	43,942	49,353
Employee benefits	270,973	125,056	396,029
Supplies, insurance and other costs	353,006	140,001	493,007
Depreciation	105,449		105,449
Management fee	145,635		145,635
Total operating expenses	3,101,287	1,942,662	5,043,949
Operating (loss) income	(1,202,009)	45,164	(1,156,845)
Nonoperating revenues:			
State sources:			
State school lunch program	50,710		50,710
State school breakfast program	13,455		13,455
Summer-EBT administrative cost - state	1,556		1,556
Federal sources:			
National school lunch program	678,570		678,570
School breakfast program	174,346		174,346
NSLP equipment assistance	15,491		15,491
Local food for schools	8,529		8,529
COVID-19 Supply Chain Assistance	159,954		159,954
Summer-EBT administrative cost - federal	1,556		1,556
Food donation program	313,616		313,616
Total nonoperating revenues	1,417,783		1,417,783
Change in net position	215,774	45,164	260,938
Total net position-beginning	4,789,645	67,852	4,857,497
Total net position-ending	\$ 5,005,419	\$ 113,016	\$ 5,118,435



Parsippany-Troy Hills School District  
Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2024

	Major Enterprise Funds		Totals
	Food Service	Adult and Community Education	
<b>Cash flows from operating activities</b>			
Receipts from customers	\$ 1,920,956	\$ 2,090,854	\$ 4,011,810
Payments for salaries and wages	(1,000,562)	(125,056)	(1,125,618)
Payments for employee benefits	(270,973)	(561,016)	(831,989)
Payments to suppliers	(1,690,872)	(1,123,510)	(2,814,382)
Net cash (used for) provided by operating activities	(1,041,451)	281,272	(760,179)
<b>Cash flows from noncapital financing activity</b>			
Federal and state reimbursements	1,279,862		1,279,862
Net cash provided by noncapital financing activity	1,279,862		1,279,862
<b>Cash flows from capital and related financing activity</b>			
Acquisition of capital assets	(296,685)		(296,685)
Net cash (used for) capital and related financing activity	(296,685)		(296,685)
Net (decrease) increase in cash and cash equivalents	(58,274)	281,272	222,998
Cash and cash equivalents, beginning of year	3,807,705	588,099	4,395,804
Cash and cash equivalents, end of year	\$ 3,749,431	\$ 869,371	\$ 4,618,802
<b>Reconciliation of operating (loss) income to net cash (used for) provided by operating activities</b>			
Operating (loss) income	\$ (1,202,009)	\$ 45,164	\$ (1,156,845)
Adjustments to reconcile operating (loss) income to net cash (used for) provided by operating activities:			
Depreciation	105,449		105,449
Change in assets and liabilities:			
Decrease in other accounts receivable	12,182		12,182
Decrease in inventory	13,880		13,880
Decrease in prepaid expenses		1,440	1,440
Increase in accounts payable	19,550	131,640	151,190
Increase in unearned revenue	9,497	103,028	112,525
Net cash (used for) provided by operating activities	(1,041,451)	281,272	(760,179)

**Noncash noncapital financing activities:**

The District received \$302,852 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2024.

Parsippany-Troy Hills School District  
Notes to the Basic Financial Statements  
Year ended June 30, 2024

**1. Summary of Significant Accounting Policies**

The financial statements of the Parsippany-Troy Hills School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**A. Reporting Entity**

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

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education ("Board") consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

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

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

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards is whether:

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 1. Summary of Significant Accounting Policies (continued)

- the organization is legally separate (can sue or be sued on their own name);
- the District holds the corporate powers of the organization;
- the District appoints a voting majority of the organization's board;
- the District is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the District; or
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District does not have any component units.

### B. Government-wide and Fund Financial Statements

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

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

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

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 1. Summary of Significant Accounting Policies (continued)

#### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

The District has reported the following major governmental funds:

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

*Special Revenue Fund:* The District maintains one special revenue fund, which includes the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes, other than debt service or capital projects.

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

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 1. Summary of Significant Accounting Policies (continued)

*Debt Service Fund:* The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned to an expenditure for the principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary funds:

*Food Service Enterprise Fund:* The food service enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

*Adult and Community Education Enterprise Fund:* The adult and community education enterprise fund accounts for all revenues and expenses pertaining to recreational, academic and vocational curriculum offered to residents. The adult and community education enterprise fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

As a general rule the effect of internal activity has been eliminated from the government-wide financial statements.

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

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

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

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 1. Summary of Significant Accounting Policies (continued)

Ad Valorem (Property) taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." The County Board of Taxation is responsible for the assessment of properties and the Township Tax Collector is responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for review and approval and are approved by the Board of Education members. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). The legal level of budgetary control is established at line item accounts 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 referred in N.J.A.C. 6A:23. The over expenditure in the general fund is due to the inclusion of the non-budgeted on behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over expenditures. All budget amendments must be approved by School Board resolution and certain others require approval by County Superintendent of Schools. Budget amendments were made during the year ended June 30, 2024 and were not significant.

### D. Budgets/Budgetary Control

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

Except for student activity and scholarship funds, 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.

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 1. Summary of Significant Accounting Policies (continued)

#### E. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

Investments are stated at fair value in accordance with the Governmental Accounting Standards Board. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

#### F. Interfund Receivables/Payables

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

#### G. Inventories

Inventories that benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. At June 30, 2024, the unused Food Donation Program commodities of \$36,913 are reported as unearned revenue in the Food Service Enterprise Fund.

#### H. Capital Assets

Capital assets, which include land, construction in progress, property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at acquisition value on the date of acquisition.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized.

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 1. Summary of Significant Accounting Policies (continued)

Depreciable capital assets of the District are depreciated using the straight line method. The following estimated useful lives are used to compute depreciation:

	Estimated Useful Life
Buildings	50 years
Site Improvements	20 years
Furniture and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

See Note 4 for additional information regarding capital assets.

### I. Accrued Salaries and Wages

Certain District employees who provided services to the District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but not disbursed amounts be retained in a separate bank account. As of June 30, 2024, the amount earned by these employees but not disbursed was \$1,882,346 and is included in liabilities – payroll withholdings payable in the general fund.

### J. Deferred Loss on Defeasance of Debt

The deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest and other charges on long-term debt. The amortization expense for the year ended June 30, 2024 amounted to \$224,574 and the remaining balance at June 30, 2024 is \$588,555.

### K. Compensated Absences

A liability for compensated absences that is attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. The District uses the “vesting method” for estimating its accrued sick and vacation leave liability.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. The amount recorded represents those individuals who have reached retirement age for payment. Upon



# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 1. Summary of Significant Accounting Policies (continued)

retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions. In the government-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components- the amount due within one year and the amount due in more than one year. The liability for vested compensated absences of the District is recorded in the government-wide governmental activities financial statements amounted to \$1,258,947 at June 30, 2024. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### L. Unearned Revenue

Unearned revenue in the general and special revenue funds represent cash, which has been received but not yet earned. Unearned revenue in the adult and community education enterprise fund, represents tuition and fees paid in advance, and in the food service enterprise fund represents inventory on hand of food donation commodities and student monies received in advance of meal purchases.

#### M. Long-Term Obligations

In the government-wide financial statements, and enterprise 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 enterprise fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount on a refunding or bond issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, 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 either capital projects fund or debt service fund expenditures in the year of issuance.

#### N. Net Position

Net position represents the difference between assets, deferred inflows of resources, deferred outflows of resources and liabilities in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net positions are reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 1. Summary of Significant Accounting Policies (continued)

#### O. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

- 1) **Nonspendable** – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
- 2) **Restricted** - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- 3) **Committed** - includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- 4) **Assigned** – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- 5) **Unassigned** - includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 1. Summary of Significant Accounting Policies (continued)

Of the \$28,144,744 of fund balances in the General Fund at June 30, 2024, \$8,029,845 has been restricted in the capital reserve account, \$6,631,230 has been restricted for excess fund balance - current year, \$3,816,284 has been classified as restricted excess fund balance prior year designated for subsequent years expenditures, \$1,715,833 is restricted for unemployment compensation reserve, \$3,007,619 of encumbrances is assigned to other purposes, \$1,482,273 has been assigned as designated for subsequent years expenditures, and \$3,461,660 is unassigned.

Of the \$568,932 of fund balances in the Special Revenue Fund, \$510,393 is classified as restricted for student activities and \$58,539 is classified as restricted for scholarships. The fund balance of \$280,906 in the capital projects fund is restricted for future capital projects.

### P. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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 assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category, including deferred losses from the refunding of debt and deferred amounts related to pensions. In addition to liabilities, the statement of net 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 assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

### R. On-Behalf Payments

Revenues and expenditures of the general fund include payments made or reimbursed by the State of New Jersey for social security and post-retirement pension and medical contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been increased by \$18,159,216 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 1. Summary of Significant Accounting Policies (continued)

#### S. Calculation of Excess Surplus

The designation for restricted fund balance excess-surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District has excess fund balance generated during the 2024 fiscal year in the amount of \$6,631,230, which will be utilized in its 2025-26 budget. The District also has prior year excess fund balance in the amount of \$3,816,284 which will be utilized in the 2024-25 fiscal year budget.

#### T. GASB Pronouncements

##### Recently Issued Accounting Pronouncements

The GASB issued Statement No. 101, *Compensated Absences* in June 2022. 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. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 102, *Certain Risk Disclosures* in January 2024. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for periods beginning after June 15, 2024, and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 103, *Financial Reporting Model Improvements* in April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 104, *Disclosures of Certain Capital Assets* in September 2024. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets including lease assets, intangible right-to-use assets, subscription assets, other intangible assets and assets held for sale. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 1. Summary of Significant Accounting Policies (continued)

#### U. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2024 and December 19, 2024, the date that the financial statements were available for issuance. The effect of those events and transactions that provide additional pertinent information about conditions that existed at the balance sheet and statement of net position date, have been recognized in the accompanying financial statements.

### 2. Reconciliation of Government-Wide and Fund Financial Statements

#### Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable, other post-employment benefits, financed purchases payable and compensated absences payable are not due and payable in the current period and therefore are not reported in the funds. The details of this \$29,120,076 difference are as follows:

Bonds payable	\$	16,545,000
Premium on bonds		1,483,583
Other post-employment benefit payable		379,006
Financed purchases payable		9,453,540
Compensated absences payable		1,258,947
Net adjustment to reduce fund balance-total governmental funds to arrive at net position - governmental activities	\$	<u>29,120,076</u>

### 3. Deposits and Investments

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 3. Deposits and Investments (continued)

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units. New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund ("NJCMF") and New Jersey Asset and Rebate Management Fund ("NJARM").

New Jersey statutes (GUDPA) require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows.

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

At June 30, 2024, the carrying amount of the District's deposits was \$35,354,041 and the bank balance was \$39,322,446, not including funds deposited in NJARM and NJCMF and funds held with fiscal agent. Of the bank balance, \$250,000 of the District's cash deposits on June 30, 2024 was secured by federal depository insurance. The New Jersey GUDPA covered the bank balance of \$33,871,642. \$5,200,804 of the bank balance of the District's agency accounts are not covered by GUDPA. In addition, the District has restricted cash held with fiscal agents in the amount of \$339,601 related to financed purchases where the funds are currently held by the lessor.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 3. Deposits and Investments (continued)

financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

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

#### Investments

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds and other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the School District.
- d. New Jersey Cash Management Fund and New Jersey Asset and Rebate Management Fund.

#### New Jersey Asset and Rebate Management Fund and New Jersey Cash Management Fund

In order to maximize liquidity, the District utilizes the NJARM and NJCMF as its investments.

The NJARM, which is an investment pool managed by Public Financial Management Company. NJARM allows governments within the state to pool their funds for investment purposes and the Security and Exchange Commission (SEC) does not restrict the pool. Earnings are allocated to all participants based upon shares held in the pool and distributed on the last day of each month. In addition, the fair value of the District's portion of the pool is the same as the value of its shares. Agencies that participate in the NJARM typically earn returns that mirror short-term investments rates. Monies can be freely added or withdrawn from the NJARM on a daily basis without penalty. At June 30, 2024, the District's balance was \$375,623 with NJARM.

The NJCMF is an investment pool administered by the State of New Jersey, Department of the Treasury and issues separate reports that can be obtained directly from the Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. The pooled shares are equal to the value of the District's shares. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At June 30, 2024, the District's balance with NJCMF was \$1,162,699. The debt instruments in the NJCMF are rated by three national rating agencies.

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 3. Deposits and Investments (continued)

*Custodial Credit Risk:* Pursuant to GASB 40, the NJARM and NJCMF, which are a pooled investment, is exempt from custodial credit risk exposure. The District does not have a policy for custodial credit risk.

*Credit Risk:* The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The debt instruments in the NJCMF are rated by three national rating agencies. The NJARM Joint Account portfolio is rated AAA by Standard & Poor's.

*Concentration of Credit Risk:* The District places no limit on the amount the District may invest in any one issuer. At June 30, 2024, all of the District's investments were invested in the NJARM and NJCMF.

*Interest Rate Risk:* The District does not have a policy to limit interest rate risk. The average maturity of the District's investments in the NJARM and NJCMF are less than one year.

All of the District's investments are classified as cash equivalents at June 30, 2024.

### 4. Capital Assets

The following is a summarization of the governmental activities changes in capital assets for the fiscal year ended June 30, 2024:

	Beginning Balance	Increases	Transfers/ Dispositions	Ending Balance
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 3,956,475			\$ 3,956,475
Construction in progress	1,601,658	\$ 4,427,470	\$ (603,123)	5,426,005
Total capital assets, not being depreciated	5,558,133	4,427,470	(603,123)	9,382,480
Capital assets, being depreciated				
Land improvements	8,080,353	500,705		8,581,058
Buildings and building improvements	99,886,837	1,032,106	588,495	101,507,438
Machinery, equipment, and vehicles	13,565,528	878,913	(156,053)	14,288,388
Total capital assets being depreciated	121,532,718	2,411,724	432,442	124,376,884
Less accumulated depreciation for:				
Land improvements	(4,138,677)	(365,495)		(4,504,172)
Buildings and building improvements	(48,511,701)	(3,734,786)		(52,246,487)
Machinery, equipment, and vehicles	(9,708,654)	(780,049)	149,873	(10,338,830)
Total accumulated depreciation	(62,359,032)	(4,880,330)	149,873	(67,089,489)
Total capital assets being depreciated, net	59,173,686	(2,468,606)	582,315	57,287,395
Governmental activities capital assets, net	\$ 64,731,819	\$ 1,958,864	\$ (20,808)	\$ 66,669,875



# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 4. Capital Assets (continued)

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

Instruction	\$ 2,808,360
Student activities	859,578
Instruction services	168,782
Central services	77,344
Plant operations and maintenance	523,890
Pupil transportation	442,376
	<u>\$ 4,880,330</u>

Depreciation expense on capital assets acquired through financed purchases are included in the amount above. The following is a summarization of the business-type activities changes in capital assets for the fiscal year ended June 30, 2024:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Ending Balance</b>
<b>Business-type activities</b>			
Capital assets, being depreciated:			
Equipment and vehicles	\$ 1,908,886	\$ 296,685	\$ 2,205,571
Less accumulated depreciation for:			
Equipment and vehicles	(880,636)	(105,449)	(986,085)
Total business-type activities capital assets, net	<u>\$ 1,028,250</u>	<u>\$ 191,236</u>	<u>\$ 1,219,486</u>

### 5. Long-Term Liabilities

During the fiscal year ended June 30, 2024, the following changes occurred in governmental activities long-term liabilities:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due within One Year</b>
Governmental activities:					
Compensated absences payable	\$ 1,105,112	\$ 398,137	\$ 244,302	\$ 1,258,947	\$ 161,057
Bonds payable	18,795,000		2,250,000	16,545,000	2,255,000
Other postemployment benefit payable	374,552	4,454		379,006	113,910
Premium on bonds	1,892,236		408,653	1,483,583	408,653
Financed purchases payable	10,081,571	1,000,000	1,628,031	9,453,540	1,396,417
Subtotal	<u>32,248,471</u>	<u>1,402,591</u>	<u>4,530,986</u>	<u>29,120,076</u>	<u>4,335,037</u>
Net pension liability	26,522,665		1,670,945	24,851,720	
Total governmental activities long-term liabilities	<u>\$ 58,771,136</u>	<u>\$ 1,402,591</u>	<u>\$ 6,201,931</u>	<u>\$ 53,971,796</u>	<u>\$ 4,335,037</u>

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 5. Long-Term Liabilities (continued)

The District expects to liquidate the balance in its other postemployment retirement benefit liability, compensated absences payable, net pension liability and financed purchases payable with payments made from the District's general fund. Bonds payable will be liquidated with payments from the debt service fund.

#### Bonds Payable

Bonds are authorized in accordance with State law or by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. The principal and interest of these bonds will be paid from the debt service fund as required by New Jersey statutes.

Principal and interest due on the outstanding bonds are as follows:

	Principal	Interest	Total
Fiscal year ending June 30:			
2025	\$ 2,255,000	\$ 770,875	\$ 3,025,875
2026	2,265,000	657,875	2,922,875
2027	2,070,000	549,500	2,619,500
2028	2,070,000	446,000	2,516,000
2029	2,070,000	342,500	2,412,500
2030-2032	5,815,000	417,375	6,232,375
	<u>\$ 16,545,000</u>	<u>\$ 3,184,125</u>	<u>\$ 19,729,125</u>

Bonds payable at June 30, 2024 are comprised of the following issues:

\$19,715,000, 2014 refunding school bonds due in annual installments ranging from \$2,255,000 to \$2,265,000 through August 2025 at an interest rate of 5.0%.

\$12,025,000, 2015 refunding school bonds due in annual installments ranging from \$1,690,000 to \$2,070,000 through August 2031 at an interest rate of 5.0%.

The above general obligation bonds are direct borrowing of the District for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the District.

#### Bonds Authorized But Not Issued

As of June 30, 2024, the District had no authorized but not issued bonds.

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 5. Long-Term Liabilities (continued)

#### Financed Purchases Payable - Leases

The District has financed purchases payable - leases outstanding for various purposes (maintenance vehicles, buses, improvements and various equipment and an Energy Savings Improvement Plan lease) with rates ranging from 0.845% to 5.030%. The following is a schedule of the future minimum lease payments under these financed purchases payable - leases and the present value of the net future minimum lease payments at June 30, 2024:

Year Ending June 30:	Principal	Interest	Total
2025	\$ 1,396,417	\$ 192,088	\$ 1,588,505
2026	1,200,843	157,149	1,357,992
2027	944,861	126,280	1,071,141
2028	862,223	105,108	967,331
2029	802,355	86,580	888,935
2030-2034	4,246,841	201,733	4,448,574
	<u>\$ 9,453,540</u>	<u>\$ 868,938</u>	<u>\$ 10,322,478</u>

On June 20, 2019, the Board of Education entered into a financed purchase for an amount not to exceed \$359,500. The financed purchase was issued at an interest rate of 2.403%. The final principal payment of \$73,734 was made in July 2023.

On July 1, 2020, the Board of Education entered into a financed purchase for an amount not to exceed \$1,000,000. The financed purchase was issued at an interest rate of 1.197%. The final principal payment of \$97,792 is due in November 2024.

On April 29, 2021, the Board of Education refinanced the 2014 Energy Savings Improvement Plan ("ESIP") lease for an amount not to exceed \$9,502,079. A Lease with TD Wealth Management was issued on April 29, 2021. The financed purchase was issued at a fixed interest rate of 1.785%. Semi-annual principal payments range from \$340,563 to \$695,202 through July 2033.

On August 2, 2021, the Board of Education entered into a financed purchase for \$483,013. The financed purchase was issued at an interest rate of 0.845%. The final principal payment of \$161,393 was made in November 2023.

On August 2, 2021, the Board of Education entered into a financed purchase for \$516,987. The financed purchase was issued at an interest rate of 1.090%. Principal payments range from \$103,711 to \$104,842 per year through November 2025.

On July 15, 2022, the Board of Education entered into a financed purchase for \$574,315. The financed purchase was issued at an interest rate of 2.898%. Principal payments range from \$111,815 to \$118,390 per year through August 2026.

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 5. Long-Term Liabilities (continued)

#### Financed Purchases Payable – Leases (continued)

On July 15, 2022, the Board of Education entered into a financed purchase for \$425,685. The financed purchase was issued at an interest rate of 2.898%. The final principal payment of \$142,211 is due in August 2024.

On August 1, 2023, the Board of Education entered into a financed purchase for \$439,682. The financed purchase was issued at an interest rate of 5.030%. Principal payments range from \$79,524 to \$92,138 per year through August 2028.

On August 1, 2023, the Board of Education entered into a financed purchase for \$560,318. The financed purchase was issued at an interest rate of 5.030%. Principal payments range from \$177,685 to \$186,623 per year through August 2026.

The District has capitalized assets acquired from financed purchases, net of amortization, of \$1,289,311 at June 30, 2024.

### 6. Pension Plans

#### Description of Systems

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan. District employees employed by the Enterprise Funds are not eligible for pension benefits. Employees in the Food Service Enterprise Fund are employees of the Food Service Management Company and therefore not eligible for pension benefits. Employees of the remaining Enterprise Funds are either part-time or stipend employees and are therefore not eligible for pension benefits.

#### Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage, including post-retirement health care, to substantially all full-time public-school employees in the State. Members are fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In the case of death before retirement, members beneficiaries are entitled to full interest credited to the members accounts.

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 6. Pension Plans (continued)

Service retirement benefits of  $1/55^{\text{th}}$  of final average salary for each year of service credit is available to Tier 1 and 2 members upon reaching the age of 60 and to tier 3 members upon reaching age 62. Service retirement benefits of  $1/60^{\text{th}}$  of final average salary for each year of service credit is available to Tier 4 members upon reaching the age of 62 and Tier 5 members upon reaching the age of 65. Early retirement benefits are available to Tier 1 and 2 members with 25 years or more of service credit before reaching age 60, Tier 3 and 4 members with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent 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. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

### Public Employees' Retirement System

The Public Employees' Retirement System (PERS) was established in January 1955 and the contribution policy is set by the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time employees of the State of New Jersey or any county, municipality, school Board or public agency, provided the employee is not a member of another State-administered retirement system or other state pension fund or local jurisdiction's pension fund. Pursuant to the provisions of P.L. 2022, C.78, the member contribution rate was 7.5% in State fiscal year 2023.

Members are classified into one of five tiers dependent upon the date of their enrollment. Service retirement benefits of  $1/55^{\text{th}}$  of final average salary for each year of service credit is available to Tier 1 and 2 members upon reaching the age of 60 and to tier 3 members upon reaching age 62. Service retirement benefits of  $1/60^{\text{th}}$  of final average salary for each year of service credit is available to Tier 4 members upon reaching the age of 62 and Tier 5 members upon reaching the age of 65. Early retirement benefits are available to Tier 1 and 2 members with 25 years or more of service credit before reaching age 60, Tier 3 and 4 members with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent 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. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 6. Pension Plans (continued)

#### Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contribution rates for TPAF and PERS are 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2024, the State of New Jersey contributed \$32,385,958 to the TPAF for on-behalf medical benefits, long-term disability insurance and pension contributions on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$5,235,142 during the year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries.

The District's actuarially determined contributions to PERS for the years ended June 30, 2024, 2023 and 2022 were \$2,293,163, \$2,216,256, and \$2,112,904, respectively, equal to the required contributions for each year.

For the years ended June 30, 2024, 2023, and 2022, employee contributions to DCRP were \$404,767, \$346,227, and \$302,509, respectively. Employer contributions for the years ended June 30, 2024, 2023, and 2022 were \$220,782, \$188,349, and \$164,247, respectively.

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the 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.

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

##### Public Employees' Retirement System (PERS)

At June 30, 2024, the District reported a liability of \$24,851,720 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2022, which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2023, the District's proportion was 0.1715760741 percent, which was a decrease of 0.0041710792 percent from its proportion measured as of June 30, 2022.

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 6. Pension Plans (continued)

For the year ended June 30, 2024, the District recognized full accrual pension benefit of \$3,148,427 in the government-wide financial statements. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ 54,594	\$ 1,506,121
Difference between expected and actual experience	237,614	101,586
Changes in proportion	140,671	1,137,908
Net difference between projected and actual earnings on pension plan investments	114,445	
Changes in proportion and differences between District contributions and proportionate share of contributions		
District contributions subsequent to the measurement date	2,241,872	
	<u>\$ 2,789,196</u>	<u>\$ 2,745,615</u>

\$2,241,872 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2025	\$	(1,636,881)
2026		(1,028,473)
2027		794,601
2028		(320,531)
2029		(7,007)
	<u>\$</u>	<u>(2,198,291)</u>

### Additional Information

#### *Actuarial Assumptions*

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 6. Pension Plans (continued)

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%

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

#### *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 a generational basis. Mortality improvement is based on Scale MP-2021.

#### *Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) 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 the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by 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 PERS's target asset allocation as of June 30, 2023 are summarized in the following table:



# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 6. Pension Plans (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

#### *Discount rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the District's proportionate share of the 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:

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 6. Pension Plans (continued)

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
District's proportionate share of the net pension liability	\$ 32,351,652	\$ 24,851,720	\$ 18,468,286

#### *Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

#### *Additional Information*

Collective balances of the Local Group at June 30, 2023 are as follows:

Deferred outflows of resources	\$ 1,080,204,730
Deferred inflows of resources	\$ 1,780,216,457
Net pension liability	\$ 14,606,489,066
District's Proportion	0.1715760741%

Collective pension benefit for the Local Group for the measurement period ended June 30, 2023 is \$79,181,803.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2023, 2022, 2021, 2020, 2019, 2018, 2017, and 2016 is 5.08, 5.04, 5.13, 5.16, 5.21, 5.63, 5.48, and 5.57 years, respectively.

#### *Special Funding Situation*

A special funding situation exists for certain Local employers of the PERS. The State of New Jersey, a non-employer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The June 30, 2023 State special funding situation net pension liability amount of \$122.1 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). AS of June 30, 2023, there was no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$55.7 million, for the fiscal

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 6. Pension Plans (continued)

year ending June 30, 2023, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2023. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The District's expense related to the special funding situation is \$77,503.

#### Teachers Pensions and Annuity Fund (TPAF) – Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2023 was \$296,791,641. The District's proportionate share was \$0. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2023, the State's proportionate share of the TPAF net pension liability associated with the District was 0.5815718502 percent, which was an increase of 0.0017945046 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$18,159,216 for contributions incurred by the State.

#### *Actuarial assumptions*

The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 6. Pension Plans (continued)

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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

#### *Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) 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 the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by 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 TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 6. Pension Plans (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

#### *Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 made 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 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 determining the total pension liability.

#### *Sensitivity of the State's proportionate share of the net pension liability associated with the District to changes in the discount rate*

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 6. Pension Plans (continued)

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
State's proportionate share of the net pension liability associated with the District	\$ 349,971,202	\$ 296,791,641	\$ 252,001,811

#### *Pension plan fiduciary information*

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

#### **Additional Information**

Collective balances of the Local Group at June 30, 2023 are as follows:

Deferred outflows of resources	\$ 4,996,491,160
Deferred inflows of resources	\$ 1,953,696,776
Net pension liability	\$ 51,594,415,806
District's Proportion	0.5797773456%

Collective pension expense of the Local Group for the plan for the measurement period ended June 30, 2023 is \$1,292,291,943.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 is 7.83, 7.93, 8.04, 8.29, 8.30, 8.30 and 8.30, years, respectively.

#### **Defined Contribution Retirement Program**

The Defined Contribution Retirement Program (DCRP) is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A 43:15C-1 et seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a) et seq., and is a "governmental plan" within the meaning of IRC 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007 who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn a salary of at least \$5,000 annually, and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the number of hours per week required for tiers 4 or 5 enrollment, but who earn a salary of at least \$5,000 annually.

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 7. Post-Retirement Benefits

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

#### **State of New Jersey's Post-Retirement Benefits Plan**

##### *General Information about the OPEB Plan*

#### **State Health Benefit State Retired Employees Plan:**

For Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2023, the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability.

The State's share of the net pension liability, based on a measurement date of June 30, 2022 which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds the post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 7. Post-Retirement Benefits (continued)

payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financialreports.shtml>.

#### *Total OPEB Liability*

The Nonemployer OPEB liability from the State of New Jersey's plan is \$52,361,668,239.

#### *Changes in the Total Non-employer OPEB Liability*

Below represents the changes in the State's portion of the total OPEB liability associated with the District for the year ended June 30, 2023:

	<u>Total OPEB Liability</u>
Beginning OPEB Liability, June 30, 2022	\$ 273,866,985
Changes for the year:	
Service cost	11,375,686
Interest cost	9,977,591
Differences between expected and actual experiences	(4,966,127)
Changes of assumptions	571,022
Member contributions	255,690
Gross benefit payments	(7,777,694)
Net changes	<u>9,436,168</u>
Ending OPEB Liability, June 30, 2023	<u>\$ 283,303,153</u>

#### *Employees covered by benefit terms*

The following employees were covered by the benefit terms:

<u>Local Education Group</u>	<u>June 30, 2023</u>
Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	152,383
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	<u>369,595</u>

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective total OPEB liability on the Statement of Net Position. The State's proportionate share of the total OPEB liability



# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 7. Post-Retirement Benefits (continued)

associated with the District as of June 30, 2023 was \$283,303,153. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

#### *Actuarial assumptions and other inputs*

The total non-employer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	TPAF	PERS
Inflation rate	2.50%	2.50%
Salary increases:	2.75 - 4.25%	2.75 - 6.55%
	based on years of service	based on years of service

#### *Mortality Rates*

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) 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/ABP) 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, 2022 valuation were based on the results of the actual experience studies for July 1, 2018 to June 30, 2021. 100% of active members are considered to participate in the Plan upon retirement.

#### *Discount Rate*

The discount rate used to measure the total OPEB liability for June 30, 2023 was 3.65%. 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.

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 7. Post-Retirement Benefits (continued)

#### *Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend was (1.99%) in fiscal year 2023, increasing to 13.80% 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 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% 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%.

*The following represents sensitivity of the total non-employer OPEB liability to changes in the discount rate and healthcare cost trend rate*

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2023 calculated using a discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	At 1% Decrease (2.65%)	At Current Discount Rate (3.65%)	At 1% Increase (4.65%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 322,124,310	\$ 283,303,153	\$ 244,105,432

*The following represents sensitivity of the Total Non-employer OPEB liability associated with the District to changes in the discount rate and healthcare cost trend rate*

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2023 calculated using a healthcare cost trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	At 1% Decrease	Healthcare cost trend rate	At 1% Increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 235,185,294	\$ 283,303,153	\$ 346,265,495

#### *OPEB Expense and Deferred Outflows of resources and Deferred Inflows of Resources Related to OPEB*

For the year ended June 30, 2024, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$7,973,096 for OPEB expenses incurred by the State.

Parsippany-Troy Hills School District  
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

**7. Post-Retirement Benefits (continued)**

Collective balances of the Education Group at June 30, 2023 are as follows:

Deferred outflows of resources	\$ 17,347,811,894
Deferred inflows of resources	\$ 30,503,688,706
Collective OPEB expense	\$ 1,389,124,126
 District's proportion	 0.54%

*Special Funding Situation*

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

***Parsippany-Troy Hills School District's Post-Retirement Health Plan***

*Plan Description*

The District provides postemployment medical benefits, including prescription drug coverage, and vision and dental care, in accordance with state statute to certain participating retirees and their beneficiaries. As of June 30, 2024, the valuation date, approximately 4 retirees and 4 decedents (of surviving spouses) meet the eligibility requirements put forth in P.L. 1992, c126. The District sponsors and participates in a single-employer defined benefit OPEB plan. The OPEB plan is administered by the District and does not issue a stand-alone financial statement.

Individuals with a minimum of twenty years of service with the District and less than twenty-five years of service with the state of New Jersey are eligible for subsidized medical coverage. A minimum of twenty years of service is required for subsidized dental coverage with no migration to the state plan if exceeding twenty-five years of service. The plan is closed to new entrants.

The obligations of the plan members and the District are established by action of the District pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and members vary depending on the applicable agreement.

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 7. Post-Retirement Benefits (continued)

#### Annual OPEB Cost and Net OPEB Obligation

##### *Actuarial assumptions and other inputs*

The total OPEB liability of \$379,006 was reported in the June 30, 2024 actuarial valuation prepared by the District's actuary, Milliman, which was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate 4.21%

##### Healthcare cost trend rates

	Medical	Pharmacy	Vision	Dental
Year 1	4.700%	5.200%	3.000%	3.500%
Year 2	4.800%	4.800%	3.000%	3.500%
Year 3	4.700%	4.700%	3.000%	3.000%
Year 4	4.600%	4.600%	3.000%	3.000%
Year 5	4.500%	4.500%	3.000%	3.000%
Year 6	4.400%	4.400%	3.000%	3.000%
Year 7	4.300%	4.300%	3.000%	3.000%
Year 8	4.200%	4.200%	3.000%	3.000%
Year 9	4.200%	4.200%	3.000%	3.000%
Year 10+	4.200%	4.200%	3.000%	3.000%

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2023 through June 30, 2024.

Changes in the total OPEB liability:

	Total OPEB Liability
Beginning OPEB Liability, July 1, 2023	\$ 374,552
Changes for the year:	
Service cost	178,681
Interest cost	20,520
Effect of economic/demographic gains or losses	(78,479)
Employer contributions	(113,910)
Changes in assumptions or other inputs	(2,358)
Net changes	4,454
Ending OPEB Liability, June 30, 2024	\$ 379,006

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 7. Post-Retirement Benefits – (continued)

For the year ended June 30, 2024, the District recognized OPEB expense of \$118,365.

*Sensitivity of the total OPEB liability to changes in the discount rate.*

The following presents the total OPEB liability of the District for school board retirees, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage - point lower (3.21%) or 1-percentage-point higher (5.21%) than the current discount rate:

	At 1% Decrease	At Current Discount Rate	At 1% Increase
Net OPEB liability associated with the District	\$ 411,888	\$ 379,006	\$ 349,340

*Sensitivity of the total OPEB liability to changes in the healthcare trend rates.*

The following presents the total OPEB liability of the District for school board retirees, as well as what the District's total OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage -point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease	At Current Healthcare Trend Rate	At 1% Increase
Net OPEB liability associated with the District	\$ 305,100	\$ 379,006	\$ 438,889

### 8. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2024 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 229,034	
Special Revenue Fund		\$ 229,034
	<u>\$ 229,034</u>	<u>\$ 229,034</u>

The interfund between the general fund and the special revenue fund represents allocations of internally pooled cash from the general fund to liquidate a pooled cash deficit. All interfunds are expected to be liquidated within one year.

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### **9. Economic Dependency**

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, would have an effect on the District's programs and activities.

### **10. Contingent Liabilities**

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2024 may be impaired. As a result of the impact of COVID-19, the District has received funding under the American Rescue Plan Act (ARP), Elementary and Secondary School Emergency Relief (ESSER) Fund and the Coronavirus Relief Fund (CRF). To the extent that the District has not complied with the rules and regulations governing the ARP, ESSER and CRF funds, money may be required to be returned. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations or final eligible cost requirements governing the respective grants or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board.

### **11. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District obtains its health and dental coverage through Aetna Life Insurance Company.

#### **Property and Liability Insurance**

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds and does not retain risk of loss. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverages over the past three years. A complete schedule of insurance coverage can be found in the statistical section of this report.

The District is a member of the Pooled Insurance Program of New Jersey (the "Fund"). The public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. However, the District receives only workers' compensation coverage from the Fund. The Fund is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 11. Risk Management (continued)

As a member of this Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body. In accordance with Statement No. 10 of the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

Financial statements for the Fund are available at the Fund's Executive Director's Office:

The Burton Agency  
44 Bergen Street  
P.O. Box 270  
Westwood, New Jersey 07675  
(201) 664-0310

### New Jersey Unemployment Compensation Insurance

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

### 12. Deferred Compensation Plans

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

#### 403(b) Plan Administrators

ASP  
AXA Equitable  
Great West Insurance Company  
Lincoln Investment Planning  
Lincoln Financial Advisors  
Metropolitan Insurance Company  
Security Benefit/NEA Value Builder  
Travelers Insurance

#### 457 Plan Administrators

AXA Equitable  
Great West Insurance Company  
Lincoln Investment Planning  
Lincoln Financial Advisors  
Metropolitan Insurance Company  
Security Benefit/NEA Value Builder  
ASP

# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 13. Capital Reserve Account

A capital reserve account was established by the District by inclusion of \$150,000 on July 1, 1996 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, 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 (June 1 to June 30) 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. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning balance July 1, 2023	\$ 6,029,845
Withdrawals:	
Capital Outlay – Withdrawal	(280,906)
Increased by Deposits:	
Interest earned on capital reserve funds	115,617
Board resolution - June 2024	<u>2,165,289</u>
Ending balance, June 30, 2024	<u><u>\$ 8,029,845</u></u>

The balance in the capital reserve at June 30, 2024 did not exceed the balance of the local support costs of uncompleted capital projects in the District's approved LRFP. The withdrawals from the capital reserve account are for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan. The District did not budget any of its capital reserve funds in the 2024-2025 approved budget.

### 14. Commitments

The District has contractual commitments at June 30, 2024 to various vendors, for which \$3,007,619 is recorded in the general fund as fund balance assigned to other purposes.

### 15. 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. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential 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



# Parsippany-Troy Hills School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 15. Tax Abatements (continued)

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 a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provision at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

Parsippany Troy-Hills Township provides for long-term tax exemptions, as authorized by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by Parsippany Troy-Hills Township are for affordable housing projects and other permitted purposes. Taxes abated include municipal, local school, and county taxes.

Parsippany Troy-Hills Township recognized revenue of \$730,950 from the annual service charge in lieu of payment of taxes in 2023 and taxes in 2023 that otherwise would have been due on these long-term tax exemptions amount to \$1,150,166, based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$419,216 abatement would have been allocated to the District.

### 16. Net Position – Net Investment in Capital Assets

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$39,776,307 indicated as part of the Governmental Activities net position is calculated as follows:

Capital assets, net of depreciation	\$ 66,669,875
Bonds payable (used to build or acquire capital assets)	(16,545,000)
Unamortized premium	(1,483,583)
Financed purchases payable	(9,453,540)
Deferred loss on defeasance of debt	588,555
Total net investment in capital assets	<u>\$ 39,776,307</u>

Parsippany-Troy Hills School District  
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

**17. Transfers**

The following presents a reconciliation of transfers during the 2024 fiscal year:

	<b>Transfer In</b>	<b>Transfer Out</b>
General Fund		\$ 280,906
Capital Projects Fund	\$ 280,906	
	<u>\$ 280,906</u>	<u>\$ 280,906</u>

The District transferred \$280,906 from the general fund to the capital projects fund. The transfer was made to record the capital reserve funding for the ROD Grant project.

## Required Supplementary Information Part II

Parsippany-Troy Hills School District  
Required Supplementary Information  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Public Employees' Retirement System

Last Ten Fiscal Years

	Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the net pension liability (asset) - Local Group	0.2189206180%	0.2208325889%	0.1933744507%	0.1896270394%	0.1835884600%	0.1788035654%	0.1789417964%	0.1804179598%	0.1757471533%	0.1715760741%
District's proportionate share of the net pension liability (asset)	\$ 40,987,927	\$ 49,572,491	\$ 57,271,966	\$ 44,142,144	\$ 36,147,652	\$ 32,217,690	\$ 29,180,727	\$ 21,373,212	\$ 26,522,665	\$ 24,851,720
District's covered-employee payroll	\$ 14,655,575	\$ 12,967,062	\$ 13,169,259	\$ 12,723,692	\$ 12,861,862	\$ 12,804,059	\$ 13,159,982	\$ 13,121,529	\$ 13,035,759	\$ 13,251,451
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	279.67%	382.30%	434.89%	346.93%	281.05%	251.62%	221.74%	162.89%	203.46%	187.54%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%

N/A - Information not available

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

See accompanying notes to required supplementary information.

Parsippany-Troy Hills School District  
Required Supplementary Information  
Schedule of District Contributions  
Public Employees' Retirement System

Last Ten Fiscal Years

	Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 1,804,750	\$ 1,898,568	\$ 1,723,915	\$ 1,756,692	\$ 1,826,112	\$ 1,739,241	\$ 1,957,535	\$ 2,112,904	\$ 2,216,256	\$ 2,293,163
Contributions in relation to the contractually required contribution	(1,804,750)	(1,898,568)	(1,723,915)	(1,756,692)	(1,826,112)	(1,739,241)	(1,957,535)	(2,112,904)	(2,216,256)	(2,293,163)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 12,967,062	\$ 13,169,259	\$ 12,723,692	\$ 12,861,862	\$ 12,804,059	\$ 13,159,982	\$ 13,121,529	\$ 13,035,759	\$ 13,251,451	\$ 13,237,625
Contributions as a percentage of covered-employee payroll	13.92%	14.42%	13.55%	13.66%	14.26%	13.22%	14.92%	16.21%	16.72%	17.32%

See accompanying notes to required supplementary

Parsippany-Troy Hills School District  
Required Supplementary Information  
Schedule of the State's Proportionate Share of the Net Pension Liability Associated With the District  
Teachers' Pension and Annuity Fund

Last Ten Fiscal Years

	Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.5599059555%	0.5602804165%	0.5602500664%	0.5609716107%	0.5665721794%	0.5750621563%	0.5688591159%	0.5715202327%	0.5797773456%	0.5815718502%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 299,251,510	\$ 354,121,149	\$ 440,728,374	\$ 378,227,288	\$ 360,441,051	\$ 352,921,073	\$ 374,586,883	\$ 274,759,430	\$ 299,132,734	\$ 296,791,641
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 299,251,510</u>	<u>\$ 354,121,149</u>	<u>\$ 440,728,374</u>	<u>\$ 378,227,288</u>	<u>\$ 360,441,051</u>	<u>\$ 352,921,073</u>	<u>\$ 374,586,883</u>	<u>\$ 274,759,430</u>	<u>\$ 299,132,734</u>	<u>\$ 296,791,641</u>
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%

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

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make a contribution to this plan.

See accompanying notes to required supplementary information.

Parsippany-Troy Hills School District  
Required Supplementary Information  
Schedule of the State's Proportionate Share of the Net OPEB Liability  
Associated with the District and Changes in the Total OPEB Liability and Related Ratios  
Public Employee's Retirement System and Teachers' Pension and Annuity Fund

	Last Ten Fiscal Years*							
	2024	2023	2022	2021	2020	2019	2018	2017
State's proportion of the net OPEB liability (asset) associated with the District	0.5410506627%	0.5407425691%	0.5375072808%	0.5349135718%	0.5335306228%	0.5355589176%	0.5288999877%	0.5330000091%
District's proportionate share of the net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	\$ 283,303,153	\$ 273,866,985	\$ 322,545,493	\$ 362,724,693	\$ 222,637,426	\$ 246,950,678	\$ 283,701,117	\$ 306,508,509
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 283,303,153</u>	<u>\$ 273,866,985</u>	<u>\$ 322,545,493</u>	<u>\$ 362,724,693</u>	<u>\$ 222,637,426</u>	<u>\$ 246,950,678</u>	<u>\$ 283,701,117</u>	<u>\$ 306,508,509</u>
Plan fiduciary net position as a percentage of the total OPEB liability -	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
<b>Total OPEB Liability</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017**</b>
Service cost	\$ 11,375,686	\$ 14,408,007	\$ 16,398,877	\$ 9,158,125	\$ 9,005,130	\$ 10,160,921	\$ 12,280,607	
Interest cost	9,977,591	7,257,777	8,367,170	8,006,607	9,778,384	10,407,149	8,995,933	
Changes of benefit terms			(343,310)	-	-	-	-	
Differences between expected and actual experiences	(4,966,127)	10,081,399	(58,543,074)	62,788,537	(39,784,581)	(22,604,544)	-	
Changes of assumptions	571,022	(73,467,276)	318,216	66,257,337	3,319,542	(28,338,825)	(37,754,777)	
Member contributions	255,690	230,628	213,907	191,399	202,588	228,233	241,965	
Gross benefit payments	(7,777,694)	(7,189,043)	(6,590,986)	(6,314,748)	(6,834,305)	(6,603,373)	(6,571,120)	
Net change in total OPEB liability	9,436,168	(48,678,508)	(40,179,200)	140,087,257	(24,313,242)	(36,750,439)	(22,807,392)	
Total OPEB liability - beginning	<u>273,866,985</u>	<u>322,545,493</u>	<u>362,724,693</u>	<u>222,637,436</u>	<u>246,950,678</u>	<u>283,701,117</u>	<u>306,508,509</u>	
Total OPEB liability - ending	<u>\$ 283,303,153</u>	<u>\$ 273,866,985</u>	<u>\$ 322,545,493</u>	<u>\$ 362,724,693</u>	<u>\$ 222,637,436</u>	<u>\$ 246,950,678</u>	<u>\$ 283,701,117</u>	
Covered-employee payroll	<u>\$ 86,801,168</u>	<u>\$ 85,397,643</u>	<u>\$ 81,322,577</u>	<u>\$ 79,754,909</u>	<u>\$ 77,645,298</u>	<u>\$ 74,397,517</u>	<u>\$ 72,197,978</u>	
Total OPEB liability as a percentage of covered-employee payroll	<u>326.38%</u>	<u>320.70%</u>	<u>396.62%</u>	<u>454.80%</u>	<u>286.74%</u>	<u>331.93%</u>	<u>392.95%</u>	

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the schedule will show information for those years for which data is available.

\*\* Information not available

See accompanying notes to required supplementary information.

Parsippany-Troy Hills School District  
Required Supplementary Information  
Schedule of the Changes in Net OPEB Liability  
District's Plan

	Last Ten Fiscal Years*						
	2024	2023	2022	2021	2020	2019	2018
Balance, Beginning of Year	\$ 374,552	\$ 363,937	\$ 433,255	\$ 435,304	\$ 424,084	\$ 390,738	\$ 2,321,680
Changes for the year:							
Service Cost	178,681	178,681	178,681	178,681	178,681	178,681	178,681
Interest	20,520	19,980	11,557	12,494	12,069	14,419	51,648
Effect of economic/demographic gains or losses	(78,479)	(77,491)	(48,739)	(62,154)	(33,658)	(32,613)	(1,957,042)
Employer contributions	(113,910)	(109,334)	(139,450)	(137,605)	(152,306)	(152,307)	(164,911)
Changes in assumptions or other inputs	(2,358)	(1,221)	(71,367)	6,535	6,434	25,166	(39,318)
Net changes	4,454	10,615	(69,318)	(2,049)	11,220	33,346	(1,930,942)
Balance, End of Year	\$ 379,006	\$ 374,552	\$ 363,937	\$ 433,255	\$ 435,304	\$ 424,084	\$ 390,738
Total OPEB Liability	\$ 379,006	\$ 374,552	\$ 363,937	\$ 433,255	\$ 435,304	\$ 424,084	\$ 390,738
OPEB plan's fiduciary net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability	\$ 379,006	\$ 374,552	\$ 363,937	\$ 433,255	\$ 435,304	\$ 424,084	\$ 390,738
Plan fiduciary net position as a percentage of the total OPEB liability -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability as a percentage of covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

\* This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available.

See accompanying notes to required supplementary information.



Parsippany-Troy Hills School District

Notes to Required Supplementary Information  
Year Ended June 30, 2024

**PENSION**

**A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

Benefit Changes

There were none.

Changes of Assumptions

There were none.

**B. TEACHERS PENSION AND ANNUITY FUND**

Benefit Changes

There were none.

Changes of Assumptions

There were none.

**OTHER POST EMPLOYMENT BENEFITS**

**A. Parsippany-Troy Hills Post-Employment Retirement Plan**

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.13% as of June 30, 2023 to 4.21% as of June 30, 2024.

**B. State of New Jersey Post-Employment Retirement Plan – PERS and TPAF**

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023.

Required Supplementary Information  
Part III

Budgetary Comparison Schedules

Parsippany-Troy Hills School District  
General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 151,422,993		\$ 151,422,993	\$ 151,422,993	
Tuition from individuals	226,000		226,000	290,261	\$ 64,261
Tuition				40,595	40,595
Interest	5,000		5,000	523,174	518,174
Interest on capital reserve funds	1,000		1,000	115,617	114,617
Rents and Royalties	50,000		50,000	33,258	(16,742)
Miscellaneous	544,000		544,000	247,756	(296,244)
Total revenues - local sources	152,248,993		152,248,993	152,673,654	424,661
State sources:					
Special education categorical aid	7,763,006		7,763,006	7,763,006	
Equalization aid	92,029		92,029	92,029	
Security aid	857,373		857,373	857,373	
Extraordinary aid	1,000,000		1,000,000	1,970,003	970,003
Transportation aid	1,880,209		1,880,209	1,880,209	
Additional nonpublic transportation aid				118,833	118,833
On-behalf TPAF post-retirement medical (non-budgeted)				6,926,701	6,926,701
On-behalf TPAF long-term disability contributions (non-budgeted)				8,734	8,734
On-behalf TPAF pension contributions (non-budgeted)				25,450,523	25,450,523
Reimbursed TPAF social security contributions (non-budgeted)				5,235,142	5,235,142
Total - state sources	11,592,617		11,592,617	50,302,553	38,709,936
Federal sources:					
Medicaid reimbursement	69,359		69,359	37,738	(31,621)
Total - Federal sources	69,359		69,359	37,738	(31,621)
<b>Total revenues</b>	<b>163,910,969</b>		<b>163,910,969</b>	<b>203,013,945</b>	<b>39,102,976</b>
<b>Expenditures</b>					
<b>Current Expenditures:</b>					
<b>Instruction - regular programs:</b>					
Salaries of teachers:					
Preschool	177,265		177,265	177,265	
Kindergarten	2,664,677	\$ (248,845)	2,415,832	2,415,832	
Grades 1-5	14,163,178	(440,964)	13,722,214	13,676,700	45,514
Grades 6-8	11,401,338	(90,228)	11,311,110	11,311,110	
Grades 9-12	14,279,160	366,672	14,645,832	14,643,398	2,434
<b>Home Instruction:</b>					
Salaries of teachers	20,000	40,407	60,407	53,847	6,560
Purchased professional - educational services	30,000	28,323	58,323	55,739	2,584
<b>Undistributed Instruction:</b>					
Purchased professional - educational services	1,172,281	338,827	1,511,108	1,500,336	10,772
Purchased technical services	49,700	(18,306)	31,394	29,680	1,714
Other purchased services	252,701	(12,460)	240,241	190,722	49,519
General supplies	1,108,618	(132,638)	975,980	809,194	166,786
Textbooks	389,021	452,791	841,812	840,477	1,335
Other objects	13,602	13,185	26,787	26,147	640
Total instruction - regular programs	45,721,541	296,764	46,018,305	45,730,447	287,858
<b>Special Education: Learning / Language Disabilities:</b>					
Salaries of teachers	713,675	35,689	749,364	749,364	
Other salaries for instruction	268,740	(14,923)	253,817	253,817	
Purchased professional - educational services	40,000	(21,772)	18,228	17,709	519
Purchased technical services		1,440	1,440	1,440	
General supplies	8,120	(3,682)	4,438	3,678	760
Textbooks	4,500	5,242	9,742	9,742	
Total learning/language disabilities	1,035,035	1,994	1,037,029	1,035,750	1,279

Parsippany-Troy Hills School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)  
Year ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
<b>Special Education - Emotional Regulation Impairment:</b>					
Salaries of teachers	\$ 174,505		\$ 174,505	\$ 174,505	
Other salaries for instruction	58,570	\$ 56,674	115,244	115,244	
Purchased professional - educational services	1,000	1,402	2,402	2,402	
Purchased technical services	2,400	91	2,491	2,491	
Other services		5,487	5,487	5,487	
General supplies	10,575	(6,604)	3,971	1,877	\$ 2,094
Total emotional regulation impairment	247,050	57,050	304,100	302,006	2,094
<b>Special Education - Multiple Disabilities:</b>					
Salaries of teachers	1,548,467	442,701	1,991,168	1,991,168	
Other salaries for instruction	479,487	265,428	744,915	744,915	
Purchased professional - educational services	17,000	44,754	61,754	61,754	
Purchased technical services	6,500	101	6,601	6,561	40
Other services	1,000	6,199	7,199	6,899	300
General supplies	36,190	(6,294)	29,896	25,812	4,084
Textbooks	7,400	(5,650)	1,750		1,750
Other objects		150	150		150
Total multiple disabilities	2,096,044	747,389	2,843,433	2,837,109	6,324
<b>Resource Room/Center:</b>					
Salaries of teachers	7,607,070	(31,643)	7,575,427	7,575,427	
Other Salaries for Instruction	129,360	32,257	161,617	161,617	
Purchased professional - educational services	50,000	42,248	92,248	92,248	
General supplies	41,600	(14,243)	27,357	22,135	5,222
Textbooks	1,000		1,000		1,000
Total resource room/center	7,829,030	28,619	7,857,649	7,851,427	6,222
<b>Special Education - Autism:</b>					
Salaries of teachers	570,165	(570,165)			
Other salaries for instruction	245,500	(235,269)	10,231	8,769	1,462
Purchased professional - educational services	10,000	(1,352)	8,648	8,098	550
General supplies	3,575	(2,860)	715	478	237
Total autism	829,240	(809,646)	19,594	17,345	2,249
<b>Special Education - Preschool Disabilities - Full Time:</b>					
Salaries of teachers	1,184,452	570	1,185,022	1,182,973	2,049
Other salaries of instruction	128,990	3,700	132,690	129,395	3,295
Purchased professional - educational services	18,000	(9,339)	8,661	8,313	348
Purchased technical services		4,486	4,486	4,486	
General supplies	18,010	(6,847)	11,163	8,261	2,902
Total preschool disabilities - full time	1,349,452	(7,430)	1,342,022	1,333,428	8,594
<b>Total Special Education - Instruction</b>	<b>13,385,851</b>	<b>17,976</b>	<b>13,403,827</b>	<b>13,377,065</b>	<b>26,762</b>
<b>Basic Skills/Remedial Instruction:</b>					
Salaries of teachers	2,311,504	84,030	2,395,534	2,395,534	
Purchased professional - educational services	9,000	(8,230)	770	770	
General supplies	1,000	4	1,004	969	35
Total basic skills/remedial instruction	2,321,504	75,804	2,397,308	2,397,273	35
<b>Bilingual Education - Instruction:</b>					
Salaries of teachers	1,558,392	(37,370)	1,521,022	1,517,779	3,243
Purchased professional - educational services	7,000	17,148	24,148	21,934	2,214
Purchased technical services		360	360		360
General supplies	2,988		2,988	2,344	644
Total bilingual education - instruction	1,568,380	(19,862)	1,548,518	1,542,057	6,461
<b>Vocational Programs - Local - Instruction:</b>					
Salaries of teachers	134,670	(30,023)	104,647	104,647	
Other purchased services	1,300	(650)	650		650
General supplies	19,150	(4,157)	14,993	13,072	1,921
Total vocational programs - local- instruction	155,120	(34,830)	120,290	117,719	2,571
<b>School-Sponsored Cocurricular Activities:</b>					
Salaries	518,976	(24,665)	494,311	468,145	26,166
Purchased services	9,640	(599)	9,041	4,335	4,706
Supplies and materials	32,930	(14,728)	18,202	8,751	9,451
Other objects	88,990	25,835	114,825	105,820	9,005
Total school-sponsored cocurricular activities	650,536	(14,157)	636,379	587,051	49,328

Parsippany-Troy Hills School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)  
Year ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
<b>School-Sponsored Athletics - Instruction:</b>					
Salaries	\$ 1,413,397	\$ (40,533)	\$ 1,372,864	\$ 1,372,864	
Purchased services	126,030	23,805	149,835	132,362	\$ 17,473
Supplies and materials	254,260	(8,867)	245,393	238,695	6,698
Other objects	117,670	2,568	120,238	115,695	4,543
Transfers to cover deficit (Agency funds)	100,000	10,000	110,000	87,205	22,795
Total school-sponsored athletics - instruction	2,011,357	(13,027)	1,998,330	1,946,821	51,509
Total Instruction	65,814,289	308,668	66,122,957	65,698,433	424,524
<b>Undistributed Instruction:</b>					
Tuition to other LEAs within the state-regular	17,091	(17,091)			
Tuition to other LEAs within the state-special	1,051,564		1,051,564	930,287	121,277
Tuition to county voc. school dist.-regular	4,055,334	(292,821)	3,762,513	3,725,719	36,794
Tuition to county voc. school dist.-special	7,427	3,750	11,177	11,177	
Tuition to CSSD and regional day schools	221,931	55,488	277,419	233,582	43,837
Tuition to private school for the disabled - within state	4,729,725	(674,068)	4,055,657	3,882,325	173,332
Total undistributed instruction	10,083,072	(924,742)	9,158,330	8,783,090	375,240
<b>Attendance and Social Work:</b>					
Salaries	114,800	1,875	116,675	116,675	
Total attendance and social work	114,800	1,875	116,675	116,675	
<b>Health Services:</b>					
Salaries	1,456,139	(11,987)	1,444,152	1,443,493	659
Purchased professional and technical services	82,000	12,500	94,500	89,710	4,790
Other purchased services	5,500		5,500	2,340	3,160
Supplies and materials	27,100	(3,407)	23,693	17,641	6,052
Other objects	9,500		9,500	3,108	6,392
Total health services	1,580,239	(2,894)	1,577,345	1,556,292	21,053
<b>Other Support Services-Speech, OT, PT &amp; Related Services:</b>					
Salaries	3,667,846	(35,663)	3,632,183	3,632,183	
Purchased professional - educational services	526,000	(100,079)	425,921	425,921	
Supplies and materials	53,800	(18,579)	35,221	33,419	1,802
Total other support services-speech, OT, PT & related services	4,247,646	(154,321)	4,093,325	4,091,523	1,802

Parsippany-Troy Hills School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)  
Year ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
<b>Current expenditures (continued):</b>					
<b>Undistributed Expenditures (continued):</b>					
<b>Other support services - students - extra services:</b>					
Salaries	\$ 5,680,817	\$ (325,979)	\$ 5,354,838	\$ 5,343,177	\$ 11,661
Purchased professional - educational services	200,000	491,494	691,494	691,494	
Total other support services - students - extra services	5,880,817	165,515	6,046,332	6,034,671	11,661
<b>Guidance:</b>					
Salaries of other professional staff	2,831,239	101,070	2,932,309	2,930,558	1,751
Salaries of secretarial and clerical assistants	332,292	10,426	342,718	342,718	
Purchased professional - educational services	35,000	(2,000)	33,000	30,730	2,270
Supplies and materials	5,140		5,140	3,464	1,676
Total guidance	3,203,671	109,496	3,313,167	3,307,470	5,697
<b>Child Study Teams:</b>					
Salaries of other professional staff	3,578,035	(184,973)	3,393,062	3,393,020	42
Purchased Professional - Educational Services	70,000	(27,890)	42,110	36,841	5,269
Other purchased services	30,479		30,479	30,479	
Miscellaneous purchased services	116,000	182,714	298,714	250,281	48,433
Supplies and materials	26,000		26,000	16,305	9,695
Other objects	3,300		3,300	2,295	1,005
Total child study teams	3,823,814	(30,149)	3,793,665	3,729,221	64,444
<b>Improvement of Instructional Services:</b>					
Salaries of supervisor of instruction	1,594,454	(24,944)	1,569,510	1,567,461	2,049
Sal of secr & clerical assist.	474,649	(17,265)	457,384	457,384	
Purchased professional educational services	4,000	(3,500)	500		500
Other purchased services	25,000	1,629	26,629	24,940	1,689
Supplies & materials	6,500	1,290	7,790	5,821	1,969
Other objects	29,100		29,100	25,946	3,154
Total improvement of instructional services	2,133,703	(42,790)	2,090,913	2,081,552	9,361
<b>Educational Media Services/School Library:</b>					
Salaries	1,703,859	(23,417)	1,680,442	1,679,790	652
Purchased professional and technical services	76,652	6,892	83,544	77,739	5,805
Other purchased services	1,200		1,200		1,200
Supplies and materials	161,310	(14,973)	146,337	129,489	16,848
Other objects	650	230	880	880	
Total educational media services/school library	1,943,671	(31,268)	1,912,403	1,887,898	24,505

Parsippany-Troy Hills School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)  
Year ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
<b>Instructional Staff Training Services:</b>					
Salaries of other professional staff	\$ 60,924		\$ 60,924	\$ 58,359	\$ 2,565
Purchased professional - educational services	78,450	\$ (36,324)	42,126	40,876	1,250
Other purchased services	73,890	(18,748)	55,142	17,219	37,923
Supplies and materials	5,500	38	5,538	1,798	3,740
Other objects	4,500		4,500	4,000	500
Total instructional staff training services	223,264	(55,034)	168,230	122,252	45,978
<b>Support Services-General Administration:</b>					
Salaries	703,300		703,300	703,127	173
Legal Services	235,000	10,000	245,000	176,512	68,488
Audit Fees	89,355	87,600	176,955	87,600	89,355
Communications / telephone	391,361		391,361		391,361
BOE other purchased services	11,500		11,500	5,547	5,953
Other purchased services	2,695	16,530	19,225	2,725	16,500
General supplies	6,000	(1,975)	4,025	1,107	2,918
BOE in-house training/meeting supplies	35,000	(2,613)	32,387	11,381	21,006
Judgments against the school district	150,000	(21,500)	128,500	92,214	36,286
Miscellaneous expenditures	6,200	3,500	9,700	9,017	683
BOE membership and dues	27,000	195	27,195	27,195	
Total support services-general administration	1,657,411	91,737	1,749,148	1,116,425	632,723
<b>Support Services-School Administration:</b>					
Salaries of principals/assistant principals	3,561,767	(27,139)	3,534,628	3,531,254	3,374
Salaries of other professional staff	366,312	4,077	370,389	370,389	
Salaries of secretarial and clerical assistants	1,448,718	35,807	1,484,525	1,481,014	3,511
Purchased professional and technical services	33,000	(23,855)	9,145	9,145	
Other purchased services	53,500	(5,095)	48,405	17,561	30,844
Supplies and materials	33,883	(1,678)	32,205	25,219	6,986
Other objects	43,000		43,000	33,003	9,997
Total support services-school administration	5,540,180	(17,883)	5,522,297	5,467,585	54,712
<b>Support Services - Central Services:</b>					
Salaries	1,587,223	(54,904)	1,532,319	1,532,319	
Purchased professional services	44,007	22,796	66,803	63,822	2,981
Purchased technical services	8,620	805	9,425	9,081	344
Miscellaneous purchased services	251,935	(7,700)	244,235	239,113	5,122
Supplies and materials	23,675	(2,255)	21,420	11,358	10,062
Interest on lease purchase agreements	50,128	(20,002)	30,126	30,126	
Other objects	19,209	554	19,763	19,311	452
Total support services-central services	1,984,797	(60,706)	1,924,091	1,905,130	18,961
<b>Support Services - Administration Information Technology:</b>					
Salaries	1,348,915	(12,663)	1,336,252	1,336,252	
Purchased professional services	714,631	(50,000)	664,631	540,541	124,090
Purchased technical services	18,000		18,000	14,554	3,446
Other purchased services	321,103		321,103	299,828	21,275
Supplies and materials	32,700		32,700	19,722	12,978
Other objects	10,850		10,850	10,292	558
Total support services-administration information technology	2,446,199	(62,663)	2,383,536	2,221,189	162,347
<b>Required Maintenance for School Facilities:</b>					
Salaries	2,012,375	(94,220)	1,918,155	1,918,155	
Cleaning, repair and maintenance services	586,179	288,742	874,921	783,414	91,507
General supplies	293,829	72,676	366,505	352,797	13,708
Other objects	57,290	(20,465)	36,825	36,825	
Total required maintenance for school facilities	2,949,673	246,733	3,196,406	3,091,191	105,215

Parsippany-Troy Hills School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
<b>Custodial Services:</b>					
Salaries	\$4,023,440	\$ (189,803)	\$ 3,833,637	\$ 3,833,637	
Salaries of non-instructional aides	1,055,851	(110,500)	945,351	944,498	\$ 853
Purchased professional and technical services	20,000	70,971	90,971	90,969	2
Cleaning, repair and maintenance services	22,000	(16,153)	5,847	5,719	128
Other purchased property services	300,000	87,500	387,500	349,083	38,417
Insurance	1,203,798	5,524	1,209,322	1,209,322	
General supplies	385,771	(97,825)	287,946	287,946	
Energy (electricity, oil, and gas)	1,915,000	84,861	1,999,861	1,965,357	34,504
Interest - energy savings improvement program	150,765		150,765	150,765	
Principal - energy savings improvement program	654,925		654,925	654,925	
Total custodial services	9,731,550	(165,425)	9,566,125	9,492,221	73,904
<b>Care and Upkeep of Grounds:</b>					
Purchased professional and technical services	206,250	(31,528)	174,722	174,422	300
General supplies	44,000	13,659	57,659	50,159	7,500
Total care and upkeep of grounds	250,250	(17,869)	232,381	224,581	7,800
<b>Security:</b>					
Salaries	241,089	19,950	261,039	261,039	
Purchased professional and technical services	373,400	11,100	384,500	384,500	
Cleaning, repair and maintenance services	9,865	1,707	11,572	11,572	
General Supplies	39,850	17,143	56,993	40,970	16,023
Total security	664,204	49,900	714,104	698,081	16,023
Total operation of plant	13,595,677	113,339	13,709,016	13,506,074	202,942
<b>Total Undist. Expenditures</b>	<b>58,458,961</b>	<b>(900,488)</b>	<b>57,558,473</b>	<b>55,927,047</b>	<b>1,631,426</b>
<b>Student Transportation Services:</b>					
Salaries of non-instructional aides	446,508	86,017	532,525	532,525	
Salaries for pupil transportation:					
Between home and school - regular	231,086	17,361	248,447	248,447	
Between home and school - special	1,103,279	523,139	1,626,418	1,626,418	
Other purchased professional and technical services	18,270	(1,000)	17,270	14,658	2,612
Cleaning repair and maintenance services	255,500	(42,516)	212,984	169,508	43,476
Contr serv (bet. Home & Sch) - vendors	4,639,840	37,323	4,677,163	4,676,712	451
Contr serv (oth than bet. Home & Sch) - vendors	193,700	(188,710)	4,990	4,990	
Contract. Serv. (sp ed stds) - vendors	7,850	2,345	10,195	8,288	1,907
Contract. Serv. (reg. students) - ESCs & CTSAs	200,000	7,162	207,162	207,162	
Contract. Serv. (spl. Ed. Students) - ECSs & CTSAs	2,100,000	773,159	2,873,159	2,868,400	4,759
Contract. Serv. - aid in lieu pymts -non pub sch	325,000	31,000	356,000	353,037	2,963
General supplies	8,900	1,675	10,575	10,336	239
Other Objects	5,750	(1,525)	4,225	3,805	420
Total student transportation services	9,535,683	1,245,430	10,781,113	10,724,286	56,827



Parsippany-Troy Hills School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)  
Year ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
<b>Unallocated Benefits - Employee Benefits:</b>					
Group Insurance	\$ 72,735	\$ (970)	\$ 71,765	\$ 71,765	
Social security contributions	2,020,000	169,694	2,189,694	2,189,694	
Other retirement contributions - PERS	2,337,937	(44,774)	2,293,163	2,293,163	
Other retirement contributions - regular	207,813	12,981	220,794	220,794	
Workers' compensation	546,940	66,824	613,764	613,764	
Health benefits	23,122,413	(594,621)	22,527,792	22,520,722	\$ 7,070
Tuition reimbursement	425,000	(1,600)	423,400	146,108	277,292
Other employee benefits	997,484		997,484	981,045	16,439
Total unallocated benefits	29,730,322	(392,466)	29,337,856	29,037,055	300,801
<b>On-Behalf Contributions</b>					
On-behalf TPAF Pension Contribution (non-budgeted)				25,450,523	(25,450,523)
On-behalf TPAF Post Retirement Medical contributions (non-budgeted)				6,926,701	(6,926,701)
On-behalf TPAF Long-term Disability Contributions (non-budgeted)				8,734	(8,734)
Reimbursed TPAF social security contributions (non-budgeted)				5,235,142	(5,235,142)
Total on-behalf contributions				37,621,100	(37,621,100)
<b>Total Personal Services - Employee Benefits</b>	29,730,322	(392,466)	29,337,856	66,658,155	(37,320,299)
<b>Capital Outlay:</b>					
Interest Deposit to Capital Reserve	1,000	(1,000)			
<b>Equipment:</b>					
Grades 1-5		203,300	203,300	8,550	194,750
Grades 6-8		2,426	2,426	2,426	
Grades 9-12		18,207	18,207	18,107	100
School sponsored and other instructional program	52,378		52,378	28,915	23,463
Undistributed expenditures - admin info tech	536,586	(14,426)	522,160	506,523	15,637
Undistributed expenditures - required maint for school facilities	107,816	61,824	169,640	159,980	9,660
Undistributed expenditures - security	6,731	14,399	21,130	8,309	12,821
School buses - regular		195,264	195,264		195,264
Total equipment	703,511	480,994	1,184,505	732,810	451,695
<b>Facilities Acquisition and Construction Services:</b>					
Architectural/engineering services	822,420	375,534	1,197,954	268,943	929,011
Other purchased services	219,500	(219,500)			
Construction services	8,996,458	4,036,377	13,032,835	5,708,093	7,324,742
Non-budgeted - financed purchases				1,000,000	(1,000,000)
Lease purchase agreements - principal	983,259		983,259	973,107	10,152
Assessment for Debt Service on SDA Funding	46,633		46,633	46,633	
Total facilities and construction services	11,068,270	4,192,411	15,260,681	7,996,776	7,263,905
<b>Total Expenditures - Capital Outlay</b>	11,772,781	4,672,405	16,445,186	8,729,586	7,715,600

Parsippany-Troy Hills School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)  
Year ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Transfer of funds to charter schools	\$ 729,370	\$ 83,162	\$ 812,532	\$ 812,532	
<b>Total Expenditures</b>	176,041,406	5,016,711	181,058,117	208,550,039	\$ (28,491,922)
(Deficiency) excess of revenues (under) over expenditures	(12,130,437)	(5,016,711)	(17,147,148)	(5,536,094)	11,611,054
Other financing sources (uses):					
Assets acquired under financed purchases (non-budgeted)				1,000,000	1,000,000
Capital reserve transfer to capital projects fund		(280,906)	(280,906)	(280,906)	
Total other financing sources (uses)		(280,906)	(280,906)	719,094	1,000,000
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	(12,130,437)	(5,297,617)	(17,428,054)	(4,817,000)	12,611,054
Fund balances, July 1	33,993,117		33,993,117	33,993,117	
Fund balances, June 30	\$ 21,862,680	\$ (5,297,617)	\$ 16,565,063	\$ 29,176,117	\$ 12,611,054
<b>Recapitulation of (deficiency) excess of revenues (under) over expenditures</b>					
Budgeted fund balance	\$ (12,130,437)		\$ (12,130,437)	\$ 480,617	\$ 12,611,054
Adjustment for prior year encumbrances		\$ (5,297,617)	(5,297,617)	(5,297,617)	
Total	\$ (12,130,437)	\$ (5,297,617)	\$ (17,428,054)	\$ (4,817,000)	\$ 12,611,054
<b>Recapitulation of fund balance:</b>					
Capital reserve account - restricted				\$ 8,029,845	
Excess fund balance - current year - restricted				6,631,230	
Prior year - excess fund balance designated for subsequent expenditures - restricted				3,816,284	
Restricted for Unemployment compensation				1,715,833	
Designated for Subsequent Year's Expenditures - assigned				1,482,273	
Year end encumbrances - assigned				3,007,619	
Unassigned				4,493,033	
				29,176,117	
Reconciliation to Governmental Funds statements (GAAP):					
Last state aid payments not recognized on GAAP basis				(1,031,373)	
Fund balance per Governmental Funds (GAAP)				\$ 28,144,744	

**Parsippany-Troy Hills School District  
Special Revenue Fund**

**Required Supplementary Information  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year ended June 30, 2024**

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>Revenues</b>					
State sources	\$ 354,179	\$ 867	\$ 355,046	\$ 297,933	\$ (57,113)
Federal sources	4,504,729		4,504,729	3,500,597	(1,004,132)
Local sources	60,474	(24,332)	36,142	853,696	817,554
Total revenues	<u>4,919,382</u>	<u>(23,465)</u>	<u>4,895,917</u>	<u>4,652,226</u>	<u>(243,691)</u>
<b>Expenditures</b>					
Current expenditures:					
Instruction:					
Salaries of teachers	871,768	(76,342)	795,426	659,074	136,352
Purchased professional services	64,971	1,326	66,297	35,875	30,422
Other purchased services	1,613,738	165	1,613,903	1,498,353	115,550
General supplies	352,817	17,362	370,179	212,647	157,532
Textbooks	14,626		14,626	14,472	154
Other objects	11,800		11,800	2,890	8,910
Total instruction	<u>2,929,720</u>	<u>(57,489)</u>	<u>2,872,231</u>	<u>2,423,311</u>	<u>448,920</u>
Support services:					
Salaries	503,090	(5,104)	497,986	492,445	5,541
Personal services—employee benefits	407,003	47,219	454,222	374,130	80,092
Purchased professional services	599,866		599,866	196,918	402,948
Other purchased professional services	197,816	(1,000)	196,816	98,304	98,512
Supplies and materials	114,735	(7,091)	107,644	83,710	23,934
Student activities				749,397	(749,397)
Scholarships awarded				28,900	(28,900)
Total support services	<u>1,822,510</u>	<u>34,024</u>	<u>1,856,534</u>	<u>2,023,804</u>	<u>(167,270)</u>
Capital outlay:					
Instructional Equipment	167,152		167,152	167,152	
Total capital outlay	<u>167,152</u>		<u>167,152</u>	<u>167,152</u>	
Total expenditures	<u>4,919,382</u>	<u>(23,465)</u>	<u>4,895,917</u>	<u>4,614,267</u>	<u>281,650</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	37,959	<u>\$ (525,341)</u>
Fund Balance, July 1				<u>530,973</u>	
Fund Balance, June 30				<u>\$ 568,932</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 58,539	
Student Activities				510,393	
Total Fund Balance				<u>\$ 568,932</u>	

Parsippany-Troy Hills School District  
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2024

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 203,013,945	\$ 4,652,226
Differences - Budgetary to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior year, net of cancellations		1,311,979
Current year		(593,050)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	885,780	
Current year	(1,031,373)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	<u>\$ 202,868,352</u>	<u>\$ 5,371,155</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 208,550,039	\$ 4,614,267
Differences - Budgetary to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior year, net of cancellations		1,311,979
Current year		(593,050)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 208,550,039</u>	<u>\$ 5,333,196</u>

## Special Revenue Fund

Parsippany-Troy Hills School District  
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures  
Budgetary Basis

Year Ended June 30, 2024

	Nonpublic Aid										I.D.E.A.				
	Textbooks	Nursing	Technology	Supplementary Instruction	Corrective Speech	Compensatory Education	English as a Second Language	Handicapped Services	Security	SDA Emergent Needs and Capital Maintenance	Part B	Preschool	Other Local	Student Activities	Scholarships
Revenues:															
State sources	\$ 14,472	\$ 30,360	\$ 12,385	\$ 8,012	\$ 4,278	\$ 13,936	\$ 366	\$ 11,563	\$ 35,409	\$ 167,152	\$ 1,671,774	\$ 68,572	\$ 37,440	\$ 788,945	\$ 27,311
Federal sources															
Local sources															
Total revenues	14,472	30,360	12,385	8,012	4,278	13,936	366	11,563	35,409	167,152	1,671,774	68,572	37,440	788,945	27,311
Expenditures:															
Instruction:															
Salaries of teachers											118,874				
Purchased professional services				8,012	4,278	13,936	366	9,283			1,293,574	68,572	12,435		
Other purchased services			12,385								75,644		25,005		
General supplies															
Textbooks	14,472										2,890				
Other Objects															
Total instruction	14,472		12,385	8,012	4,278	13,936	366	9,283			1,490,982	68,572	37,440		
Support services:															
Salaries											15,000				
Personal services—employee benefits											10,242				
Purchased professional services		30,360						2,280	35,409		74,697				
Other purchased professional services											24,806				
Supplies and materials											56,047				
Student activity														749,397	
Scholarships															28,900
Total support services		30,360						2,280	35,409		180,792			749,397	28,900
Capital outlay:															
Facilities acquisition and construction services:										167,152					
Construction services										167,152					
Total capital outlay										167,152					
Total expenditures	14,472	30,360	12,385	8,012	4,278	13,936	366	11,563	35,409	167,152	1,671,774	68,572	37,440	749,397	28,900
Excess of Revenues Over Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	39,548	(1,589)
Fund Balance, July 1														470,845	60,128
Fund Balance, June 30	-	-	-	-	-	-	-	-	-	-	-	-	-	510,393	58,539

Parsippany-Troy Hills School District  
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures  
Budgetary Basis

Year Ended June 30, 2024

COVID-19 Education Stabilization Fund														COVID-19 Coronavirus State and Local Fiscal Recovery Funds		
																</

# Capital Projects Fund



Parsippany-Troy Hills School District  
 Capital Projects Fund  
 Summary Schedule of Project Revenues, Expenditures, and  
 Changes in Fund Balance  
 (Budgetary Basis)  
 Year ended June 30, 2024

	<u>Current Year</u>
<b>Revenues and other financing sources</b>	
State sources - ROD Grant	\$ 187,270
Transfer from capital reserve	<u>280,906</u>
Total revenues and other financing sources	<u>468,176</u>
 Excess of revenues over expenditures	 468,176
 Fund Balance, July 1	 <u>-</u>
Fund Balance, June 30	<u><u>\$ 468,176</u></u>
 Reconciliation to Fund Financial Statements:	
Fund balance, June 30, 2024 - budgetary- basis	\$ 468,176
GAAP Basis Revenues not recognized	<u>(187,270)</u>
Fund balance, June 30, 2024 - GAAP Basis	<u><u>\$ 280,906</u></u>

Parsippany-Troy Hills School District  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

ROD Grant - Parsippany Hills High School HVAC Upgrade

From Inception and for the year ended June 30, 2024

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - ROD Grant		\$ 187,270	\$ 187,270	\$ 187,270
Transfer from capital reserve		280,906	280,906	280,906
Total revenues and other financing sources		468,176	468,176	468,176
<b>Expenditures and other financing uses</b>				
Purchased professional and technical services				52,900
Construction services				415,276
Total expenditures and other financing uses				468,176
Excess (deficiency) of revenues over (under) expenditures		\$ 468,176	\$ 468,176	\$ -

**Additional Project Information:**

Project Number	3950-053-23-G5PP
Grant Date	6/10/2024
Bond Authorization	N/A
Bond Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 468,176
Revised Authorized Cost	\$ 468,176
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	0%
Original Target Completion Date	8/31/2025
Revised Target Completion Date	8/31/2025

Long-Term Debt

Parsippany-Troy Hills School District  
Long-Term Debt

Schedule of Serial Bonds Payable

Year Ended June 30, 2024

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2024		Interest Rate	Balance June 30, 2023	Retired	Balance June 30, 2024
			Date	Amount				
2014 Refunding Bonds	4/24/14	\$ 19,715,000	8/15/24	\$ 2,255,000	5.000%			
			8/15/25	2,265,000	5.000%	\$ 6,770,000	\$ 2,250,000	\$ 4,520,000
2015 Refunding Bonds	2/26/15	12,025,000	8/15/26	2,070,000	5.000%			
			8/15/27	2,070,000	5.000%			
			8/15/28	2,070,000	5.000%			
			8/15/29	2,065,000	5.000%			
			8/15/30	2,060,000	5.000%			
			8/15/31	1,690,000	5.000%	12,025,000		12,025,000
						<u>\$ 18,795,000</u>	<u>\$ 2,250,000</u>	<u>\$ 16,545,000</u>

Parsippany-Troy Hills School District  
Long-Term Debt

Schedule of Financed Purchases Payable

Year ended June 30, 2024

<b>Purpose</b>	<b>Interest Rate</b>	<b>Amount of Original Issue</b>	<b>Balance July 1, 2023</b>	<b>Issued</b>	<b>Paid</b>	<b>Balance June 30, 2024</b>
Equipment	2.403%	\$ 359,500	\$ 73,734		\$ 73,734	
Equipment	1.197%	1,000,000	193,526		95,734	\$ 97,792
Energy Savings Improvement Plan	1.785%	9,502,079	8,607,430		654,925	7,952,505
Equipment	0.845%	483,013	161,393		161,393	
Equipment	1.090%	516,987	311,145		102,592	208,553
Equipment	2.898%	574,315	453,927		108,666	345,261
Equipment	2.898%	425,685	280,416		138,205	142,211
Equipment	5.030%	439,682		\$ 439,682	96,772	342,910
Equipment	5.030%	560,318		560,318	196,010	364,308
			<u>\$ 10,081,571</u>	<u>\$ 1,000,000</u>	<u>\$ 1,628,031</u>	<u>\$ 9,453,540</u>

Parsippany-Troy Hills School District  
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local sources:					
Local tax levy	\$ 2,602,602		\$ 2,602,602	\$ 2,602,602	
State sources:					
Debt service aid type II	530,898		530,898	530,898	
Total revenues	<u>3,133,500</u>		<u>3,133,500</u>	<u>3,133,500</u>	
Expenditures:					
Principal on bonds	2,250,000		2,250,000	2,250,000	
Interest on bonds	883,500		883,500	883,500	
Total expenditures	<u>3,133,500</u>		<u>3,133,500</u>	<u>3,133,500</u>	
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# Statistical Section

(Unaudited)

## **Statistical Section**

### **Unaudited**

This part of the 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 condition.

### **Contents**

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **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.

#### **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.

#### **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.

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



Parsippany-Troy Hills School District  
Net Position by Component  
Last Ten Fiscal Years  
*(accrual basis of accounting)*  
Unaudited

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 18,025,158	\$ 22,246,363	\$ 24,712,844	\$ 24,714,210	\$ 25,293,312	\$ 28,598,314	\$ 28,534,499	\$ 31,637,673	\$ 34,776,141	\$ 39,776,307
Restricted	10,500,851	5,164,320	4,983,274	10,604,331	12,627,452	15,610,702	21,634,263	23,983,581	19,608,884	21,043,030
Unrestricted (deficit)	(37,452,068)	(38,481,590)	(42,284,433)	(44,137,710)	(43,317,186)	(40,782,764)	(33,357,058)	(26,229,170)	(18,057,838)	(21,123,334)
Total governmental activities net position	<u>\$ (8,926,059)</u>	<u>\$ (11,070,907)</u>	<u>\$ (12,588,315)</u>	<u>\$ (8,819,169)</u>	<u>\$ (5,396,422)</u>	<u>\$ 3,426,252</u>	<u>\$ 16,811,704</u>	<u>\$ 29,392,084</u>	<u>\$ 36,327,187</u>	<u>\$ 39,696,003</u>
Business-type activities										
Investment in capital assets	\$ 568,799	\$ 608,450	\$ 556,348	\$ 504,052	\$ 679,063	\$ 613,075	\$ 613,454	\$ 908,823	\$ 1,028,250	\$ 1,219,486
Unrestricted	1,118,984	1,543,153	998,484	851,043	666,524	574,139	1,662,960	3,494,282	3,829,247	3,898,949
Total business-type activities net position	<u>\$ 1,687,783</u>	<u>\$ 2,151,603</u>	<u>\$ 1,554,832</u>	<u>\$ 1,355,095</u>	<u>\$ 1,345,587</u>	<u>\$ 1,187,214</u>	<u>\$ 2,276,414</u>	<u>\$ 4,403,105</u>	<u>\$ 4,857,497</u>	<u>\$ 5,118,435</u>
Government-wide										
Net investment in capital assets	\$ 18,593,957	\$ 22,854,813	\$ 25,269,192	\$ 25,218,262	\$ 25,972,375	\$ 29,211,389	\$ 29,147,953	\$ 32,546,496	\$ 35,804,391	\$ 40,995,793
Restricted	10,500,851	5,164,320	4,983,274	10,604,331	12,627,452	15,610,702	21,634,263	23,983,581	19,608,884	21,043,030
Unrestricted (deficit)	(36,333,084)	(36,938,437)	(41,285,949)	(43,286,667)	(42,650,662)	(40,208,625)	(31,694,098)	(22,734,888)	(14,228,591)	(17,224,385)
Total government-wide net position	<u>\$ (7,238,276)</u>	<u>\$ (8,919,304)</u>	<u>\$ (11,033,483)</u>	<u>\$ (7,464,074)</u>	<u>\$ (4,050,835)</u>	<u>\$ 4,613,466</u>	<u>\$ 19,088,118</u>	<u>\$ 33,795,189</u>	<u>\$ 41,184,684</u>	<u>\$ 44,814,438</u>

**Source:** ACFR Schedule A-1 and District records.

**Note:** GASB 84 was implemented during the 2021 fiscal year, which required a retroactive adjustment of beginning net position in the amount of \$2,472,964. This amount is not reflected in the June 30, 2020 Net Position, above.

Parsippany-Troy Hills School District  
Changes in Net Position, Last Ten Fiscal Years  
(accrual basis of accounting)

Unaudited

	Year ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Instruction										
Regular	\$ 60,058,776	\$ 67,327,824	\$ 71,089,105	\$ 68,605,225	\$ 71,152,943	\$ 66,789,159	\$ 75,563,169	\$ 67,544,879	\$ 65,701,318	\$ 67,628,022
Special Education	15,759,413	17,544,548	21,551,188	20,373,590	21,959,458	19,956,142	20,739,644	20,882,580	21,800,956	22,619,791
Other Instruction	5,318,379	4,345,044	6,598,537	6,834,339	6,406,742	6,035,740	7,095,575	6,292,412	6,582,434	6,740,249
School Sponsored Instruction	3,148,624	3,611,060	3,829,286	3,900,959	3,907,686	3,353,859	3,685,018	2,871,911	2,829,005	2,898,102
Support Services:										
Tuition	8,927,366	9,723,979	9,043,014	9,778,393	8,553,370	8,835,372	8,124,242	7,885,008	8,535,855	8,783,090
Student & Instruction Related Services	25,166,820	30,173,891	31,256,188	32,322,979	32,688,045	29,689,012	33,685,601	31,162,204	33,261,361	35,902,567
General Administration Services	987,411	1,365,393	1,369,649	1,349,845	1,656,472	1,649,526	1,868,786	1,701,463	1,859,297	1,442,112
School Administrative Services	7,216,319	7,300,094	8,852,596	8,401,715	8,239,799	7,680,918	8,648,303	7,721,970	7,839,163	7,960,821
Central Services	2,601,763	2,637,523	2,776,339	3,170,089	3,033,442	2,816,366	2,968,965	2,740,332	2,678,510	2,679,665
Administrative Information Technology	2,010,378	2,417,212	2,621,780	2,728,705	2,789,129	2,644,924	2,832,071	2,567,380	2,836,459	2,840,138
Plant Operations & Maintenance	14,561,451	15,682,039	15,619,037	16,829,592	16,989,943	15,353,526	15,791,284	15,684,299	15,940,543	16,565,772
Pupil Transportation	7,799,413	7,879,781	9,203,411	9,171,316	9,485,379	9,093,696	8,585,659	9,947,638	12,335,543	12,382,141
Other Instruction							461,018	579,334	739,426	778,297
Special Schools	1,666									
Charter School	343,519	338,426	259,712	231,982	460,411	484,183	2,596,352	1,951,843	660,920	812,532
Interest on long-term debt	2,048,389	1,118,186	1,245,936	1,210,147	1,139,716	1,368,946	466,796	471,896	961,976	858,071
Total governmental activities expenses	<u>155,949,687</u>	<u>171,465,000</u>	<u>185,315,778</u>	<u>184,908,876</u>	<u>188,462,535</u>	<u>175,751,369</u>	<u>193,112,483</u>	<u>180,005,149</u>	<u>184,562,766</u>	<u>190,891,370</u>
Business-type activities:										
Food service	2,474,470	2,529,796	2,562,331	2,703,009	2,799,300	2,194,337	2,268,121	4,482,320	3,214,796	3,101,287
Adult and community education	2,015,253	2,103,524	2,691,092	2,815,472	2,750,949	2,010,833	939,246	1,580,998	1,856,510	1,942,662
Total business-type activities expense	<u>4,489,723</u>	<u>4,633,320</u>	<u>5,253,423</u>	<u>5,518,481</u>	<u>5,550,249</u>	<u>4,205,170</u>	<u>3,207,367</u>	<u>6,063,318</u>	<u>5,071,306</u>	<u>5,043,949</u>
Total district expenses	<u>\$ 160,439,410</u>	<u>\$ 176,098,320</u>	<u>\$ 190,569,201</u>	<u>\$ 190,427,357</u>	<u>\$ 194,012,784</u>	<u>\$ 179,956,539</u>	<u>\$ 196,319,850</u>	<u>\$ 186,068,467</u>	<u>\$ 189,634,072</u>	<u>\$ 195,935,319</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Tuition	\$ 216,116	\$ 281,529	\$ 339,572	\$ 232,372	\$ 234,061	\$ 187,399	\$ 484,806	\$ 870,704	\$ 1,027,914	\$ 1,119,801
Operating grants and contributions	2,191,240	2,788,827	2,152,592	2,505,444	2,605,991	2,378,051	3,176,384	3,346,112	4,733,641	4,412,895
Capital grants and contributions	349,442		250,000				56,704	25,570	168,097	169,315
Total governmental activities program revenues	<u>\$ 2,756,798</u>	<u>\$ 3,070,356</u>	<u>\$ 2,742,164</u>	<u>\$ 2,737,816</u>	<u>\$ 2,840,052</u>	<u>\$ 2,565,450</u>	<u>\$ 3,717,894</u>	<u>\$ 4,242,386</u>	<u>\$ 5,929,652</u>	<u>\$ 5,702,011</u>
Business-Type Activities										
Charges for services:										
Food Service	\$ 1,772,352	\$ 1,748,269	\$ 1,872,086	\$ 1,912,129	\$ 2,105,671	\$ 1,404,546	\$ 55,856	\$ 237,088	\$ 2,046,460	\$ 1,899,277
Adult and community education	2,878,501	2,609,041	1,979,086	2,598,898	2,600,049	1,873,003	264,612	1,369,007	1,924,362	1,987,826
Operating grants and contributions	698,415	739,830	805,480	807,718	835,020	769,248	3,452,920	6,371,923	1,554,876	1,417,784
Total governmental activities program revenues	<u>\$ 5,349,268</u>	<u>\$ 5,097,140</u>	<u>\$ 4,656,652</u>	<u>\$ 5,318,745</u>	<u>\$ 5,540,740</u>	<u>\$ 4,046,797</u>	<u>\$ 3,773,388</u>	<u>\$ 7,978,018</u>	<u>\$ 5,525,698</u>	<u>\$ 5,304,887</u>
Total District Program Revenues	<u>\$ 8,106,066</u>	<u>\$ 8,167,496</u>	<u>\$ 7,398,816</u>	<u>\$ 8,056,561</u>	<u>\$ 8,380,792</u>	<u>\$ 6,612,247</u>	<u>\$ 7,491,282</u>	<u>\$ 12,220,404</u>	<u>\$ 11,455,350</u>	<u>\$ 11,006,898</u>
Net (Expense)/Revenue Governmental Activities	<u>\$ (153,192,889)</u>	<u>\$ (168,394,644)</u>	<u>\$ (182,573,614)</u>	<u>\$ (182,171,060)</u>	<u>\$ (185,622,483)</u>	<u>\$ (173,185,919)</u>	<u>\$ (189,394,589)</u>	<u>\$ (175,762,763)</u>	<u>\$ (178,633,114)</u>	<u>\$ (185,189,359)</u>
Business-Type Activities	<u>859,545</u>	<u>463,820</u>	<u>(596,771)</u>	<u>(199,736)</u>	<u>(9,509)</u>	<u>(158,373)</u>	<u>566,021</u>	<u>1,914,700</u>	<u>454,392</u>	<u>260,938</u>
Total District-Wide Net Position	<u>\$ (152,333,344)</u>	<u>\$ (167,930,824)</u>	<u>\$ (183,170,385)</u>	<u>\$ (182,370,796)</u>	<u>\$ (185,631,992)</u>	<u>\$ (173,344,292)</u>	<u>\$ (188,828,568)</u>	<u>\$ (173,848,063)</u>	<u>\$ (178,178,722)</u>	<u>\$ (184,928,421)</u>

Parsippany-Troy Hills School District  
Changes in Net Position, Last Ten Fiscal Years  
(accrual basis of accounting)

Unaudited

	Year ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Property Taxes Levied for General Purpos	\$ 122,152,214	\$ 125,598,736	\$ 128,110,712	\$ 132,215,563	\$ 135,975,887	\$ 139,800,994	\$ 142,597,014	\$ 145,543,054	\$ 148,453,915	\$ 151,422,993
Taxes Levied for Debt Service	2,784,536	2,788,077	2,789,167	2,802,133	2,805,531	2,813,027	2,816,017	2,771,250	2,687,528	2,602,602
Federal and State Aid not Restricted	31,151,966	37,599,051	49,505,740	51,706,779	49,634,071	38,987,098	55,132,162	39,965,627	33,847,019	33,612,775
Investment Earnings	693	2,990	7,070	17,278	54,977	42,701	14,358	29,236	341,782	638,791
Miscellaneous Income	105,326	260,942	643,517	880,990	574,764	364,773	270,705	245,967	237,973	281,014
Transfers							(523,179)	(211,991)		
Total Governmental Activities	<u>156,194,735</u>	<u>166,249,796</u>	<u>181,056,206</u>	<u>187,622,743</u>	<u>189,045,230</u>	<u>182,008,593</u>	<u>200,307,077</u>	<u>188,343,143</u>	<u>185,568,217</u>	<u>188,558,175</u>
Business-Type Activities:										
Transfers							523,179	211,991		
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>523,179</u>	<u>211,991</u>	<u>-</u>	<u>-</u>
Total District-Wide	<u>\$ 156,194,735</u>	<u>\$ 166,249,796</u>	<u>\$ 181,056,206</u>	<u>\$ 187,622,743</u>	<u>\$ 189,045,230</u>	<u>\$ 182,008,593</u>	<u>\$ 200,830,256</u>	<u>\$ 188,555,134</u>	<u>\$ 185,568,217</u>	<u>\$ 188,558,175</u>
Change in Net Position:										
Governmental Activities	\$ 3,001,846	\$ (2,144,848)	\$ (1,517,408)	\$ 5,451,683	\$ 3,422,747	\$ 8,822,674	\$ 10,912,488	\$ 12,580,380	\$ 6,935,103	\$ 3,368,816
Business-Type Activities	859,545	463,820	(596,771)	(199,736)	(9,509)	(158,373)	1,089,200	2,126,691	454,392	260,938
Total District	<u>\$ 3,861,391</u>	<u>\$ (1,681,028)</u>	<u>\$ (2,114,179)</u>	<u>\$ 5,251,947</u>	<u>\$ 3,413,238</u>	<u>\$ 8,664,301</u>	<u>\$ 12,001,688</u>	<u>\$ 14,707,071</u>	<u>\$ 7,389,495</u>	<u>\$ 3,629,754</u>

Source: District records

GASB 75 was implemented in the 2018 fiscal year, which increased the federal and state aid not restricted and various expense lines from the previous year.

GASB 84 was implemented in the 2021 fiscal year, which increased the related services expense line and charges for services from the previous year.

Parsippany-Troy Hills School District  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

Unaudited

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ 10,164,659	\$ 4,828,128	\$ 4,689,221	\$ 10,604,331	\$ 12,627,452	\$ 15,610,702	\$ 21,108,270	\$ 23,456,678	\$ 19,077,911	\$ 20,193,192
Assigned	3,205,980	3,802,392	3,246,177	646,579	377,755	1,531,313	2,699,353	3,329,722	9,912,105	4,489,892
Unassigned	2,685,084	2,449,794	2,314,752	3,358,575	3,586,217	3,457,890	7,068,232	7,198,456	4,117,321	3,461,660
Total general fund	<u>\$ 16,055,723</u>	<u>\$ 11,080,314</u>	<u>\$ 10,250,150</u>	<u>\$ 14,609,485</u>	<u>\$ 16,591,424</u>	<u>\$ 20,599,905</u>	<u>\$ 30,875,855</u>	<u>\$ 33,984,856</u>	<u>\$ 33,107,337</u>	<u>\$ 28,144,744</u>
All Other Governmental Funds										
Restricted - capital projects fund	\$ 3,147,328	\$ 373,501	\$ 296,122	\$ 1,516						\$ 280,906
Restricted - special revenue fund							\$ 525,963	\$ 526,903	\$ 530,973	568,932
Total all other governmental funds	<u>\$ 3,147,328</u>	<u>\$ 373,501</u>	<u>\$ 296,122</u>	<u>\$ 1,516</u>			<u>\$ 525,963</u>	<u>\$ 526,903</u>	<u>\$ 530,973</u>	<u>\$ 849,838</u>
Total All Funds	<u>\$ 19,203,051</u>	<u>\$ 11,453,815</u>	<u>\$ 10,546,272</u>	<u>\$ 14,611,001</u>	<u>\$ 16,591,424</u>	<u>\$ 20,599,905</u>	<u>\$ 31,401,818</u>	<u>\$ 34,511,759</u>	<u>\$ 33,638,310</u>	<u>\$ 28,994,582</u>

**Source:** ACFR Schedule B-1 and District records.

Parsippany-Troy Hills School District  
Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years

Unaudited

	Year ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Tax levy	\$ 124,936,750	\$ 128,386,814	\$ 130,899,879	\$ 135,017,696	\$ 138,781,418	\$ 142,614,021	\$ 145,413,031	\$ 148,314,304	\$ 151,141,443	\$ 154,025,595
Interest Earned	641	2,990	7,070	17,278	54,977	42,701	14,358	29,236	318,728	330,856
Miscellaneous	360,040	567,041	1,002,520	1,141,118	828,047	563,388	761,391	1,134,351	1,355,118	1,774,040
State sources	18,479,058	20,547,750	22,816,589	25,491,638	29,062,953	30,330,424	36,420,693	45,544,529	47,710,981	50,987,954
Federal sources	2,101,583	2,678,852	2,267,535	2,302,073	2,393,553	2,221,424	3,129,650	3,255,256	4,607,697	4,254,562
Total revenue	145,878,072	152,183,447	156,993,593	163,969,803	171,120,948	175,771,958	185,739,123	198,277,676	205,133,967	211,373,007
<b>Expenditures</b>										
Instruction										
Regular instruction	37,702,859	40,039,248	39,263,178	38,322,588	40,380,859	41,436,398	43,251,947	44,679,224	45,028,417	45,730,447
Special Education Instruction	10,152,000	10,899,360	12,415,890	11,834,645	13,046,077	12,880,743	12,767,391	14,372,033	15,527,197	15,760,204
Other Instruction	3,288,987	3,412,509	3,553,680	3,706,079	4,027,670	3,655,248	3,938,604	4,224,457	4,609,933	4,644,100
School-Sponsored Instruction	2,125,281	2,341,778	2,317,783	2,358,893	1,830,049	2,226,562	2,246,672	1,871,415	1,909,081	1,946,821
Support Services:										
Tuition	8,927,366	9,719,962	9,042,358	9,777,529	8,553,370	8,835,372	8,124,508	7,885,580	8,535,855	8,783,090
Student Service	11,917,449	12,718,187	13,616,939	14,930,575	15,321,078	15,216,257	15,979,910	16,927,509	19,475,021	20,838,297
Student & Instruction Related Service	4,480,159	6,298,685	4,496,247	3,614,699	3,979,637	3,749,927	3,659,194	3,911,384	3,972,527	4,091,702
General Administration	793,255	1,091,645	959,859	972,171	1,254,622	1,290,340	1,393,074	1,369,705	1,549,802	1,116,425
School Administration	4,622,005	4,410,527	4,907,815	4,726,857	4,726,396	4,789,149	4,930,210	5,129,997	5,434,753	5,467,585
Central Services	1,714,308	1,631,073	1,622,304	1,968,240	1,891,119	1,875,084	1,734,892	1,880,796	1,910,698	1,875,004
Administrative Information Technology	1,505,088	1,678,728	1,712,591	1,813,103	1,881,983	1,923,977	1,902,347	1,935,957	2,238,642	2,221,189
Plant Operations & Maintenance	10,636,370	11,233,188	12,086,546	11,699,083	11,927,877	10,904,242	10,690,008	12,031,653	12,504,463	12,700,384
Pupil Transportation	6,822,465	6,659,821	7,734,890	7,586,885	7,834,401	7,850,710	7,038,163	8,492,295	10,879,713	10,724,286
Unallocated Benefits	31,330,454	34,681,213	37,088,006	40,496,691	44,615,255	45,807,026	51,449,046	59,612,867	62,084,199	66,658,155
Other							461,018	579,334	739,426	778,297
Debt service:										
Principal	3,371,565	1,800,000	1,900,000	1,950,000	2,025,000	2,115,000	2,205,000	3,894,290	3,840,895	3,878,031
Interest	1,507,119	1,557,778	1,495,213	1,424,400	1,354,650	1,271,850	1,185,450	1,382,091	1,179,694	1,064,391
Cost of Issuance	146,300									
Capital outlay	15,184,910	11,791,448	3,868,125	3,490,654	5,010,550	6,442,442	4,452,824	5,298,374	4,926,180	7,925,795
Charter school	343,519	338,426	259,712	231,982	460,411	484,183	466,796	471,896	660,920	812,532
Special Schools	1,666									
Total expenditures	156,573,125	162,303,576	158,341,136	160,905,074	170,121,004	172,754,510	177,877,054	195,950,857	207,007,416	217,016,735
Excess (Deficiency) of revenues over (under) expenditures	(10,695,053)	(10,120,129)	(1,347,543)	3,064,729	999,944	3,017,448	7,862,069	2,326,819	(1,873,449)	(5,643,728)
<b>Other financing sources (uses)</b>										
Financed purchases (non-budgeted)	1,543,756	2,370,893	440,000	1,000,000	980,479	991,033	990,059	995,113	1,000,000	1,000,000
Bond proceeds	12,025,000									
Premium on bonds	2,712,779									
Payment to escrow agent	(14,591,479)									
Transfers in	50,052	552	37,212	294,053						280,906
Transfers out	(50,052)	(552)	(37,212)	(294,053)			(523,179)	(211,991)		(280,906)
Total other financing sources (uses)	1,690,056	2,370,893	440,000	1,000,000	980,479	991,033	466,880	783,122	1,000,000	1,000,000
Net change in fund balances	\$ (9,004,997)	\$ (7,749,236)	\$ (907,543)	\$ 4,064,729	\$ 1,980,423	\$ 4,008,481	\$ 8,328,949	\$ 3,109,941	\$ (873,449)	\$ (4,643,728)
Debt service as a percentage of noncapital expenditures	3.45%	2.23%	2.20%	2.14%	2.05%	2.04%	1.96%	2.77%	2.48%	2.36%

Source: ACFR Schedule B-2

Parsippany-Troy Hills School District  
General Fund Other Local Revenues by Source  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Interest	Adult and Community Education and Regular Tuition	Rentals	Refunds	Other	Total
2015	\$ 641	\$ 216,116	\$ 39,491		\$ 65,835	\$ 322,083
2016	2,438	281,529	36,669	\$ 77,501	146,771	544,908
2017	5,554	339,572	44,428	57,832	541,259	988,645
2018	17,278	232,372	63,036	179,965	637,989	1,130,640
2019	54,977	234,061	45,383	144,748	384,633	863,802
2020	42,701	187,399	25,634	157,543	181,596	594,873
2021	14,358	159,024		168,128	102,577	444,087
2022	29,236	294,658	495	61,731	183,741	569,861
2023	341,782	318,728	42,897	69,389	125,687	898,483
2024	638,791	330,856	32,723	133,076	115,215	1,250,661

**Source:** District records.

Parsippany-Troy Hills School District  
Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years

Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2015	\$ 67,577,600	\$ 4,399,306,700	\$ 326,400	\$ 8,900	\$ 2,045,286,500	\$ 244,410,200	\$ 403,241,700	\$7,160,158,000	\$ 592,396,100	\$ 422,050	\$ 7,160,580,050	\$ 1.75	\$ 8,482,594,479
2016	67,209,400	4,405,575,800	326,400	8,900	2,039,260,500	241,396,100	407,631,100	7,161,408,200	541,694,900	422,000	7,161,830,200	1.77	8,506,908,491
2017	66,696,500	4,412,211,300	326,400	8,900	2,055,900,100	245,653,300	408,131,100	7,188,927,600	534,875,600	415,750	7,189,343,350	1.81	8,645,733,734
2018	75,139,700	4,422,342,000			2,030,709,600	257,430,800	417,871,100	7,203,493,200	563,604,800	418,700	7,203,911,900	1.85	8,584,819,202
2019	66,964,400	4,440,741,500			2,032,704,100	258,224,400	445,301,100	7,243,935,500	573,584,700	417,000	7,244,352,500	1.94	8,686,273,981
2020	61,482,400	4,458,252,200			2,023,686,000	259,014,700	448,441,100	7,250,876,400	592,316,300	415,900	7,251,292,300	1.99	8,716,543,274
2021	59,798,500	4,463,749,800			2,029,258,800	260,592,200	458,049,100	7,271,448,400	593,839,500	411,600	7,271,860,000	2.02	8,833,149,174
2022	53,212,500	4,479,151,900			2,010,952,700	278,259,700	471,686,800	7,293,263,600	600,385,300	404,650	7,293,668,250	2.04	9,011,817,126
2023	94,118,200	4,492,143,500			1,922,269,800	285,030,600	514,059,000	7,307,621,100	602,908,300	383,600	7,308,004,700	2.07	9,525,053,571
2024	99,437,900	4,498,912,300			1,904,784,500	286,550,300	529,981,800	7,319,666,800	604,771,200	378,750	7,320,045,550	2.11	9,662,926,459

**Source:** District records, Tax list summary & Municipal Tax Assessor and Collector, abstract of ratables, County Board of Taxation.

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation.

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

b Tax rates are per \$100 of assessed value.

Parsippany-Troy Hills School District  
Property Tax Rates - Direct and Overlapping Governments  
Last Ten Fiscal Years  
*(rate per \$100 of assessed value)*  
Unaudited

Fiscal Year Ended December 31,	Parsippany Troy Hills Schools			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Township of Parsippany- Troy Hills	Morris County	
2015	\$ 1.71	\$ 0.04	\$ 1.75	\$ 0.62	\$ 0.30	\$ 2.67
2016	1.73	0.04	1.77	0.63	0.30	2.70
2017	1.77	0.04	1.81	0.66	0.30	2.77
2018	1.81	0.04	1.85	0.66	0.31	2.82
2019	1.90	0.04	1.94	0.68	0.26	2.88
2020	1.95	0.04	1.99	0.68	0.27	2.94
2021	1.98	0.04	2.02	0.83	0.31	3.16
2022	2.00	0.04	2.04	0.83	0.29	3.16
2023	2.03	0.04	2.07	0.82	0.26	3.15
2024	2.07	0.04	2.11	0.79	0.23	3.13

**Source:** District Records and Municipal Tax Collector

<sup>a</sup> The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

<sup>b</sup> Rates for debt service are based on each year's requirements.

N/A Not available.



Parsippany-Troy Hills School District  
Principal Property Tax Payers  
Current Year and Nine Years Ago  
Unaudited

2024			2015		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Knoll Manor, Inc	\$ 72,254,900	0.99%	Knoll Manor Associates	\$ 61,015,400	0.85%
MCC Owner LLC c/o P3 Properties	58,875,100	0.80%	Morris Corporate Ctr HDQ III	58,875,100	0.82%
Monarch Owner c/o P3 Properties	56,160,700	0.77%	State Farm Insurance	58,544,700	0.82%
300 Kimball NJ, LLC	53,044,700	0.72%	Morris Corporate Ctr HDQ I & II	57,660,700	0.81%
Powder Mill Heights	47,831,300	0.65%	Powder Mill Heights	51,831,300	0.72%
Parsippany Gardens, LLC	42,910,000	0.59%	Sylvan/Campus Rlty, LLC	49,101,800	0.69%
Troy Hills Village	42,906,500	0.59%	MCC IV - Phase I, LLC	43,526,900	0.61%
7 Sylvan & 8 Campus LLC Arbor Circle	42,225,000	0.58%	Troy Hills Village	41,506,500	0.58%
2 Gatehall Drive Associates, LLC	40,677,800	0.56%	Well REIT-Mult. State	40,677,800	0.57%
One Campus Drive, LLC	39,352,200	0.54%	GC Net Lease Parsippany	39,807,200	0.56%
Total	<u>\$ 496,238,200</u>	<u>6.78%</u>		<u>\$ 502,547,400</u>	<u>7.02%</u>
Net Assessed Value	<u>\$ 7,320,045,550</u>			<u>\$ 7,160,580,050</u>	

**Source:** Municipal Tax Collector

Parsippany-Troy Hills School District  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 124,936,750	\$ 124,936,750	100.00%	-
2016	128,386,814	128,386,814	100.00%	-
2017	130,899,879	130,899,879	100.00%	-
2018	135,017,696	135,017,696	100.00%	-
2019	138,781,418	138,781,418	100.00%	-
2020	142,614,021	142,614,021	100.00%	-
2021	145,413,031	145,413,031	100.00%	-
2022	148,314,304	148,314,304	100.00%	-
2023	151,141,443	151,141,443	100.00%	-
2024	154,025,595	154,025,595	100.00%	-

**Source:** District records including the Certificate and Report of School Taxes (A4F form)

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

Parsippany-Troy Hills School District  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income <sup>(a)</sup>	Per Capita <sup>(a)</sup>
	General Obligation Bonds	Unamortized Premium	Financed Purchases				
2015	\$ 35,270,000	\$ 5,161,460	\$ 18,798,211	\$	59,229,671	1.37%	\$ 1,106
2016	33,470,000	4,752,807	18,994,034		57,216,841	1.28%	1,070
2017	31,570,000	4,344,154	16,891,317		52,805,471	1.13%	991
2018	29,620,000	3,935,501	15,204,082		48,759,583	1.03%	917
2019	27,595,000	3,526,848	13,919,333		45,041,181	0.91%	862
2020	25,480,000	3,118,195	11,785,326		40,383,521	0.79%	783
2021	23,275,000	2,709,542	11,336,757		37,321,299	0.72%	727
2022	21,035,000	2,300,889	10,682,466		34,018,355	0.59%	606
2023	18,795,000	1,892,236	10,081,571		30,768,807	0.51%	548
2024	16,545,000	1,483,583	9,453,540		27,482,123	0.44%	488

**Source:** School District Financial Reports

**Note:** Details regarding the district's outstanding debt can be found in the notes to the basic financial statements.

**a** See J-14 for personal income and population data. These ratios are calculated using per capita income and population for the prior calendar year.

Parsippany-Troy Hills School District  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation Taxable <sup>(a)</sup>	Per Capita <sup>(b)</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 38,848,000		\$ 38,848,000	0.54%	\$ 1,121
2015	35,270,000	\$ 37,829	35,232,171	0.49%	1,106
2016	33,470,000	37,309	33,432,691	0.47%	1,070
2017	31,570,000	2,069	31,567,931	0.44%	991
2018	29,620,000	1,516	29,618,484	0.41%	917
2019	27,595,000		27,595,000	0.38%	862
2020	25,480,000		25,480,000	0.35%	783
2021	23,275,000		23,275,000	0.32%	727
2022	21,035,000		21,035,000	0.29%	606
2023	18,795,000		18,795,000	0.26%	548
2024	16,545,000		16,545,000	0.23%	488

**Note:** Details regarding the district's outstanding debt can be found in notes to the basic financial statements.

**a** See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

**b** See Exhibit J-14 for population data. This ratio is calculated using population data for the prior calendar year.

**Source:** School District Financial Records

Parsippany-Troy Hills School District  
Ratios of Overlapping Governmental Activities Debt  
As of December 31, 2023  
Unaudited

	<u>Debt Authorized and Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Township of Parsippany	\$ 102,841,001	100.00%	\$ 102,841,001
Morris County General Obligation Debt	326,425,422	8.28%	<u>27,028,025</u>
Subtotal overlapping debt			129,869,026
<b>Parsippany-Troy Hills School District Direct Net Debt</b>			<u>16,545,000</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 146,414,026</u></u>

**Sources:** Assessed value data used to estimate applicable percentages provided by the Morris County Board of Taxation; debt outstanding data provided by each governmental unit.

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

**a** For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of Parsippany-Troy Hills Township's equalized property value that is within the Morris County's boundaries and dividing it by Morris County's total equalized property value.

Parsippany-Troy Hills School District  
Legal Debt margin Information  
Last Ten Fiscal Years  
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2024  
Equalized valuation basis

2024	\$ 9,662,926,469
2023	9,525,053,571
2022	9,011,817,126
	<u>\$28,199,797,166</u>

Average equalized valuation of taxable property

\$ 9,399,932,389

Debt limit <sup>a</sup> (4 % of average equalization value)

\$ 375,997,296

Net bonded school debt

16,545,000

Legal debt margin

\$ 359,452,296

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 338,546,862	\$ 339,722,776	\$ 341,145,899	\$ 343,166,152	\$ 345,557,692	\$ 346,501,819	\$ 349,812,886	\$ 354,153,461	\$ 364,933,598	\$ 375,997,296
Total net debt applicable to limit	<u>35,232,171</u>	<u>33,432,691</u>	<u>31,567,931</u>	<u>29,618,484</u>	<u>27,595,000</u>	<u>25,480,000</u>	<u>23,275,000</u>	<u>21,035,000</u>	<u>18,795,000</u>	<u>16,545,000</u>
Legal debt margin	<u>\$ 303,314,691</u>	<u>\$ 306,290,085</u>	<u>\$ 309,577,968</u>	<u>\$ 313,547,668</u>	<u>\$ 317,962,692</u>	<u>\$ 321,021,819</u>	<u>\$ 326,537,886</u>	<u>\$ 333,118,461</u>	<u>\$ 346,138,598</u>	<u>\$ 359,452,296</u>
Total net debt applicable to the limit as a percentage of debt limit	10.41%	9.84%	9.25%	8.63%	7.99%	7.35%	6.65%	5.94%	5.15%	4.40%

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

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

Parsippany-Troy Hills School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
Unaudited

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Morris County Per Capita Personal Income <sup>a</sup>	Unemployment Rate <sup>a</sup>
2015	53,544	\$ 4,329,996,192	\$ 80,868	4.20%
2016	53,476	4,475,246,012	83,687	4.20%
2017	53,278	4,682,923,088	87,896	4.00%
2018	53,201	4,738,347,065	89,065	3.70%
2019	52,265	4,926,446,635	94,259	3.30%
2020	51,561	5,096,392,362	98,842	2.80%
2021	51,305	5,214,948,030	101,646	8.10%
2022	56,120	5,736,979,240	102,227	4.90%
2023	56,163	6,052,518,021	107,767	2.90%
2024	56,289	6,281,683,533	111,597	3.60%

<sup>a</sup> Provided by the NJ Dept of Education.

<sup>b</sup> Personal income was not available, only county average.

Parsippany-Troy Hills School District  
Principal Employers  
Current Year and Nine Years Ago  
Unaudited

2024			2015		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
United Parcel Post	2,800	N/A	United Parcel Service	1,927	N/A
Wyndham Worldwide	1,500	N/A	Wyndham	1,366	N/A
Tiffany and Company	1,000	N/A	Automatic Data Processing	1,300	N/A
Avis/Budget Group	900	N/A	Avis	1,025	N/A
TEVA Pharmaceuticals	900	N/A	Deloitte & Touche	1,000	N/A
GAF	800	N/A	Tiffany and Company	710	N/A
ADP	800	N/A	State Farm	700	N/A
Ferring Pharmaceuticals	800	N/A	Common Health	555	N/A
T Mobile	750	N/A	EBI-Evonik Corp	525	N/A
Day Pitney	750	N/A	NY Life Inv. Mgmt	500	N/A
	<u>11,000</u>			<u>9,608</u>	

**Source:** Various Agencies of the Township

N/A Total amount of employment is not available in order to calculate percentage of total employment.



Parsippany-Troy Hills School District  
Full-time Equivalent District Employees by Function/Program  
Last Ten Fiscal Years  
Unaudited

<b>Function/Program</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Instruction:										
Regular	509.0	519.8	524.7	521.8	527.1	526.5	532.6	536.5	538.5	530.9
Special Education	108.0	116.0	115.4	117.4	118.5	121.4	116.9	129.9	133.9	137.4
Support Services:										
Student & Instruction Related Services	104.8	104.9	105.6	113.0	111.0	116.6	123.6	129.0	132.0	137.0
School Administrative Services	38.0	40.0	38.0	36.0	36.0	36.0	37.0	37.0	38.0	38.0
General & Business Administrative Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Plant Operations and Maintenance	110.0	110.5	108.0	110.5	114.5	113.5	113.5	115.0	116.0	117.0
Pupil Transportation	25.0	26.0	27.0	27.0	27.0	27.0	28.0	29.0	29.0	30.0
Business and Other Support Services	85.5	85.0	81.0	78.0	73.5	73.0	73.0	74.0	73.5	73.5
Total	<u>983.3</u>	<u>1,005.2</u>	<u>1,002.6</u>	<u>1,006.7</u>	<u>1,010.6</u>	<u>1,017.0</u>	<u>1,027.6</u>	<u>1,053.4</u>	<u>1,063.9</u>	<u>1,066.8</u>

**Source:** District Personnel Records

Parsippany-Troy Hills School District  
Operating Statistics  
Last Ten Fiscal Years  
Unaudited

At June 30,	Pupil/Teacher Ratio								Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Elementary	Middle School	High School				
2015	6,959	\$ 136,363,231	\$ 19,595	0.72%	722	12.1:1	9.3:1	10.3:1	6,959	6,686	-0.78%	96.08%
2016	7,014	145,783,457	20,785	6.07%	741	10.5:1	8.5:1	8.7:1	7,014	6,748	0.79%	96.21%
2017	7,043	151,077,798	21,451	3.20%	746	11.7:1	10.3:1	10.4:1	6,993	6,710	-0.30%	95.95%
2018	7,032	154,040,020	21,906	2.12%	753	11.6:1	10.5:1	10.3:1	7,024	6,758	0.44%	96.21%
2019	7,170	160,824,956	22,430	2.40%	757	12.1:1	10.5:1	10.3:1	7,130	6,857	1.51%	96.17%
2020	7,259	162,925,218	22,445	0.06%	765	12.2:1	10.5:1	10.1:1	7,207	6,991	1.08%	97.00%
2021	7,171	170,033,780	23,711	5.64%	773	12.0:1	10.3:1	10.1:1	7,082	6,901	-1.73%	97.44%
2022	7,011	185,376,102	26,441	11.51%	795	11.3:1	10.2:1	9.6:1	7,015	6,589	-0.95%	93.93%
2023	7,067	197,060,647	27,885	5.46%	804	11.7:1	9.9:1	9.4:1	7,013	6,646	-0.03%	94.77%
2024	7,147	204,148,518	28,564	2.44%	805	11.9:1	10.0:1	9.5:1	7,131	6,790	1.53%	95.22%

**Note:** Enrollment's based October 13, 2023 ASSA/DRTRS count report.

- a Operating expenditures equal total expenditures less debt service and capital outlay; (J-4)
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d Cost per pupil is the sum of operating expenditures divided by enrollment. This cost per pupil may be different from the State's cost per pupil calculations.

Parsippany-Troy Hills School District  
School Building Information  
Last Ten Fiscal Years  
Unaudited

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>District Building</b>										
Parsippany High School (1956)										
Square Feet	174,377	174,377	174,377	174,377	174,377	174,377	174,377	174,377	174,377	174,377
Capacity (students)	1,106	1,106	1,106	1,106	1,106	1,106	1,106	1,106	1,106	1,106
Enrollment	932	928	929	900	913	923	925	898	888	915
Parsippany Hills High School (1970)										
Square Feet	218,009	218,009	218,009	218,009	218,009	218,009	218,009	218,009	218,009	218,009
Capacity (students)	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Enrollment	1,055	1,032	1,075	1,067	1,075	1,082	1,063	1,028	1,014	1,005
Brooklawn Middle School (1965)										
Square Feet	125,310	125,310	125,310	125,310	125,310	125,310	125,310	125,310	125,310	125,310
Capacity (students)	900	900	900	900	900	900	900	900	900	900
Enrollment	863	878	886	919	918	877	861	896	911	940
Central Middle School (1928)										
Square Feet	138,221	138,221	138,221	138,221	138,221	138,221	138,221	138,221	138,221	138,221
Capacity (students)	846	846	846	846	846	846	846	846	846	846
Enrollment	761	790	785	793	789	817	833	807	784	729
Eastlake Elementary School (1967)										
Square Feet	31,589	31,589	31,589	31,589	31,589	31,589	31,589	31,589	31,589	31,589
Capacity (students)	266	266	266	266	266	266	266	266	266	266
Enrollment	323	312	332	329	350	362	367	359	380	398
Intervale Elementary School (1966)										
Square Feet	37,731	37,731	37,731	37,731	37,731	37,731	37,731	37,731	37,731	37,731
Capacity (students)	286	286	286	286	286	286	286	286	286	286
Enrollment	297	299	297	287	279	280	275	255	268	275
Knollwood Elementary School (1961)										
Square Feet	33,880	33,880	33,880	33,880	33,880	33,880	33,880	33,880	33,880	33,880
Capacity (students)	281	281	281	281	281	281	281	281	281	281
Enrollment	347	365	367	401	414	402	386	379	363	384
Lake Hiawatha Elementary School (1952)										
Square Feet	44,424	44,424	44,424	44,424	44,424	44,424	44,424	44,424	44,424	44,424
Capacity (students)	328	328	328	328	328	328	328	328	328	328
Enrollment	417	427	416	395	406	427	423	417	469	464
Lake Parsippany Elementary School (1949)										
Square Feet	36,747	36,747	36,747	36,747	36,747	36,747	36,747	36,747	36,747	36,747
Capacity (students)	297	297	297	297	297	297	297	297	297	297
Enrollment	318	298	294	284	283	260	261	271	311	307
Littleton Elementary School (1958)										
Square Feet	41,890	41,890	41,890	41,890	41,890	41,890	41,890	41,890	41,890	41,890
Capacity (students)	320	320	320	320	320	320	320	320	320	320
Enrollment	369	393	390	375	405	445	422	422	427	427
Mt. Tabor Elementary School (1930)										
Square Feet	42,712	42,712	42,712	42,712	42,712	42,712	42,712	42,712	42,712	42,712
Capacity (students)	302	302	302	302	302	302	302	302	302	302
Enrollment	414	403	402	439	449	425	388	355	370	353
Northvail elementary School (1966)										
Square Feet	32,798	32,798	32,798	32,798	32,798	32,798	32,798	32,798	32,798	32,798
Capacity (students)	278	278	278	278	278	278	278	278	278	278
Enrollment	362	375	375	377	372	356	381	383	370	385
Rockaway Meadow Elementary School (1966)										
Square Feet	36,366	36,366	36,366	36,366	36,366	36,366	36,366	36,366	36,366	36,366
Capacity (students)	280	280	280	280	280	280	280	280	280	280
Enrollment	252	243	242	228	257	268	266	258	252	255
Troy Hills Elementary School (1964)										
Square Feet	36,954	36,954	36,954	36,954	36,954	36,954	36,954	36,954	36,954	36,954
Capacity (students)	289	289	289	289	289	289	289	289	289	289
Enrollment	249	248	253	238	260	292	301	290	293	295
<b>Other:</b>										
Windish Administration (1965)										
Square Feet	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Maintenance Building (1900)										
Square Feet	4,074	4,074	4,074	4,074	4,074	4,074	4,074	4,074	4,074	4,074
Board Office (acquired in 2006)										
Square Feet	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500

Number of Schools at June 30, 2024

Elementary = 10  
Middle School = 2  
High School = 2  
Other = 3

**Source:** District records, SRS as of June 30, State's Final Determination Letter

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

Parsippany-Troy Hills School District  
General Fund  
Schedule of Required Maintenance for School Facilities  
Last Ten Fiscal Years  
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
11-000-261-XXX

School Facilities	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Parsippany High School	\$ 436,982	\$ 444,752	\$ 404,580	\$ 442,231	\$ 458,071	\$ 430,227	\$ 440,776	\$ 439,375	\$ 468,400	\$ 564,979
Parsippany Hills High School	547,074	556,802	506,507	553,645	573,476	538,617	551,824	550,070	586,407	554,574
Brooklawn Middle School	314,022	319,606	290,737	317,794	329,177	309,168	316,748	315,742	336,600	354,087
Central Middle School	327,722	333,549	303,421	331,658	343,538	322,656	330,568	329,517	351,285	392,179
Eastlake Elementary School	78,459	79,854	72,641	79,401	82,246	77,246	79,140	78,889	84,100	80,748
Intervale Elementary School	97,813	99,552	90,560	98,987	102,533	96,301	98,662	98,348	104,845	128,719
Knollwood Elementary School	84,902	86,412	78,606	85,922	89,000	83,590	85,639	85,367	91,006	105,698
Lake Hiawatha Elementary School	111,325	113,304	103,070	112,662	116,697	109,604	112,291	111,934	119,329	116,957
Lake Parsippany Elementary School	92,087	93,724	85,258	93,193	96,531	90,663	92,886	92,591	98,707	133,604
Littleton Elementary School	104,975	106,841	97,191	106,236	110,041	103,352	105,886	105,549	112,522	117,141
Mt. Tabor Elementary School	107,035	108,938	99,098	108,320	112,200	105,380	107,964	107,621	114,730	188,619
Northvail Elementary School	82,191	83,652	76,096	83,178	86,157	80,920	82,904	82,641	88,100	84,551
Rockaway Meadow Elementary School	91,132	92,752	84,374	92,226	95,530	89,723	91,923	91,631	97,684	85,883
Troy Hills Elementary School	92,605	94,252	85,738	93,718	97,075	91,174	93,409	93,112	99,263	94,253
Administration Building	91,468	93,094	84,685	92,566	95,882	90,054	92,261	91,969	98,044	80,243
Maintenance Building	10,209	10,391	9,452	10,332	10,702	10,052	10,298	10,265	11,090	8,956
Grand Total	<u>\$ 2,670,001</u>	<u>\$ 2,717,475</u>	<u>\$ 2,472,014</u>	<u>\$ 2,702,068</u>	<u>\$ 2,798,856</u>	<u>\$ 2,628,727</u>	<u>\$ 2,693,179</u>	<u>\$ 2,684,621</u>	<u>\$ 2,862,112</u>	<u>\$ 3,091,191</u>

**Source:** District records of required maintenance.

Parsippany-Troy Hills School District  
Insurance Schedule  
Year ended June 30, 2024  
Unaudited

Type of Coverage	Coverage	Deductible
<b>School Package Policy:</b>		
<b>School Alliance Insurance Fund:</b>		
General and Automotive Liability:		
Aggregate	\$ 100,000,000	
Occurrence	10,000,000	
Excess General and Auto Liability:		
Aggregate	10,000,000	
Occurrence	10,000,000	
Employee Benefits Liability:		
Occurrence	5,000,000	
Sexual Abuse & Molestation- Occurrence	10,000,000	
Money and Securities	50,000	\$ 1,000
Property, Inland Marine and Automobile Physical Damage:		
Occurrence	500,000,000	2,500
Automobile Physical Damage Deductible		1,000
Employee Dishonesty	500,000	1,000
School Leaders' Professional Liability:		
Aggregate	5,000,000	10,000
Excess School Leaders Professional Liability	15,000,000	
Boiler and Machinery:		
Occurrence	100,000,000	2,500
Environmental Impairment Liability:		
Aggregate	10,000,000	
Occurrence	1,000,000	50,000
Critical Incident Management	25,000	
Cyber Liability- each event/Aggregate	750,000	Various
<b>Excess Umbrella CAP Program -Fireman's Fund Insurance Co.</b>		
Occurrence Limit/Aggregate	25,000,000	
<b>Tank Insurance - Ace American Insurance Co.</b>		
"Per Storage Tank	500,000	5,000
"Aggregate	1,000,000	
<b>Environmental- Pollution/Mold Coverage - Ironshore Specialty Ins. Co.</b>		
Each Claim	1,000,000	25,000
Aggregate	1,000,000	
<b>Student Accident Coverage - United States Fire Insurance Co.</b>		
All Students & Athletes effective 8/15/23-24	6,000,000	25,000
<b>Public Officials Bond - Selective Insurance</b>		
Business Administrator/Board Secretary effective 7/1/23-24	650,000	
Treasurer- effective 8/30/23-24	650,000	
<b>Rockaway Meadow School Flood Liability - Selective Insurance effective 5/20/23-24</b>		
Building	500,000	1,250
Contents	500,000	1,250
<b>Workers Compensation/Employers Liability-</b>		
NJPIP Program	1,000,000	

Source: District Records

## Single Audit Section

**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 Auditors' Report**

**Honorable President and Members  
of the Board of Education  
Parsippany-Troy Hills School District  
Parsippany, New Jersey**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities and each major fund of the Parsippany-Troy Hills School District, in the County of Morris, New Jersey (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 19, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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.

**Honorable President and Members  
of the Board of Education  
Parsippany-Troy Hills School District**

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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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 the 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
December 19, 2024

*Scott A. Clelland*

Scott A. Clelland, CPA  
Licensed Public School Accountant, No. 1049



**Report on Compliance For Each Major  
Federal and State Program and  
on Internal Control Over Compliance Required by the  
Uniform Guidance and New Jersey OMB 15-08**

**Independent Auditors' Report**

**Honorable President and Members  
of the Board of Education  
Parsippany-Troy Hills School District  
Parsippany, New Jersey**

**Report on Compliance for Each Major Federal and State Program**

**Opinion on Each Major Federal and State Program**

We have audited Parsippany-Troy Hills School District's, in the County of Morris, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2024. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District 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 year ended June 30, 2024.

**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 ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

**Honorable President and Members  
of the Board of Education  
Parsippany-Troy Hills School District**

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

**Responsibilities of Management for Compliance**

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

**Auditors' 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 District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the 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 omissions, misrepresentations, or the override of internal control. Non-compliance 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 District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

**Honorable President and Members  
of the Board of Education  
Parsippany-Troy Hills School District**

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- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

**Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

**Honorable President and Members  
of the Board of Education  
Parsippany-Troy Hills School District**

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

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
December 19, 2024

*Scott A. Clelland*

Scott A. Clelland, CPA  
Licensed Public School Accountant No. 1049

## Parsippany-Troy Hills School District

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Federal FAIN Number	Grant Period	Award Amount	Balance at June 30, 2023	Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance June 30, 2024			Amounts Provided to Subrecipients
										Unearned Revenue	(Accounts Receivable)	Due to Grantor	
General Fund:													
Medicaid Cluster - Medical Assistance Program - SEMI	93.778	1905NJ5MAP	7/1/23-6/30/24	\$ 37,738			\$ 37,738	\$ (37,738)					
Total U.S. Department of Health and Human Services - Passed - Through State Department of Health and Human Services							37,738	(37,738)					
Total General Fund							37,738	(37,738)					
<b>U.S. Department of Education--Passed-Through State Department of Education</b>													
Special Revenue Fund:													
Title I, Part A	84.010A	S010A230030	7/1/23-9/30/24	604,779			228,033	(414,759)			\$ (186,726)		
Title I, Part A	84.010A	S010A220030	7/1/22-9/30/23	242,005	\$ (105,808)		105,808						
Title II A	84.367A	S367A230029	7/1/23-9/30/24	214,592			49,284	(68,154)			(18,870)		
Title II A	84.367A	S367A220029	7/1/22-9/30/23	97,912	(25,413)		25,413						
Language Instruction for English Learners and Immigrant Students:													
Title III	84.365A	S365A230030	7/1/23-9/30/24	97,439			77,899	(85,795)			(7,896)		
Title III	84.365A	S365A220030	7/1/22-9/30/23	96,352	(3,257)		3,257						
Subtotal Language Instruction for English Learners and Immigrant Students					(3,257)		81,156	(85,795)			(7,896)		
Title IV, Student Support and Academic Enrichment Program	84.424	S424A230031	7/1/23-9/30/24	27,714			13,468	(13,468)					
Special Education Cluster:													
I.D.E.A., Part B	84.027A	H027A230100	7/1/23-9/30/24	2,217,561			1,424,987	(1,671,774)	\$ 2,806		(243,981)		
I.D.E.A., Part B	84.027A	H027A220100	7/1/22-9/30/23	2,277,270	(556,969)		607,629		50,660				
I.D.E.A. Preschool	84.173A	H173A230114	7/1/23-9/30/24	68,572			68,572	(68,572)					
I.D.E.A. Preschool	84.173A	H173A220114	7/1/22-9/30/23	69,653	(67,754)		67,754						
Total Special Education Cluster					(624,723)		2,168,942	(1,740,346)	53,466		(243,981)		
Education Stabilization Fund:													
COVID-19 CRSSA ESSER II	84.425D	S425D200027	3/13/20-9/30/23	1,227,725	(74,949)		103,698	(28,749)					
COVID-19 CRSSA ESSER II Learning Acceleration	84.425D	S425D200027	3/13/20-9/30/23	78,789	(11,896)		16,498	(4,602)					
COVID-19 CRSSA ESSER II Mental Health	84.425D	S425D200027	3/13/20-9/30/23	45,000	(5,214)		5,420	(206)					
COVID-19 ARP ESSER III	84.425U	S425U210027	3/13/20-9/30/24	2,759,232	(1,209,885)		1,152,547	(495,287)			(552,625)		
COVID-19 ARP Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	43,119			43,119	(43,119)					
COVID-19 ARP NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000			27,810	(45,000)			(17,190)		
COVID-19 ARP Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	43,119	(3,403)		7,751	(7,426)			(3,078)		
COVID-19 ARP Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	632,438	(134,362)		328,681	(305,917)			(111,598)		
Subtotal Education Stabilization Fund					(1,439,709)		1,685,524	(930,306)			(684,491)		
Total U.S. Department of Education--Passed-Through State Department of Education					(2,198,910)		4,357,628	(3,252,828)	53,466		(1,141,964)		
<b>U.S. Department of the Treasury--Passed-Through State Department of Education</b>													
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ACSERS)	21.027	SLFRFDOE1SES	7/1/23-6/30/24	247,769			123,885	(247,769)			(123,884)		
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ACSERS)	21.027	SLFRFDOE1SES	7/1/22-6/30/23	348,669	(179,736)		179,736						
COVID-19 - CRF Nonpublic Digital Divide	21.019	S377A130031	7/16/20-10/31/20	14,356	84					\$ 84			
Total U.S. Department of the Treasury Passed-Through State Department of Education					(179,652)		303,621	(247,769)		84	(123,884)		
Total Special Revenue Fund					(2,378,562)		4,661,249	(3,500,597)	53,466	84	(1,265,848)		
<b>U.S. Department of Agriculture--Passed-Through State Department of Agriculture</b>													
Enterprise Fund:													
Child Nutrition Program Cluster:													
Noncash Assistance (Commodities):													
Food Donation Program (NC)	10.555	231NJ304N1099	7/1/23-6/30/24	302,852			302,852	(265,939)		36,913			
Food Donation Program (NC)	10.555	221NJ304N1099	7/1/22-6/30/24	304,587	47,677			(47,677)					
Cash Assistance:													
National School Lunch Program	10.555	241NJ304N1099	7/1/23-6/30/24	678,570			556,478	(678,570)			(122,092)		
National School Lunch Program	10.555	231NJ304N1099	7/1/22-6/30/23	776,259	(42,694)		42,694						
School Breakfast Program	10.553	231NJ304N1099	7/1/23-6/30/24	174,346			143,458	(174,346)			(30,888)		
School Breakfast Program	10.553	221NJ304N1099	7/1/22-6/30/23	141,010	(9,331)		9,331						
COVID-19 Supply Chain Assistance - 4th Round	10.555	231NJ334N8903	7/1/23-6/30/24	159,954			159,954	(159,954)					
Total Child Nutrition Program Cluster					(4,348)		1,214,767	(1,326,486)		36,913	(152,980)		
Local Food for Schools	10.185	AM22CPLFS000C015	7/1/23-2/28/25	60,259			9,326	(8,529)			(111)	\$ 908	
NSLP Equipment Assistance Grants	10.579	N/A	7/1/23-6/30/24	15,491				(15,491)			(15,491)		
Summer-EBT Administrative Cost	10.646	202424N180341	7/1/23-6/30/24	1,556				(1,556)			(1,556)		
COVID-19 Pandemic EBT Administrative Costs	10.649	2022225900941	7/1/22-6/30/23	653	(653)		653						
					(653)		9,979	(25,576)			(17,158)	908	
Total Enterprise Fund and Total U.S. Department of Agriculture-- Passed-Through State Department of Agriculture					(5,001)		1,224,746	(1,352,062)		36,913	(170,138)	908	
Total Expenditures of Federal Awards					\$ (2,383,563)	\$ -	\$ 5,923,733	\$ (4,890,397)	\$ 53,466	\$ 36,997	\$ (1,435,986)	\$ 908	\$ -
NC-non cash expenditures													

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

Parsippany-Troy Hills School District  
Schedule of Expenditures of State Financial Assistance  
Year Ended June 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance at June 30, 2024			Memo	
				Unearned Rev. (Accts Rec)	Due to Grantor					Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
State Department of Education														
General Fund:														
Special Education Categorical Aid	495-034-5120-089	7/1/23-6/30/24	\$ 7,763,006			\$ 7,007,144	\$ (7,763,006)						\$ (755,862)	\$ (7,763,006)
Special Education Categorical Aid	495-034-5120-089	7/1/22-6/30/23	7,406,183	\$ (714,246)		714,246								
Equalization Aid	495-034-5120-078	7/1/23-6/30/24	92,029			83,069	(92,029)						(8,960)	(92,029)
Equalization Aid	495-034-5120-078	7/1/22-6/30/23	92,029	(8,875)		8,875								
Security Aid	495-034-5120-084	7/1/23-6/30/24	857,373			773,893	(857,373)						(83,480)	(857,373)
Security Aid	495-034-5120-084	7/1/22-6/30/23	523,570	(50,493)		50,493								
Transportation Aid	495-034-5120-014	7/1/23-6/30/24	1,880,209			1,697,138	(1,880,209)						(183,071)	(1,880,209)
Transportation Aid	495-034-5120-014	7/1/22-6/30/23	1,163,059	(112,166)		112,166								
Extraordinary Aid	100-034-5120-473	7/1/23-6/30/24	1,970,003				(1,970,003)			\$ (1,970,003)				(1,970,003)
Extraordinary Aid	100-034-5120-473	7/1/22-6/30/23	1,994,963	(1,994,963)		1,994,963								
Non-Public Transportation Aid	495-034-5120-014	7/1/23-6/30/24	118,833				(118,833)				(118,833)			(118,833)
Non-Public Transportation Aid	495-034-5120-014	7/1/22-6/30/23	78,229	(78,229)		78,229								
On-Behalf TPAF - Pension Contributions	495-034-5094-002	7/1/23-6/30/24	25,450,523			25,450,523	(25,450,523)							(25,450,523)
On-Behalf TPAF - Post-Retirement Medical	495-034-5094-001	7/1/23-6/30/24	6,926,701			6,926,701	(6,926,701)							(6,926,701)
On-Behalf TPAF - Long-Term Disability Insurance	495-034-5094-004	7/1/23-6/30/24	8,734			8,734	(8,734)							(8,734)
Reimbursed TPAF - Social Security	495-034-5094-003	7/1/23-6/30/24	5,235,142			4,976,451	(5,235,142)				(258,691)			(5,235,142)
Total State Department of Education					(2,958,972)	49,882,625	(50,302,553)				(2,347,527)		(1,031,373)	(50,302,553)
Total General Fund					(2,958,972)	49,882,625	(50,302,553)				(2,347,527)		(1,031,373)	(50,302,553)
State Department of Education														
Special Revenue Fund:														
New Jersey Non-Public Aid:														
Textbook Aid	100-034-5120-064	7/1/23-6/30/24	14,626			14,626	(14,472)					\$ 154		(14,472)
Textbook Aid	100-034-5120-064	7/1/22-6/30/23	17,160		\$ 330			\$ (330)						
Nursing Services	100-034-5120-070	7/1/23-6/30/24	30,360			30,360	(30,360)							(30,360)
Security	100-034-5120-509	7/1/23-6/30/24	51,865			51,865	(35,409)					16,456		(35,409)
Security	100-034-5120-509	7/1/22-6/30/23	53,300		8,976			(8,976)						
Technology	100-035-5120-373	7/1/23-6/30/24	12,397			12,397	(12,385)					12		(12,385)
Technology	100-035-5120-373	7/1/22-6/30/23	10,920		27			(27)						
Non Public Auxillary Services (Ch. 192):														
Compensatory Education		7/1/23-6/30/24	17,982			17,982	(13,936)					4,046		(13,936)
English as a Second Language		7/1/23-6/30/24	366			366	(366)							(366)
Non Public Handicapped Services (Ch. 193):														
Examination and Classification	100-034-5120-066	7/1/23-6/30/24	16,503			16,503	(11,563)					4,940		(11,563)
Examination and Classification		7/1/22-6/30/23	30,137		6,825			(6,825)						
Supplemental Instruction		7/1/23-6/30/24	21,476			21,476	(8,012)					13,464		(8,012)
Supplemental Instruction		7/1/22-6/30/23	22,302		7,186			(7,186)						
Corrective Speech		7/1/23-6/30/24	10,230			10,230	(4,278)					5,952		(4,278)
Corrective Speech		7/1/22-6/30/23	17,670		14,880			(14,880)						
NJ Schools Development Authority														
Special Revenue Fund:														
SDA Emergent Needs and Capital Maintenance	100-034-5120-519	7/1/23-6/30/24	167,152			167,152	(167,152)							(167,152)
Total Special Revenue Fund					38,224	342,957	(297,933)	(38,224)				45,024		(297,933)
Debt Service Fund:														
Type II Aid	100-034-5120-075	7/1/23-6/30/24	530,898			530,898	(530,898)							(530,898)
Total Debt Service Fund						530,898	(530,898)							(530,898)
State Department of Agriculture														
Enterprise Fund:														
State School Lunch Program (State share)	100-010-3360-023	7/1/23-6/30/24	26,369			21,642	(26,369)				(4,727)			(26,369)
State School Lunch Program (State share)	100-010-3360-023	7/1/22-6/30/23	38,525	(2,149)		2,149								
State School Breakfast Program (State share)	Not available	7/1/22-6/30/23	8,544	(520)		520								
State Lunch Reduced Supplement	Not available	7/1/23-6/30/24	10,901			9,029	(10,901)				(1,872)			(10,901)
State Breakfast Reduced Supplement	Not available	7/1/23-6/30/24	4,575			3,763	(4,575)				(812)			(4,575)
State Breakfast After the Bell	Not available	7/1/23-6/30/24	5,108			4,147	(5,108)				(961)			(5,108)
State Lunch NJEIE	Not available	7/1/23-6/30/24	13,440			10,814	(13,440)				(2,626)			(13,440)
State Breakfast NJEIE	Not available	7/1/23-6/30/24	3,772			3,052	(3,772)				(720)			(3,772)
Summer-EBT Administrative Costs (state)	Not available	7/1/23-6/30/24	1,556				(1,556)				(1,556)			(1,556)
Total Enterprise Fund					(2,669)	55,116	(65,721)				(13,274)			(65,721)
Total State Financial Assistance				\$ (2,961,641)	\$ 38,224	\$ 50,811,596	\$ (51,197,105)	\$ (38,224)	\$ -	\$ -	\$ (2,360,801)	\$ 45,024	\$ (1,031,373)	\$ (51,197,105)
State Financial Assistance Not Subject to Single Audit Determination:														
On-Behalf TPAF - Pension Contributions	495-034-5094-002	7/1/23-6/30/24	25,450,523			25,450,523	(25,450,523)							(25,450,523)
On-Behalf TPAF - Post-Retirement Medical	495-034-5094-001	7/1/23-6/30/24	6,926,701			6,926,701	(6,926,701)							(6,926,701)
On-Behalf TPAF - Long-Term Disability Insurance	495-034-5094-004	7/1/23-6/30/24	8,734			8,734	(8,734)							(8,734)
Total State Financial Assistance Subject to Single Audit Determination				\$ (2,961,641)	\$ 38,224	\$ 18,425,638	\$ (18,811,147)	\$ (38,224)	\$ -	\$ -	\$ (2,360,801)	\$ 45,024	\$ (1,031,373)	\$ (18,811,147)

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

Parsippany-Troy Hills School District

Notes to Schedules of Expenditures of  
Federal Awards and State Financial Assistance

Year ended June 30, 2024

**1. Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal award and state financial assistance activity under programs of the federal and state government for the year ended June 30, 2024. The District is defined in Note 1 to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and 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 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented, or used in the preparation of, the basic financial statements. Because the schedules present only selected portions of the operations of the District, they are not intended to and do not present the financial position, changes in net position, or cash flows of the District.

**2. Summary of Significant Accounting Policies**

The expenditures reported on the accompanying schedules of expenditures of federal awards and state financial assistance (Schedules) are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and New Jersey OMB Circular 15-08, wherein certain types of expenditures are allowable or are limited as to reimbursement. These bases of accounting is described in Note 1 to the District's basic financial statements.

Parsippany-Troy Hills School District

Notes to Schedules of Expenditures of  
Federal Awards and State Financial Assistance

Year ended June 30, 2024

**3. Relationship to Basic Financial Statements**

Amounts reported in the accompanying schedules agree with amounts reported in the District's basic financial statements. The basic financial statements present the general fund, special revenue fund and debt service 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 the modified accrual basis with the exception of the revenue recognition of the last state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, these payments are not recognized until the subsequent budget year due to the state deferral and recording of the last 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, whereas the GAAP basis does not. The special revenue fund also recognizes the last 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 \$145,593 for the general fund and \$718,929 for the special revenue fund. See Note to Required Supplementary Information (C-3) for a reconciliation of the budgetary basis to GAAP of accounting for the general and special revenue funds. Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<b>Federal</b>	<b>State</b>	<b>Total</b>
General Fund	\$ 37,738	\$50,156,960	\$50,194,698
Special Revenue Fund	4,216,824	300,096	4,516,920
Debt Service Fund		530,898	530,898
Food Service Enterprise Fund	1,352,061	65,723	1,417,784
Total financial award revenues	<u>\$ 5,606,623</u>	<u>\$51,053,677</u>	<u>\$56,660,300</u>



Parsippany-Troy Hills School District

Notes to Schedules of Expenditures of  
Federal Awards and State Financial Assistance

Year ended June 30, 2024

**3. Relationship to Basic Financial Statements (continued)**

The adjustment to reconcile from budgetary basis accounts receivable to GAAP basis accounts receivable is \$444,569 for the special revenue fund. This is a result of recognizing encumbrances as expenditures on the budgetary basis but not the GAAP basis.

**4. Relationship to Federal and State Financial Reports**

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

**5. Other**

Revenues and expenditures reported under the Food Donation Program represent current year value of USDA commodities received and current year distributions, respectively. TPAF Social Security Contributions represent the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2024.

The post retirement pension, medical benefits and long-term disability benefits on-behalf of the District for the year ended June 30, 2024 amounted to \$32,385,958. Since on-behalf post retirement pension, medical benefits and long-term disability are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08. However, they are required to be reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

**6. Indirect Costs**

The District elected not to use the 10% de minimis indirect cost rate allowed by the Uniform Guidance.

**7. Adjustments**

The adjustments presented on schedule K-3 are the result of reallocations of grant misallocations in prior years or cancellations of unearned revenue and amounts expended in prior year expenditures.

Parsippany-Troy Hills School District  
Schedule of Findings and Questioned Costs

Year ended June 30, 2024

**Part I - Summary of Auditors' Results**

**Financial Statement Section**

Type of report the auditors issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ Yes ✓ No

Significant deficiency(ies) identified?

\_\_\_\_\_ Yes ✓ None Reported

Noncompliance material to the basic financial statements noted?

\_\_\_\_\_ Yes ✓ No

**Federal Awards**

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

\$750,000

Auditee qualified as low-risk auditee?

✓ Yes \_\_\_\_\_ No

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Internal control over major federal programs:

Material weakness(es) identified?

\_\_\_\_\_ Yes ✓ No

Significant deficiency(ies) identified?

\_\_\_\_\_ Yes ✓ None Reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ Yes ✓ No

Parsippany-Troy Hills School District  
Schedule of Findings and Questioned Costs

Year ended June 30, 2024

**Part I - Summary of Auditors' Results**

Identification of major federal programs:

<b>AL Number(s)</b>	<b>FAIN Number</b>	<b>Name of Federal Program or Cluster</b>
		Child Nutrition Program Cluster:
10.555	231NJ304N1099	National School Lunch Program
10.553	231NJ304N1099	School Breakfast Program
10.555	231NJ334N8903	COVID-19 Supply Chain Assistance
10.555	231NJ304N1099	Food Donation Program
21.027	SLFRFDOE1SES	COVID-19 Additional or Compensatory Special Education and Related Services (ACSERS)

Parsippany-Troy Hills School District  
Schedule of Findings and Questioned Costs

Year ended June 30, 2024

**Part I - Summary of Auditors' Results**

**State Financial Assistance**

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

\$750,000

Auditee qualified as low-risk auditee?

✓

Yes

No

Type of auditors' report on compliance for major  
state programs:

Unmodified

Internal control over compliance:

Material weakness(es) identified?

Yes

✓

No

Significant deficiency (ies) identified?

Yes

✓

None  
Reported

Any audit findings disclosed that are required to be  
reported in accordance with NJOMB Circular 15-  
08?

Yes

✓

No

Identification of major state programs:

<b>GMIS/Program Number</b>	<b>Name of State Program or Cluster</b>
495-034-5094-003	Reimbursed TPAF Social Security

Parsippany-Troy Hills School District  
Schedule of Findings and Questioned Costs

Year ended June 30, 2024

**Part II – Schedule of Financial Statement Findings**

No compliance or internal control over financial reporting findings noted that are required to be reported under *Government Auditing Standards*.

Parsippany-Troy Hills School District

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

**Part III – Schedule of Federal Award and State Financial  
Assistance Findings and Questioned Costs**

This section identifies any significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by 2 CFR 200 Section 516(a) and New Jersey Treasury Circular OMB 15-08, respectively.

**Federal Award Programs**

No compliance or internal control findings or questioned costs noted that are required to be reported in accordance with 2 CFR 200 Section 516(a).

**State Financial Assistance Programs**

No compliance or internal control over compliance findings or questioned costs noted that are required to be reported in accordance with New Jersey Treasury Circular OMB 15-08.