

**NUTLEY BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Nutley, New Jersey**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Nutley Board of Education**

**Nutley, New Jersey**

**For The Fiscal Year Ended June 30, 2021**

**Prepared by**

**Business Office**

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## **INTRODUCTORY SECTION**



**THE NUTLEY PUBLIC SCHOOLS**  
**Administrative Office**  
**315 Franklin Avenue**  
**Nutley, New Jersey 07110**

**Julie Glazer**  
**Superintendent of Schools**  
**Phone: 973-661-8798**  
**Fax: 973-320-8476**

**David DiPisa**  
**Business Administrator/  
Board Secretary**  
**Phone: 973-661-8797**  
**Fax: 973-320-8475**

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March 11, 2022

Honorable President and  
Trustees of the Board of Education  
Nutley Public Schools  
Nutley, New Jersey

Dear Trustees:

State Department of Education statutes require that all local school districts to publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the Nutley Board of Education for the fiscal year ended June 30, 2021.

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

The Nutley Board of Education’s financial statements have been audited by Lerch, Vinci & Higgins, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Nutley Board of Education as of and for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Nutley Board of Education’s financial statements as of and for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

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

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

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

The District provides a full range of education services to grade levels K through 12. These include regular, as well as special education for handicapped youngsters. The District completed the 2020-21 fiscal year with an average daily enrollment of 3,966 students, which is 80 students less than the previous year's average. The following details the changes in the average daily enrollment of the District over the last five years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020-21	3,966	(2.0%)
2019-20	4,046	(.6%)
2018-19	4,068	0.24%
2017-18	4,058	(0.42%)
2016-17	4,075	1.22%

**2) ECONOMIC CONDITION AND OUTLOOK:** The Board developed a plan for school expansion as is noted in the district's Long-Range Facility Plan (the "LRFP").

The LRFP was amended in the 2017/2018 school year to include proposed additions and remaining security entrances at John H. Walker Middle School, and Yantacaw Elementary School. A November 2018 referendum election took place but was not approved by the voters. An updated Demographic Study was completed in April 2019. The Board of Education continues to review facility needs and building expansion options.

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

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

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

**4) 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 provision embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget 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 the year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2021.

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

**6) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 4. The District's cash management plan has all public funds deposited in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protections Act (GUDPA). GUDPA was enacted to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**7) RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance is detailed on Exhibit J-20.

**8) OTHER INFORMATION:**

**A) Independent Audit** - State statutes require an annual audit by licensed public school accountants who are independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was selected by the Board to perform the audit for the fiscal year ended June 30, 2021. In addition to meeting the requirements set forth in State Statutes, the audit was also designed to meet the requirements of the U.S. Uniform Guidance and State Treasury Circular Letter 15-08 OMB. The auditors' report on the financial statements and combining and individual fund statements and schedules 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.

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

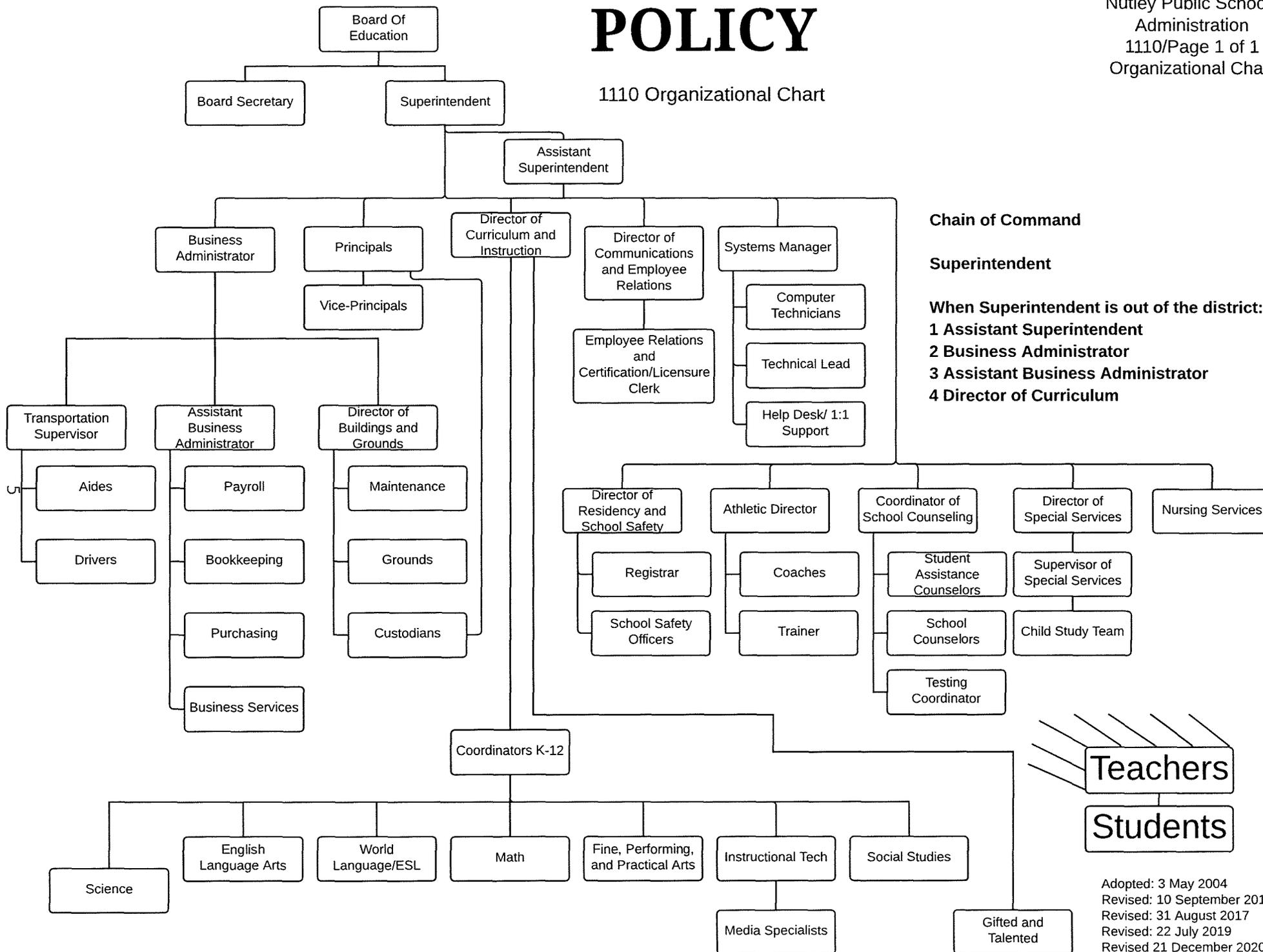
Respectfully submitted,



David DiPisa  
Business Administrator/Board Secretary

# POLICY

## 1110 Organizational Chart



Adopted: 3 May 2004  
Revised: 10 September 2012  
Revised: 31 August 2017  
Revised: 22 July 2019  
Revised 21 December 2020

**NUTLEY BOARD OF EDUCATION  
ROSTER OF OFFICIALS  
JUNE 30, 2021**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Mr. Salvatore Balsamo	2023
Mr. Daniel Carnicella	2022
Mrs. Lis Danchak-Martin	2023
Mr. Frank DeMaio	2022
Mr. Salvatore Ferraro	2023
Mr. Charles Kucinski	2022
Mrs. Theresa Quirk	2021
Mr. Kenneth J. Reilly	2021
Ms. Erica Zarro	2021

**Other Officials**

Julie Glazer, Superintendent

Kent Bania, Assistant Superintendent

David DiPisa, Business Administrator/Board Secretary

Joanne Wilson, Treasurer of School Monies

**NUTLEY BOARD OF EDUCATION  
Consultants and Advisors**

**Board Attorney**

Inglesino, Webster, Wyciskala & Taylor, LLC  
600 Parsippany Road  
Suite 204  
Parsippany, NJ 07054

**Special Construction Counsel**

Connell Foley LLP  
85 Livingston Avenue  
Roseland, NJ 07068

**Independent Auditors**

Lerch, Vinci & Higgins, LLP  
17-17 Route 208N  
Fair Lawn, NJ 07410

**Official Depository**

TD Bank  
575 Kingsland Street  
Nutley, NJ 07110

## **FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, RMA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Trustees  
Nutley Board of Education  
315 Franklin Avenue  
Nutley, New Jersey

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Nutley Board of Education, as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Nutley Board of Education as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Emphasis of Matter*

### *Adoption of New Accounting Pronouncement*

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2021, the Nutley Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities which provided guidance on identifying fiduciary activities and how they should be reported. The adoption of this standard resulted in a change to how previously reported fiduciary fund activities are currently reported in the financial statements. Our opinion is not modified with respect to this matter.

## *Other Matters*

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Nutley Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Nutley Board of Education.

The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, 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.

The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with Government Auditing Standards, we have also issued our report dated March 11, 2022 on our consideration of the Nutley Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Nutley Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Nutley Board of Education's internal control over financial reporting and compliance.

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
March 11, 2022

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **NUTLEY BOARD OF EDUCATION**

### **Management's Discussion and Analysis**

This section of the Nutley Board of Education's comprehensive annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

#### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2020-2021 fiscal year include the following:

- The assets and deferred outflows of resources of the Nutley Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$10,271,100.
- Overall district revenues were \$99,137,908. General revenues accounted for \$67,716,686 or 68% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$31,421,222 or 32% of total revenues.
- The school district had \$97,756,353 in expenses for governmental activities; only \$30,353,744 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$67,715,596 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$8,692,736.
- The General Fund (GAAP Basis) fund balance at June 30, 2021 was \$5,856,081 a decrease of \$196,187 from the June 30, 2020 balance of \$6,052,268.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.

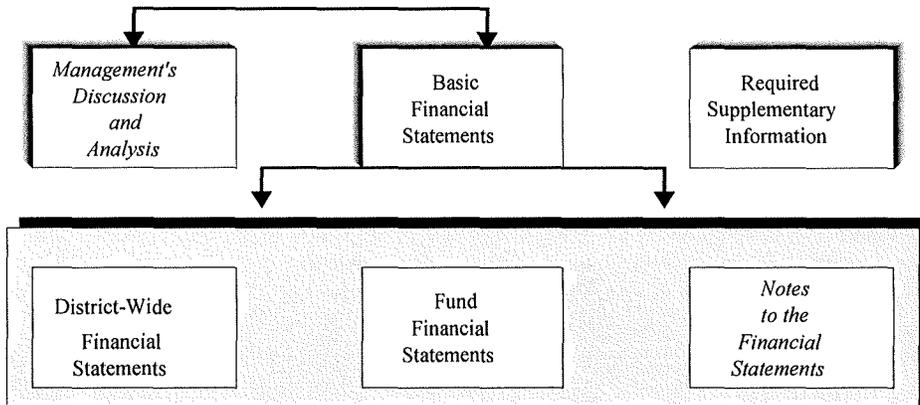
# NUTLEY BOARD OF EDUCATION

## Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

- The governmental funds statements tell how basic services were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities the district operated like businesses.

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



# NUTLEY BOARD OF EDUCATION

## Management’s Discussion and Analysis

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

Major Features of the District-Wide and Fund Financial Statements

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

### District-wide Financial Statements

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

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

# NUTLEY BOARD OF EDUCATION

## Management's Discussion and Analysis

### District-wide Financial Statements (continued)

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

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

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration and plant operations and maintenance. Property taxes and state aids finance most of these activities.
- *Business type activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund and Extended Day Program Fund are included under this category.

### Fund Financial Statements

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

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

The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.

- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.

# NUTLEY BOARD OF EDUCATION

## Management's Discussion and Analysis

### Fund Financial Statements (continued)

*Enterprise Funds* –These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has two enterprise funds.

- Food Service (Cafeteria)
- Extended Day

### Notes to the Financial Statements

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

### Other Information

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

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

### DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a Board's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$10,271,100 as of June 30, 2021.

## NUTLEY BOARD OF EDUCATION

### Management's Discussion and Analysis

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

#### Net Position As of June 30, 2021 and 2020

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u> (Restated)
<b>Assets</b>						
Current Assets	\$ 11,515,946	\$ 7,545,440	\$ 1,022,315	\$ 848,172	\$ 12,538,261	\$ 8,393,612
Capital Assets, Net	<u>57,702,100</u>	<u>58,064,428</u>	<u>103,023</u>	<u>72,493</u>	<u>57,805,123</u>	<u>58,136,921</u>
<b>Total Assets</b>	<u>69,218,046</u>	<u>65,609,868</u>	<u>1,125,338</u>	<u>920,665</u>	<u>70,343,384</u>	<u>66,530,533</u>
<b>Deferred Outflows of Resources</b>	<u>3,591,769</u>	<u>4,713,722</u>	<u>-</u>	<u>-</u>	<u>3,591,769</u>	<u>4,713,722</u>
<b>Total Assets &amp; Deferred Outflows of Resources</b>	<u>72,809,815</u>	<u>70,323,590</u>	<u>1,125,338</u>	<u>920,665</u>	<u>73,935,153</u>	<u>71,244,255</u>
<b>Liabilities</b>						
Long-Term Liabilities	53,016,057	55,027,328			53,016,057	55,027,328
Other Liabilities	<u>3,365,675</u>	<u>1,156,735</u>	<u>84,048</u>	<u>17,719</u>	<u>3,449,723</u>	<u>1,174,454</u>
<b>Total Liabilities</b>	<u>56,381,732</u>	<u>56,184,063</u>	<u>84,048</u>	<u>17,719</u>	<u>56,465,780</u>	<u>56,201,782</u>
<b>Deferred Inflows of Resources</b>	<u>7,196,608</u>	<u>7,225,985</u>	<u>1,665</u>	<u>5,108</u>	<u>7,198,273</u>	<u>7,231,093</u>
<b>Total Liabilities &amp; Deferred Inflows of Resources</b>	<u>63,578,340</u>	<u>63,410,048</u>	<u>85,713</u>	<u>22,827</u>	<u>63,664,053</u>	<u>63,432,875</u>
<b>Net Position</b>						
Net Investment in Capital Assets	25,042,001	23,328,725	103,023	72,493	25,145,024	23,401,218
Restricted	5,508,604	5,202,669			5,508,604	5,202,669
Unrestricted	<u>(21,319,130)</u>	<u>(19,732,367)</u>	<u>936,602</u>	<u>825,345</u>	<u>(20,382,528)</u>	<u>(18,907,022)</u>
<b>Total Net Position</b>	<u>\$ 9,231,475</u>	<u>\$ 8,799,027</u>	<u>\$ 1,039,625</u>	<u>\$ 897,838</u>	<u>\$ 10,271,100</u>	<u>\$ 9,696,865</u>

# NUTLEY BOARD OF EDUCATION

## Management's Discussion and Analysis

### Change in Net Position

For The Fiscal Years Ended June 30, 2021 and 2020

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u> (Restated)
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 196,116	\$ 99,158	\$ 36,766	\$ 1,261,225	\$ 232,882	\$ 1,360,383
Operating Grants and Contributions	30,145,758	21,064,189	1,030,712	272,525	31,176,470	21,336,714
Capital Grants and Contributions	11,870				11,870	-
General Revenues						
Property Taxes	61,862,619	60,449,059			61,862,619	60,449,059
State Aid	5,690,192	5,641,715			5,690,192	5,641,715
Other	162,785	482,061	1,090	7,821	163,875	489,882
<b>Total Revenues</b>	<u>98,069,340</u>	<u>87,736,182</u>	<u>1,068,568</u>	<u>1,541,571</u>	<u>99,137,908</u>	<u>89,277,753</u>
<b>Expenses</b>						
Instruction						
Regular	42,044,190	36,022,418			42,044,190	36,022,418
Special Education	18,282,125	16,067,749			18,282,125	16,067,749
Other Instruction	1,783,365	1,556,551			1,783,365	1,556,551
School Sponsored Activities and Athletics	1,922,767	1,860,377			1,922,767	1,860,377
Community Services	3,677	4,543			3,677	4,543
Support Services						
Student and Instruction Related Services	12,146,861	11,057,920			12,146,861	11,057,920
General Administrative Services	2,542,798	2,194,904			2,542,798	2,194,904
School Administrative Services	6,081,401	5,121,879			6,081,401	5,121,879
Plant Operations and Maintenance	7,703,075	6,271,313			7,703,075	6,271,313
Pupil Transportation	1,988,017	2,643,556			1,988,017	2,643,556
Business Services	1,905,005	1,450,238			1,905,005	1,450,238
Interest and Chgs on Long-Term Debt	1,353,072	1,413,201			1,353,072	1,413,201
Food Services			764,528	895,514	764,528	895,514
Extended Day	-	-	158,591	1,102,030	158,591	1,102,030
<b>Total Expenses</b>	<u>97,756,353</u>	<u>85,664,649</u>	<u>923,119</u>	<u>1,997,544</u>	<u>98,679,472</u>	<u>87,662,193</u>
Change in Net Position	312,987	2,071,533	145,449	(455,973)	458,436	1,615,560
Net Position, Beginning of Year	8,799,027	4,811,028	897,838	1,368,186	9,696,865	6,179,214
Prior Period Adjustment	119,461	1,916,466	(3,662)	(14,375)	115,799	1,902,091
Net Position, End of Year	<u>\$ 9,231,475</u>	<u>\$ 8,799,027</u>	<u>\$ 1,039,625</u>	<u>\$ 897,838</u>	<u>\$ 10,271,100</u>	<u>\$ 9,696,865</u>

# NUTLEY BOARD OF EDUCATION

## Management's Discussion and Analysis

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$98,069,340 for the fiscal year ended June 30, 2021. Property taxes of \$61,862,619 represented 63 percent of revenues. Another significant portion of revenues came from State aid; total State, Federal, Local and formula aid was \$35,847,820. Miscellaneous revenues include items such as rentals, prior year refunds, etc. The smallest components of revenues are charges for services which includes tuition from other LEAs and student activity receipts and capital grants and contributions.

The total cost of all governmental activities programs and services was \$97,756,353. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$64,036,124 (66%) of total expenditures. Student support services, exclusive of general and school administration, total \$12,146,861 or (12%) of total expenditures.

Total governmental activities revenues surpassed expenses increasing net position by \$312,987 from the previous year.

**Net Cost of Governmental Activities.** The District's total cost of services was \$97,756,353. After applying program revenues, derived from charges for services of \$196,116; and operating and capital grants and contributions of \$30,157,628; the net cost of services of the District is \$67,402,609.

### Total and Net Cost of Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Instruction				
Regular	\$ 42,044,190	\$ 36,022,418	\$ 28,108,501	\$ 25,862,367
Special Education	18,282,125	16,067,749	10,116,695	9,426,591
Other Instruction	1,783,365	1,556,551	1,178,519	1,121,249
School Sponsored Activities and Athletics	1,922,767	1,860,377	1,251,802	1,404,975
Community Services	3,677	4,543	2,428	3,254
Support Services				
Student and Instruction Related Services	12,146,861	11,057,920	8,927,496	9,159,556
General Administrative Services	2,542,798	2,194,904	2,229,903	2,090,766
School Administrative Services	6,081,401	5,121,879	4,819,118	4,424,367
Plant Operations and Maintenance	7,703,075	6,271,313	6,517,539	6,168,177
Pupil Transportation	1,988,017	2,643,556	1,265,854	2,016,266
Business Services	1,905,005	1,450,238	1,631,682	1,410,533
Interest and Other Chgs on Long-Term Debt	1,353,072	1,413,201	1,353,072	1,413,201
Total	\$ 97,756,353	\$ 85,664,649	\$ 67,402,609	\$ 64,501,302

## NUTLEY BOARD OF EDUCATION

### Management's Discussion and Analysis

**Business-Type Activities** – The District's total business-type activities revenues were \$1,068,568 for the fiscal year ended June 30, 2021. Charges for services accounted for 3% of total revenues. Operating grants and contributions accounted for 96% of total revenue for the year.

The total cost of all business-type activities programs and services was \$923,119. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District and the operation of the Extended Day program.

Total business-type activities revenues surpassed expenses increasing net position by \$145,449 over the prior year balance.

#### 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. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$8,692,736, a decrease of \$150,464. The June 30, 2020, fund balance was \$8,843,200.

Revenues for the District's governmental funds were \$87,923,627, while total expenses were \$88,472,065.

**General Fund** - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students from pre-kindergarten through grade 12 including pupil transportation activities and capital outlay projects.

The following schedule presents a summary of General Fund revenues.

	<u>Fiscal Year Ended</u>		Increase (Decrease)	Percentage Increase (Decrease)
	<u>June 30, 2021</u>	<u>June 30, 2020</u>		
Local Sources				
Property Tax Levy	\$ 59,208,160	\$ 57,653,751	\$ 1,554,409	2.7%
Tuition	58,890	99,158	(40,268)	-40.6%
Miscellaneous	162,758	482,013	(319,255)	-66.2%
State Sources	22,213,794	20,023,709	2,190,085	10.9%
Federal Sources	<u>94,055</u>	<u>74,308</u>	<u>19,747</u>	26.6%
Total General Fund Revenues	<u>\$ 81,737,657</u>	<u>\$ 78,332,939</u>	<u>\$ 3,404,718</u>	4.3%

## NUTLEY BOARD OF EDUCATION

### Management's Discussion and Analysis

Total General Fund Revenues increased by \$3,404,718 or 4.3% over the previous year.

Property taxes increased approximately 3% over the previous year. State aid revenues increase \$2,190,085 primarily due to increases in extraordinary aid and the State's on-behalf TPAF pension contribution.

The following schedule presents a summary of General Fund expenditures.

	<u>Fiscal Year Ended</u>		Increase (Decrease)	Percentage Increase (Decrease)
	<u>June 30, 2021</u>	<u>June 30, 2020</u>		
Instruction	\$ 54,314,618	\$ 50,640,016	\$ 3,674,602	7.3%
Support Services	26,138,868	25,855,369	283,499	1.1%
Debt Service	253,086	165,264	87,822	53.1%
Capital Outlay	<u>147,272</u>	<u>1,226,759</u>	<u>(1,079,487)</u>	-88.0%
Total Expenditures	<u>\$ 80,853,844</u>	<u>\$ 77,887,408</u>	<u>\$ 2,966,436</u>	3.8%

Total General Fund expenditures increased \$2,966,436 from the previous year. A significant portion of the increase is attributed to increases in contractual salaries for the 2020/2021 school year and increases in on-behalf TPAF pension contributions.

In 2020-2021 General Fund expenditures and other financing uses exceeded revenues and other financing sources by \$196,187. As a result, total fund balance decreased to \$5,856,081 at June 30, 2021. After deducting statutory restrictions and committed and assigned encumbrances, the unassigned fund balance (GAAP Basis) at June 30, 2021 is \$1,621,390.

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

Revenues of the Special Revenue Fund were \$2,723,643 for the fiscal year ended June 30, 2021. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 77% of the total revenue for the year.

Expenditures of the Special Revenue Fund were \$2,631,712. Instructional expenditures were \$895,849 support services expenditures were \$1,723,993 and capital outlay expenditures were \$11,870.

# NUTLEY BOARD OF EDUCATION

## Management’s Discussion and Analysis

**Capital Projects** – Expenditures and other financing uses were greater than revenues and other financing sources by \$46,206 resulting in a fund balance of \$1,488,336 at June 30, 2021.

### Proprietary Funds

The District maintains Enterprise Funds to account for activities that are supported in part through user fees.

**Enterprise Funds** - The District uses Enterprise Funds to report activities related to the Food Services program as well as the Extended Day program. The District’s Enterprise Funds provide the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of these Funds have already been addressed in the discussion of the District’s business-type activities.

### GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of prior year purchase orders (June 30, 2020 encumbrances).
- Appropriation of Capital Reserve

### CAPITAL ASSETS

The District’s investment in capital assets for its governmental and business type activities as of June 30, 2021 amounts to \$57,805,123 (net of accumulated depreciation). The capital assets consist of land, construction in progress, buildings, building improvements, specialized machinery and various other types of equipment. Depreciation charges for fiscal year 2020-2021 amounted to \$2,160,857 for governmental activities and \$9,481 for business-type activities.

Capital Assets at June 30, 2021 and 2020  
(Net of Accumulated Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 79,932	\$ 79,932			\$ 79,932	\$ 79,932
Construction In Progress	30,820	102,654			30,820	102,654
Buildings	56,101,053	56,643,972			56,101,053	56,643,972
Machinery and Equipment	<u>1,490,295</u>	<u>1,237,870</u>	<u>\$ 103,023</u>	<u>\$ 72,493</u>	<u>1,593,318</u>	<u>1,310,363</u>
<b>Total Capital Assets (Net)</b>	<u>\$ 57,702,100</u>	<u>\$ 58,064,428</u>	<u>\$ 103,023</u>	<u>\$ 72,493</u>	<u>\$ 57,805,123</u>	<u>\$ 58,136,921</u>

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

# NUTLEY BOARD OF EDUCATION

## Management's Discussion and Analysis

### LONG TERM LIABILITIES

At year end, the District's long-term liabilities, exclusive of the unamortized premium, consisted of compensated absences payable of \$1,735,705, capital leases payable of \$487,380 net pension liability of \$15,378,709 accrued liability for insurance claims, \$1,208,667 and bonds payable of \$32,450,000.

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

#### Outstanding Long-Term Liabilities

	<u>2021</u>	<u>2020</u>
Serial Bonds Payable	\$ 32,450,000	\$ 34,655,000
Capital Leases	487,380	242,606
Net Pension Liability	15,378,709	16,960,265
Accrued Liability for Insurance Claims	1,208,667	
Compensated Absences	<u>1,735,705</u>	<u>1,150,388</u>
Total Long-Term Liabilities	<u>\$ 51,260,461</u>	<u>\$ 53,008,259</u>

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Currently, the District is in good financial condition. Everyone associated with the Nutley Board of Education is grateful for the community support.

Many factors were considered by the District's administration during the process of developing the fiscal year 2021-2022 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator, Nutley Board of Education, 315 Franklin Ave., Nutley, NJ 07110.

**BASIC FINANCIAL STATEMENTS**

**NUTLEY BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 9,691,779	\$ 881,917	\$ 10,573,696
Receivables, net			
Receivables from Other Governments	1,059,424	118,600	1,178,024
Other	215,603	9,445	225,048
Inventory		12,353	12,353
Restricted Assets			
Cash and Cash Equivalents Held by Third Parties	549,140		549,140
Capital Assets			
Not Being Depreciated	110,752		110,752
Being Depreciated, Net	<u>57,591,348</u>	<u>103,023</u>	<u>57,694,371</u>
Total Assets	<u>69,218,046</u>	<u>1,125,338</u>	<u>70,343,384</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	1,696,699		1,696,699
Deferred Amounts on Refundings of Debt	<u>1,895,070</u>	<u>-</u>	<u>1,895,070</u>
Total Deferred Outflows of Resources	<u>3,591,769</u>	<u>-</u>	<u>3,591,769</u>
Total Assets and Deferred Outflows of Resources	<u>72,809,815</u>	<u>1,125,338</u>	<u>73,935,153</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	1,723,516	22,212	1,745,728
Payable to State and Federal Governments	462,973		462,973
Claims and Judgements Payable	411,333		411,333
Accrued Interest Payable	542,465		542,465
Unearned Revenue	225,388	61,836	287,224
Noncurrent Liabilities			
Due Within One Year	2,418,900		2,418,900
Due Beyond One Year	<u>50,597,157</u>	<u>-</u>	<u>50,597,157</u>
Total Liabilities	<u>56,381,732</u>	<u>84,048</u>	<u>56,465,780</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	7,196,608	-	7,196,608
Deferred Commodities Revenue	<u>-</u>	<u>1,665</u>	<u>1,665</u>
Total Deferred Inflows of Resources	<u>7,196,608</u>	<u>1,665</u>	<u>7,198,273</u>
Total Liabilities and Deferred Inflows of Resources	<u>63,578,340</u>	<u>85,713</u>	<u>63,664,053</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	25,042,001	103,023	25,145,024
Restricted for:			
Capital Projects	3,054,694		3,054,694
Other Purposes	2,453,910		2,453,910
Unrestricted	<u>(21,319,130)</u>	<u>936,602</u>	<u>(20,382,528)</u>
Total Net Position	<u>\$ 9,231,475</u>	<u>\$ 1,039,625</u>	<u>\$ 10,271,100</u>

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

**NUTLEY BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 42,044,190	\$ 58,890	\$ 13,876,799		\$ (28,108,501)		\$ (28,108,501)
Special Education	18,282,125		8,165,430		(10,116,695)		(10,116,695)
Other Instruction	1,783,365		604,846		(1,178,519)		(1,178,519)
School Sponsored Activities and Athletics	1,922,767	137,226	533,739		(1,251,802)		(1,251,802)
Community Services	3,677		1,249		(2,428)		(2,428)
Support Services							
Student and Instruction Related Services	12,146,861		3,219,365		(8,927,496)		(8,927,496)
General Administrative Services	2,542,798		312,895		(2,229,903)		(2,229,903)
School Administrative Services	6,081,401		1,262,283		(4,819,118)		(4,819,118)
Plant Operations and Maintenance	7,703,075		1,173,666	\$ 11,870	(6,517,539)		(6,517,539)
Pupil Transportation	1,988,017		722,163		(1,265,854)		(1,265,854)
Business Services	1,905,005		273,323		(1,631,682)		(1,631,682)
Interest on Long-Term Debt and Other Charges	1,353,072	-	-	-	(1,353,072)	-	(1,353,072)
<b>Total Governmental Activities</b>	<b>97,756,353</b>	<b>196,116</b>	<b>30,145,758</b>	<b>11,870</b>	<b>(67,402,609)</b>	<b>-</b>	<b>(67,402,609)</b>
<b>Business-Type Activities</b>							
Food Service	764,528	36,766	1,030,712			\$ 302,950	302,950
Extended Day	158,591	-	-	-	-	(158,591)	(158,591)
<b>Total Business-Type Activities</b>	<b>923,119</b>	<b>36,766</b>	<b>1,030,712</b>	<b>-</b>	<b>-</b>	<b>144,359</b>	<b>144,359</b>
<b>Total Primary Government</b>	<b>\$ 98,679,472</b>	<b>\$ 232,882</b>	<b>\$ 31,176,470</b>	<b>\$ 11,870</b>	<b>(67,402,609)</b>	<b>144,359</b>	<b>(67,258,250)</b>

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

NUTLEY BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Balance, Carry Forward	\$ (67,402,609)	\$ 144,359	\$ (67,258,250)
<b>General Revenues</b>			
Property Taxes			
General Purposes	59,208,160		59,208,160
Debt Service	2,654,459		2,654,459
State Aid			
Unrestricted	4,882,351		4,882,351
Restricted for Debt Service	807,841		807,841
Miscellaneous Income	162,785	1,090	163,875
Total General Revenues	67,715,596	1,090	67,716,686
Change in Net Position	312,987	145,449	458,436
Net Position, Beginning of Year (Restated)	8,799,027	897,838	9,696,865
Prior Period Adjustments	119,461	(3,662)	115,799
Net Position, End of Year	\$ 9,231,475	\$ 1,039,625	\$ 10,271,100

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

**FUND FINANCIAL STATEMENTS**

**NUTLEY BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 6,956,992	\$ 1,403,506	\$ 1,331,280	\$ 1	\$ 9,691,779
Cash Held by Third Party	411,333		137,807		549,140
Receivables, Net					
Receivables from Other Governments	221,673	837,751			1,059,424
Other	191,613	4,741	19,249	-	215,603
<b>Total Assets</b>	<u>\$ 7,781,611</u>	<u>\$ 2,245,998</u>	<u>\$ 1,488,336</u>	<u>\$ 1</u>	<u>\$ 11,515,946</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 421,327	\$ 477,225			\$ 898,552
Intergovernmental Payable	267,906	195,067			462,973
Payroll Deductions and Withholdings Payable	824,964				824,964
Claims and Judgements Payable	411,333				411,333
Unearned Revenue	-	225,388	-	-	225,388
<b>Total Liabilities</b>	<u>1,925,530</u>	<u>897,680</u>	<u>-</u>	<u>-</u>	<u>2,823,210</u>
<b>Fund Balances</b>					
<b>Restricted</b>					
Capital Reserve	1,691,361				1,691,361
Maintenance Reserve	716,773				716,773
Excess Surplus - Designated for					
Subsequent Year's Budget	256,644				256,644
Unemployment Compensation	388,818				388,818
Co-Curricular Student Activities		175,858			175,858
Scholarship Awards		1,172,460			1,172,460
Lease Purchase			\$ 137,807		137,807
Capital Projects			1,350,529		1,350,529
Debt Service				\$ 1	1
<b>Assigned</b>					
Encumbrances	322,913				322,913
Designated for Subsequent Year's Budget	858,182				858,182
Unassigned	1,621,390	-	-	-	1,621,390
<b>Total Fund Balances</b>	<u>5,856,081</u>	<u>1,348,318</u>	<u>1,488,336</u>	<u>1</u>	<u>8,692,736</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 7,781,611</u>	<u>\$ 2,245,998</u>	<u>\$ 1,488,336</u>	<u>\$ 1</u>	

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 \$90,849,805 and the accumulated depreciation is \$33,147,705. 57,702,100

The District has financed capital assets through the issuance of serial bonds. The interest accrual at year end is: (542,465)

Long term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 2) (51,120,987)

Deferred Inflows and Outflows related to the debt refundings and net pension liability are not reported in the funds. (See Note 2) (5,499,909)

\$ 9,231,475

**NUTLEY BOARD OF EDUCATION**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 59,208,160			\$ 2,654,459	\$ 61,862,619
Tuition	58,890				58,890
Interest	17,725		\$ 27		17,752
Miscellaneous	145,033	\$ 294,614	-	-	439,647
Total - Local Sources	<u>59,429,808</u>	<u>294,614</u>	<u>27</u>	<u>2,654,459</u>	<u>62,378,908</u>
State Sources	22,213,794	328,190		807,841	23,349,825
Federal Sources	94,055	2,100,839	-	-	2,194,894
Total Revenues	<u>81,737,657</u>	<u>2,723,643</u>	<u>27</u>	<u>3,462,300</u>	<u>87,923,627</u>
<b>EXPENDITURES</b>					
Current					
Regular Instruction	35,064,040	476,378			35,540,418
Special Education Instruction	16,206,197	260,234			16,466,431
Other Instruction	1,505,979	6,985			1,512,964
School-Sponsored Activities and Athletics	1,535,276	152,252			1,687,528
Community Services	3,126				3,126
Support Services					
Student and Instructional Related Services	9,512,574	1,050,588			10,563,162
General Administrative Services	1,754,591				1,754,591
School Administrative Services	5,336,016				5,336,016
Plant Operations and Maintenance	6,086,016	673,405			6,759,421
Pupil Transportation	1,767,202				1,767,202
Business Services	1,682,469				1,682,469
Debt Service					
Principal	153,200			2,205,000	2,358,200
Interest and Other Charges	99,886			1,257,302	1,357,188
Capital Outlay	147,272	11,870	1,524,207	-	1,683,349
Total Expenditures	<u>80,853,844</u>	<u>2,631,712</u>	<u>1,524,207</u>	<u>3,462,302</u>	<u>88,472,065</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	<u>883,813</u>	<u>91,931</u>	<u>(1,524,180)</u>	<u>(2)</u>	<u>(548,438)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from Capital Lease			397,974		397,974
Transfers In			1,080,000		1,080,000
Transfers Out	(1,080,000)	-	-	-	(1,080,000)
Total Other Financing Sources (Uses)	<u>(1,080,000)</u>	<u>-</u>	<u>1,477,974</u>	<u>-</u>	<u>397,974</u>
Net Change in Fund Balances	(196,187)	91,931	(46,206)	(2)	(150,464)
Fund Balance, Beginning of Year (Restated)	<u>6,052,268</u>	<u>1,256,387</u>	<u>1,534,542</u>	<u>3</u>	<u>8,843,200</u>
Fund Balance, End of Year	<u>\$ 5,856,081</u>	<u>\$ 1,348,318</u>	<u>\$ 1,488,336</u>	<u>\$ 1</u>	<u>\$ 8,692,736</u>

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

**NUTLEY BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** **\$ (150,464)**

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense.

Capital Outlay	\$ 1,683,349	
Depreciation Expense	<u>(2,160,857)</u>	
		(477,508)
 Loss on Disposal of Capital Assets		 (4,281)

In the statement of activities, certain operating expenses - compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Compensated Absences		(585,317)
Accrued Liability for Insurance Claims		<u>(1,208,667)</u>

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

Capital Lease Payments	153,200	
Bond Principal Repayments	<u>2,205,000</u>	
		2,358,200

Issuance of Debt is an Other Financing Source in the Governmental Funds, but the issuance increases long-term liabilities in the statement of net position and is not reported in the statement of activities

Amortization of Premium	263,473	
Amortization of Deferred Amount on Refunding of Debt	(285,902)	
Capital Lease Proceeds	<u>(397,974)</u>	
		(420,403)

In the statement of activities, pension expenses are measured by the liability accrued during the year. In the governmental funds, however, expenditures are reported in the amount of financial resources used (paid):

Decrease in Pension Expense- Public Employees' Retirement System		757,299
Decrease in Pension Expense - Essex County Pension Fund		17,583

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in Accrued Interest		<u>26,545</u>
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**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ 312,987**

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

**NUTLEY BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2021**

	<u>Food Service</u>	<u>Extended Day</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 483,203	\$ 398,714	\$ 881,917
Intergovernmental Accounts Receivable			
State	8,574		8,574
Federal	110,026		110,026
Other Accounts Receivable	9,445		9,445
Inventory	12,353	-	12,353
	623,601	398,714	1,022,315
<b>Capital Assets</b>			
Machinery and Equipment	320,085		320,085
Less: Accumulated Depreciation	(217,062)	-	(217,062)
	103,023	-	103,023
Total Capital Assets, Net	103,023	-	103,023
Total Assets	726,624	398,714	1,125,338
<b>LIABILITIES</b>			
<b>Liabilities</b>			
Accounts Payable	22,212		22,212
Unearned Revenue	61,836	-	61,836
	84,048	-	84,048
Total Liabilities	84,048	-	84,048
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue	1,665	-	1,665
Total Deferred Inflows of Resources	1,665	-	1,665
Total Liabilities and Deferred Inflows of Resources	85,713	-	85,713
<b>NET POSITION</b>			
Investment in Capital Assets	103,023		103,023
Unrestricted	537,888	398,714	936,602
Total Net Position	\$ 640,911	\$ 398,714	\$ 1,039,625

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

**NUTLEY BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Food Service</u>	<u>Extended Day</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
<b>OPERATING REVENUES</b>			
Charges for Services			
Daily Sales			
Non-Reimbursable Programs	\$ 30,013		\$ 30,013
Miscellaneous	6,753	-	6,753
	<u>36,766</u>	<u>-</u>	<u>36,766</u>
<b>OPERATING EXPENSES</b>			
Salaries and Wages	157,636	\$ 123,402	281,038
Employee Benefits	32,028		32,028
Cost of Sales			-
Reimbursable Programs	389,097		389,097
Non-Reimbursable Programs	10,026		10,026
Supplies	23,772		23,772
Purchased Services	63,553		63,553
Other	78,347	35,189	113,536
Depreciation	9,481	-	9,481
	<u>763,940</u>	<u>158,591</u>	<u>922,531</u>
Operating Income (Loss)	<u>(727,174)</u>	<u>(158,591)</u>	<u>(885,765)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
State Sources			
State School Lunch Program	33,611		33,611
Federal Sources			
Federal School Lunch Program	614,203		614,203
Food Distribution Program	50,841		50,841
School Breakfast Program	332,057		332,057
Interest Income	438	652	1,090
Loss on Disposal of Capital Assets	(588)	-	(588)
	<u>1,030,562</u>	<u>652</u>	<u>1,031,214</u>
Change in Net Position	303,388	(157,939)	145,449
Net Position, Beginning of Year	341,185	556,653	897,838
Prior Year Adjustments	(3,662)	-	(3,662)
Net Position, End of Year	<u>\$ 640,911</u>	<u>\$ 398,714</u>	<u>\$ 1,039,625</u>

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

**NUTLEY BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Food Service</u>	<u>Extended Day</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts (Payments) from/to Customers	\$ 59,344	\$ (26,905)	\$ 32,439
Payments for Employees	(189,664)	(123,402)	(313,066)
Payments to Suppliers	<u>(480,653)</u>	<u>(8,284)</u>	<u>(488,937)</u>
Net Cash Provided By (Used For) Operating Activities	<u>(610,973)</u>	<u>(158,591)</u>	<u>(769,564)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
State and Federal Sources	<u>890,101</u>	<u>-</u>	<u>890,101</u>
Net Cash Provided By Non-Capital Financing Activities	<u>890,101</u>	<u>-</u>	<u>890,101</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received	<u>438</u>	<u>652</u>	<u>1,090</u>
Net Cash Provided By Investing Activities	<u>438</u>	<u>652</u>	<u>1,090</u>
Net Change in Cash and Cash Equivalents	279,566	(157,939)	121,627
Cash and Cash Equivalents, Beginning of Year	<u>203,637</u>	<u>556,653</u>	<u>760,290</u>
Cash and Cash Equivalents, End of Year	<u>\$ 483,203</u>	<u>\$ 398,714</u>	<u>\$ 881,917</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>			
Operating Income (Loss)	\$ (727,174)	\$ (158,591)	\$ (885,765)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities			
Depreciation	9,481		9,481
USDA Commodities	50,841		50,841
(Increase) Decrease in Accounts Receivable	22,579		22,579
(Increase) Decrease in Inventories	14,675		14,675
Increase (Decrease) in Accounts Payable	22,068		22,068
Increase/(Decrease) in Deferred Commodities Revenue	<u>(3,443)</u>	<u>-</u>	<u>(3,443)</u>
Total Adjustments	<u>116,201</u>	<u>-</u>	<u>116,201</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ (610,973)</u>	<u>\$ (158,591)</u>	<u>\$ (769,564)</u>
Non-Cash Financing Activities			
Fair Value of Food Distribution Program - National School Lunch	<u>\$ 47,398</u>		

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

**NOTES TO THE FINANCIAL STATEMENTS**

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

**B. New Accounting Standards**

During fiscal year 2021, the District adopted the following GASB statement:

- GASB No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

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

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements**

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

**District-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

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

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

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

The *extended day fund* accounts for the activities of the District's before and after school child care program.

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

***1. Cash, Cash Equivalents and Investments***

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

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

***2. Receivables***

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

***3. Inventories***

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

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

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**4. *Restricted Assets***

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and/or their use is limited by state or county regulations for capital projects and/or Lease-Purchase Agreements for capital projects and/or repayment of certificates of participation, principal and interest.

**5. *Capital Assets***

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Building Improvements	20
Heavy Equipment	10-20
Office Equipment and Furniture	7-10
Computer Equipment	5

**6. *Deferred Outflows/Inflows of Resources***

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

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**6. *Deferred Outflows/Inflows of Resources (Continued)***

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items, which arise only under the accrual basis of accounting that qualify for reporting in this category. One item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

**7. *Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. The District's proprietary Funds do not permit the accrual of accumulated vacation and sick leave and salary related payments. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

**8. *Pensions***

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

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

**9. *Long-Term Obligations***

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

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

NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

*Maintenance Reserve* – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 3D).

*Excess Surplus – Designated for Subsequent Year's Budget* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2020 audited excess surplus that was appropriated in the 2021/2022 original budget certified for taxes.

*Unemployment Compensation Reserve* – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 5A).

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

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

*Lease Purchase* – This restriction was created from proceeds of the lease purchase agreement held in escrow.

NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

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

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

*Designated for Subsequent Year's Budget* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2021/2022 District budget certified for taxes.

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

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

11. *Fund Balance Policies*

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

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

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

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

***2. Property Taxes***

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

***3. Tuition Revenues and Expenditures***

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

Tuition Expenditures - Tuition charges for the fiscal years 2019-2020 and 2020-2021 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

***4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

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

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the district-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 district-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds Payable	\$ 32,450,000
Unamortized Premium	1,755,596
Deferred Amounts on Debt Refundings	(1,895,070)
Capital Leases Payable	487,380
Compensated Absences Payable	1,735,705
Accrued Liability for Insurance Claims	1,208,667
Net Pension Liability	
Public Employees' Retirement System	15,279,442
Essex County	<u>99,267</u>
	<u>51,120,987</u>

Another element of that reconciliation states that “deferred inflows and outflows related to debt refundings and net pension liability are not reported in the fund”. The details are as follows:

Deferred Inflows of Resources	
Deferred Amount on Net Pension Liability	\$ 7,196,608
Deferred Outflows of Resources	
Deferred Amount on Net Pension Liability	<u>(1,696,699)</u>
	<u>\$ 5,499,909</u>

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November do not have to submit their budgets that meet levy cap requirements for voter approval. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot.

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2020/2021. Also, during 2020/2021 the Board increased the original budget of the General Fund by \$1,146,011 and the Special Revenue Fund by \$1,851,698. The increases were funded by the additional appropriation of extraordinary aid, capital reserve, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances.

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

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

**B. Excess Expenditures Over Appropriations**

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Unfavorable</u> <u>Variance</u>
General Fund			
Current Expenditures			
Undistributed Expenditures			
Instructional Staff Training Services			
Salaries of Other Professional Staff	\$ 2,481	\$ 3,996	\$ 1,515

The above variance was a result of an audit adjustment and was offset with other available resources.

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**C. Capital Reserve**

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020		\$ 1,267,866
Increased by:		
Interest Earnings	\$ 3,495	
Deposits Approved by Board Resolution	<u>1,500,000</u>	
		<u>1,503,495</u>
		2,771,361
Decreased by:		
Withdrawals Approved by Board Resolution		
Capital Projects Fund		<u>1,080,000</u>
Balance, June 30, 2021		<u>\$ 1,691,361</u>

**D. Maintenance Reserve**

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

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

**NUTLEY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**D. Maintenance Reserve (Continued)**

The activity of the maintenance reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020	\$ 514,773
Increased by:	
Deposits Approved by Board Resolution	<u>202,000</u>
Balance, June 30, 2021	<u>\$ 716,773</u>

The June 30, 2021 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$3,269,992.

**E. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2021 is \$256,644. This amount was designated and appropriated in the 2021/2022 original budget certified for taxes.

**NOTE 4 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC and NCUSIF.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2021, the book value of the Board's deposits were \$11,167,097 and bank and brokerage firm balances of the Board’s deposits amounted to \$12,422,825. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” are categorized as:

**Depository Account**

Insured	\$ 12,011,492
Uninsured and Collateralized	<u>411,333</u>
	<u>\$ 12,422,825</u>

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Cash Deposits (Continued)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2021 the Board’s bank balance of \$411,333 was exposed to custodial credit risk as follows:

**Depository Account**

Uninsured and Collateralized:

Collateral held by Board’s Agent in the Board’s Name \$411,333

**Investments**

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

As of June 30, 2021, the Board had no outstanding investments.

Investment and interest earnings in the Capital Projects Fund with the exception of interest earned on lease purchase proceeds are assigned to the General Fund in accordance with Board policy.

**B. Receivables**

Receivables as of June 30, 2021 for the district’s individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Accounts	\$ 191,613	\$ 4,741	\$ 19,249	\$ 9,445	\$ 225,048
Intergovernmental					
Federal		837,751		110,026	947,777
State	<u>221,673</u>	<u>-</u>	<u>-</u>	<u>8,574</u>	<u>230,247</u>
Gross Receivables	413,286	842,492	19,249	128,045	1,403,072
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 413,286</u>	<u>\$ 842,492</u>	<u>\$ 19,249</u>	<u>\$ 128,045</u>	<u>\$ 1,403,072</u>

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Unearned Revenue**

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

Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 216,910
Grant Draw Downs Reserved for Encumbrances	<u>8,478</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 225,388</u>

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Balance <u>July 1, 2020</u>	Prior Period <u>Adjustment</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2021</u>
<b>Governmental Activities:</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 79,932				\$ 79,932
Construction in Progress	<u>102,654</u>	-	\$ 1,264,013	\$ (1,335,847)	<u>30,820</u>
Total Capital Assets, Not Being Depreciated	<u>182,586</u>	-	<u>1,264,013</u>	<u>(1,335,847)</u>	<u>110,752</u>
Capital Assets, Being Depreciated:					
Buildings	83,304,762		1,335,847		84,640,609
Machinery and Equipment	<u>5,632,721</u>	\$ 150,202	<u>419,336</u>	<u>(103,815)</u>	<u>6,098,444</u>
Total Capital Assets Being Depreciated	<u>88,937,483</u>	<u>150,202</u>	<u>1,755,183</u>	<u>(103,815)</u>	<u>90,739,053</u>
Less Accumulated Depreciation for:					
Buildings	(26,660,790)		(1,878,766)		(28,539,556)
Machinery and Equipment	<u>(4,394,851)</u>	<u>(30,741)</u>	<u>(282,091)</u>	<u>99,534</u>	<u>(4,608,149)</u>
Total Accumulated Depreciation	<u>(31,055,641)</u>	<u>(30,741)</u>	<u>(2,160,857)</u>	<u>99,534</u>	<u>(33,147,705)</u>
Total Capital Assets, Being Depreciated, net	<u>57,881,842</u>	<u>119,461</u>	<u>(405,674)</u>	<u>(4,281)</u>	<u>57,591,348</u>
Governmental Activities Capital Assets, net	<u>\$ 58,064,428</u>	<u>\$ 119,461</u>	<u>\$ 858,339</u>	<u>\$ (1,340,128)</u>	<u>\$ 57,702,100</u>

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

	Balance July 1, 2020	Prior Period Adjustment	Increases	Decreases	Balance June 30, 2021
<b>Business-Type Activities:</b>					
Capital Assets, Being Depreciated:					
Machinery and Equipment	\$ 287,762	\$ 40,599	-	\$ (8,276)	\$ 320,085
Total Capital Assets Being Depreciated	<u>287,762</u>	<u>40,599</u>	<u>-</u>	<u>(8,276)</u>	<u>320,085</u>
Less Accumulated Depreciation for:					
Machinery and Equipment	(215,269)	-	\$ (9,481)	7,688	(217,062)
Total Accumulated Depreciation	<u>(215,269)</u>	<u>-</u>	<u>(9,481)</u>	<u>7,688</u>	<u>(217,062)</u>
Total Capital Assets, Being Depreciated, net	<u>72,493</u>	<u>40,599</u>	<u>(9,481)</u>	<u>(588)</u>	<u>103,023</u>
Business-Type Activities Capital Assets, net	<u>\$ 72,493</u>	<u>\$ 40,599</u>	<u>\$ (9,481)</u>	<u>\$ (588)</u>	<u>\$ 103,023</u>

The District has made prior period adjustments totaling \$160,060 to correct balances of its capital assets in the governmental and business type activities.

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

**Governmental Activities:**

Instruction	
Regular	\$ 405,352
Total Instruction	<u>405,352</u>
Support Services	
Student and Instruction Related Services	515,710
General Administration	583,164
School Administration	1,790
Operations and Maintenance of Plant	538,384
Student Transportation	116,457
Total Support Services	<u>1,755,505</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,160,857</u>

**Business-Type Activities:**

Food Service Fund	\$ 9,481
Total Depreciation Expense-Business-Type Activities	<u>\$ 9,481</u>

**NUTLEY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Transfers**

The interfund transfers during the year ended June 30, 2021, is as follows:

	<u>Transfer In:</u>
	Capital
	Projects
	<u>Fund</u>
Transfer Out:	
General Fund	\$ <u>1,080,000</u>

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

**F. Leases**

**Operating Leases**

The District leases chromebooks under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2021 were \$166,512. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2022	\$ 211,790
2023	155,452
2024	155,452
2025	<u>155,452</u>
Total	<u>\$ 678,146</u>

**Capital Leases**

The District has entered into lease agreements

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2022	\$ 151,403
2023	134,469
2024	115,125
2025	<u>115,125</u>
Total Minimum Lease Payments	516,122
Less: Amount Representing Interest	<u>(28,742)</u>
Present Value of Minimum Lease Payments	<u>\$ 487,380</u>

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2021 are comprised of the following issues:

\$10,000,000, 2012 Refunding Bonds, due in annual installments of \$640,000 to \$660,000 through August 15, 2029, interest at 3.25% to 4.0%	\$ 5,850,000
\$1,860,000, 2013 Refunding Bonds, due in annual installments of \$185,000 to \$195,000 through August 15, 2023, interest at 2.25%	570,000
\$30,445,000, 2015 Refunding Bonds, due in annual installments of \$1,435,000 to \$3,380,000 through July 15, 2032, interest at 2.5% to 5.0%	<u>26,030,000</u>
	<u>\$ 32,450,000</u>

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

**Governmental Activities:**

Fiscal Year Ended June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 2,280,000	\$ 1,188,731	\$ 3,468,731
2023	2,340,000	1,111,275	3,451,275
2024	2,415,000	1,029,056	3,444,056
2025	2,305,000	943,825	3,248,825
2026	2,620,000	850,125	3,470,125
2027-2031	13,850,000	2,688,713	16,538,713
2032-2033	<u>6,640,000</u>	<u>268,000</u>	<u>6,908,000</u>
	<u>\$ 32,450,000</u>	<u>\$ 8,079,725</u>	<u>\$ 40,529,725</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2021 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 160,401,413
Less: Net Debt Issued	<u>32,450,000</u>
Remaining Borrowing Power	<u>\$ 127,951,413</u>

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

	Balance			Balance	Due
	July 1, 2020	Additions	Reductions	June 30, 2021	Within
					One Year
<b>Governmental Activities:</b>					
Bonds Payable	\$ 34,655,000		\$ 2,205,000	\$ 32,450,000	\$ 2,280,000
Add: Unamortized Premium	2,019,069	-	263,473	1,755,596	-
	36,674,069	-	2,468,473	34,205,596	2,280,000
Capital Leases Payable	242,606	\$ 397,974	153,200	487,380	138,900
Net Pension Liability - PERS	16,834,508		1,555,066	15,279,442	
Net Pension Liability - Essex County	125,757		26,490	99,267	
Accrued Liability for Insurance Claims		14,421,526	13,212,859	1,208,667	
Compensated Absences Payable	1,150,388	585,317	-	1,735,705	-
Governmental Activity Long-Term Liabilities	<u>\$ 55,027,328</u>	<u>\$ 15,404,817</u>	<u>\$ 17,416,088</u>	<u>\$ 53,016,057</u>	<u>\$ 2,418,900</u>

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

**NOTE 5 OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The District is a member of the Suburban Metro Joint Insurance Fund and the School Pool for Excess Liability Limits (SPELL). The Funds are risk sharing public entity pools established for the purpose of insuring against these events and minimizing the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

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

**NUTLEY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

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

The District established a health insurance plan for its employees beginning in 2020-2021. Transactions related to the plan are accounted for in the General Fund. Claims are paid directly by the plan up to a maximum of \$200,000, with any excess benefit being reimbursed through a Re-Insurance Agreement with Sun Life Insurance Company. A contingent liability exists with respect to reinsurance, which would become an actual liability in the event the reinsuring company may not be able to meet their obligations to the District under existing reinsurance agreements.

Estimates of claims payable and of claims incurred, but not reported (IBNR) at June 30, 2021, are reported as accrued liability for insurance claims. These estimates were determined based on claim information supplied by the actuary. The unpaid claims liability of \$1,620,000 reported at June 30, 2021 is based on the requirements of the Governmental Accounting Standards Board, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the balances of claims liabilities for the health insurance plan for the fiscal years ended June 30, 2021 is as follows:

<b>Governmental Activities:</b>	<u>Fiscal Year Ended</u> <u>June 30, 2021</u>
Unpaid Claims, Beginning of Year	
Incurred Claims	\$ 14,832,859
Claim Payments	<u>(13,212,859)</u>
Unpaid Claims, End of Year	<u>\$ 1,620,000</u>
General Fund:	
Claims and Judgements Payable	\$ 411,333
Long-Term Liabilities:	
Accrued Liability for Insurance Claims	<u>1,208,667</u>
	<u>\$ 1,620,000</u>

**NUTLEY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

Fiscal Year Ended <u>June 30,</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2021	\$ 101,293	\$ 342,847	\$ 388,818
2020	138,128	122,774	629,098
2019	113,304	82,425	605,706

**B. Contingent Liabilities**

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

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2021, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2021, the District has not estimated its arbitrage earnings due to the IRS, if any.

**D. Employee Retirement Systems and Pension Plans**

**Plan Descriptions and Benefits Provided**

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

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

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

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

The following represents the membership tiers for PERS:

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

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

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

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

The following represent the membership tiers for TPAF:

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

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

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

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

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

**Other Pension Funds**

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

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

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

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

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Plan Amendments**

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

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

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

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32%. The collective net pension liability of the State funded TPAF at June 30, 2020 is \$66.0 billion and the plan fiduciary net position as a percentage of total pension liability is 24.60%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

**Actuarial Methods and Assumptions**

In the July 1, 2019 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee’s annual compensation for fiscal year 2021.

PERS employers’ and TPAF State’s nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2021 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2021, 2020 and 2019 were equal to the required contributions.

During the fiscal years ended June 30, 2021, 2020 and 2019 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2021	\$ 1,024,993	\$ 7,933,692	\$ 7,220
2020	908,795	6,266,389	10,307
2019	965,979	5,605,301	10,704

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Employer and Employee Pension Contributions (Continued)**

In addition for fiscal years 2021, 2020 and 2019 the District contributed \$0, \$4,830 and \$5,494, respectively for PERS and the State contributed \$5,609, \$6,435 and \$6,870, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,227,123 during the fiscal year ended June 30, 2021 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

**Public Employees Retirement System (PERS)**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2019 through June 30, 2020. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2020 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2020.

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$15,279,442 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2020. At June 30, 2020, the District's proportionate share was .09370 percent, which was an increase of .00027 percent from its proportionate share measured as of June 30, 2019 of .09343 percent.

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$267,694 for PERS. The pension contribution made by the District during the current 2020/2021 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2021 with a measurement date of the prior fiscal year end of June 30, 2020. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2021 for contributions made subsequent to the measurement date. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 278,214	\$ 54,035
Changes of Assumptions	495,682	6,397,647
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	522,264	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>400,539</u>	<u>731,074</u>
Total	<u>\$ 1,696,699</u>	<u>\$ 7,182,756</u>

At June 30, 2021, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2022	\$ (2,091,997)
2023	(1,848,740)
2024	(1,046,277)
2025	(414,462)
2026	(84,581)
Thereafter	<u>-</u>
	<u>\$ (5,486,057)</u>

**NUTLEY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

*Actuarial Assumptions*

The District's total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	7.00%
2020	June 30, 2019	6.28%

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

***Discount Rate (Continued)***

There was no crossover period for the PERS defined benefit plan. 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 Net Pension Liability***

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

	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 19,234,269</u>	<u>\$ 15,279,442</u>	<u>\$ 11,923,664</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2020. A sensitivity analysis specific to the District’s net pension liability at June 30, 2020 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Teachers Pension and Annuity Fund (TPAF)**

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2019 through June 30, 2020. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2020, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$11,492,535 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the net pension liability attributable to the District is \$184,814,212. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2020. At June 30, 2020, the State's share of the net pension liability attributable to the District was .28066 percent, which was an increase of .0015 percent from its proportionate share measured as of June 30, 2019 of .27916 percent.

**NUTLEY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

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

**Actuarial Assumptions**

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

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

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

**NUTLEY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

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

***Discount Rate***

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<b>Fiscal Year</b>	<b>Measurement Date</b>	<b>Discount Rate</b>
2021	June 30, 2020	5.40%
2020	June 30, 2019	5.60%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

**Period of Projected Benefit**

Payments for which the Following  
 Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2062
Municipal Bond Rate *	From July 1, 2062 and Thereafter

\* The municipal bond return rate used is 2.21% as of the measurement date of June 30, 2020. 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.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 5.40%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (4.40 percent) or 1-percentage-point higher (6.40 percent) than the current rate:

	<b>1% Decrease (4.40%)</b>	<b>Current Discount Rate (5.40%)</b>	<b>1% Increase (6.40%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 217,085,937</u>	<u>\$ 184,814,212</u>	<u>\$ 158,017,961</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2020. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2020 was not provided by the pension system.

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

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

***Pension Plan Fiduciary Net Position***

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

**Board of Education Employees' Pension Fund of Essex County (ECPF)**

**Plan Description**

The Board of Education Employees' Pension Fund of Essex County (the "Plan"), is a multiple-employer contributory defined benefit pension plan that provides pension and life insurance benefits to employees of the Boards of Education within Essex County employed before July 1, 1981, except temporary employees and employees eligible for coverage under any New Jersey State administered pension plan created under New Jersey laws. The ECPF became effective April 16, 1929.

Pursuant to New Jersey Public Law enacted in 1980, members were given the option to transfer their membership in the plan to the New Jersey Public Employees Retirement System (PERS). Approximately 2,775 members, 58% of the membership, elected to transfer to PERS effective July 1, 1981. The Plan is closed to new entrants.

**Benefits Provided**

Participants are eligible for retirement benefits on or after their normal retirement age (defined as the 60<sup>th</sup> birthday or 5<sup>th</sup> anniversary of joining the Plan, if later), which is equal to 2% of the member's average compensation during the highest three consecutive years of service from the date of hire multiplied by the number of years of credited service. The maximum monthly benefit is the lesser of \$15,457 and 100% of the highest three year average salary, subject to service requirements. Normally, benefits are calculated with payments guaranteed for 10 years.

Participants' beneficiaries will be entitled to death benefits equal to the actuarial equivalent to the participant's retirement benefit earned to the date of death.

**Contributions**

The Plan's contractually required contribution rate for the fiscal year ended June 30, 2020 was 123.81% of covered payroll, actuarially determined as an amount that is expected to finance costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Plan provisions and contribution requirements are established by contractually required provision. District contributions to the Plan amounted to \$16,471 for fiscal year 2021.

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$99,267 for its proportionate share of the ECPF net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share 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, 2020, the District's proportionate share was .37298 percent, which was a decrease of .00387 percent from its proportionate share measured as of June 30, 2019 of .37685.

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Board of Education Employees' Pension Fund of Essex County (ECPF) (Continued)**

For the year ended June 30, 2021, the District recognized in the district wide statement of activities (accrual basis) a pension benefit of \$1,428 for ECPF. At June 30, 2021, the District reported deferred inflows of resources related to ECPF from the following sources in the amount of \$13,852.

	<b><u>Deferred Inflows of Resources</u></b>
Net Difference Between Projected and Actual On Pension Plan Investments	\$ (13,852)

***Actuarial Assumptions***

The District's total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Salary Increases	3.00%
Investment Rate of Return	3.00%
Cost-of-living adjustments	2.00%

• Mortality rates:

Active members, inactive members and healthy retirees:  
110% of PubG-2010 mortality tables with MP-2019 mortality projection, in 2020.

Disabled retirees:  
110% of PubNS-2010 mortality tables with MP-2019 mortality projection, in 2020.

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

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 assets allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2020 and 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Real Rate of Return*</u>	
	<u>2020</u>	<u>2019</u>
U.S. Fixed Income	1.15%	1.96%
U.S. Large Cap Equity	6.40%	6.41%
U.S. Small Cap Equity	6.40%	6.41%

\* Net of 2% inflation assumption.

**NUTLEY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Board of Education Employees' Pension Fund of Essex County (ECPF) (Continued)**

*Discount Rate*

The discount rate used to measure the total pension liability of the ECPF was as follows:

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	6.00%
2020	June 30, 2019	6.00%

***Sensitivity of Net Pension Liability***

The following presents the District's proportionate share of the ECPF net pension liability calculated using the discount rate of 6.00% as well as what the District's proportionate share of the ECPF net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.0 percent) or 1-percentage-point higher (7.0 percent) than the current rate:

	<u>Decrease (5.0%)</u>	<u>Discount Rate (6.0%)</u>	<u>Increase (7.0%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 139,126	\$ 99,267	\$ 64,677

**E. Post-Retirement Medical Benefits**

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Plan Description and Benefits Provided**

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

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

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

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

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

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2019:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>149,304</u>
Total	<u>366,108</u>

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2020 is \$67.8 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2019 which were rolled forward to June 30, 2020.

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Actuarial Methods and Assumptions**

In the June 30, 2019 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.18 billion to the OPEB plan in fiscal year 2020.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2021, 2020 and 2019 were \$2,486,295, \$2,324,716 and \$2,542,556, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2019 through June 30, 2020. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$9,073,165. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the OPEB liability attributable to the District is \$179,288,465. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the District was .26440 percent, which was an increase of .00208 percent from its proportionate share measured as of June 30, 2019 of .26232 percent.

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

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

**Actuarial Assumptions**

The OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.45%
Rate Thereafter	1.55% to 4.45%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 Healthy "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2020.

\*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

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

**Actuarial Assumptions (Continued)**

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

**Discount Rate**

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<b><u>Fiscal Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
2021	June 30, 2020	2.21%
2020	June 30, 2019	3.50%

The discount rate 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.

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

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

**Changes in the Total OPEB Liability**

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2019 Measurement Date	\$ <u>109,463,562</u>
Changes Recognized for the Fiscal Year:	
Service Cost	5,025,548
Interest on the Total OPEB Liability	3,954,608
Differences Between Expected and Actual Experience	31,121,565
Changes of Assumptions	32,749,842
Gross Benefit Payments	(3,121,265)
Contributions from the Member	<u>94,605</u>
Net Changes	<u>69,824,903</u>
Balance, June 30, 2020 Measurement Date	\$ <u><u>179,288,465</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 % percent in 2019 to 2.21% percent in 2020.

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2020.

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

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

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.21%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	<b>1% Decrease <u>(1.21%)</u></b>	<b>Current Discount Rate <u>(2.21%)</u></b>	<b>1% Increase <u>(3.21%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>216,141,499</u>	\$ <u>179,288,465</u>	\$ <u>150,472,942</u>

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

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	\$ <u>144,727,695</u>	\$ <u>179,288,465</u>	\$ <u>220,442,661</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 were not provided by the pension system.

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**F. Subsequent Events**

On July 19, 2021, the Board adopted an ordinance authorizing the sale and issuance of not to exceed \$5,000,000 aggregate principal amount of refunding bonds.

On October 18, 2021, the Board approved the withdrawal of \$550,000 from its Capital Reserve for the Oval Lighting Project.

On November 29, 2021, the Board approved the appropriation of \$1,520,935 of its prior year unbudgeted extraordinary aid for 2021/22 tuition expenditures.

**G Tax Abatements**

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

**NOTE 6 RESTATEMENT**

On July 1, 2020, the Nutley Board of Education implemented GASB Statement No. 84 "Fiduciary Activities". The Nutley Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2020 are as follows:

**Governmental Activities**

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll related activities which were previously reported as fiduciary activities to governmental activities. The effect of this restatement is to increase net position of governmental activities by \$1,885,485 from \$6,913,542 as previously reported to \$8,799,027 as of June 30, 2020.

**Governmental Funds**

The financial statements of the governmental funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll activities previously reported as fiduciary funds to governmental funds. The effect of this restatement is to increase fund balances of governmental funds by \$1,885,485 from \$6,957,715 as previously reported to \$8,843,200 as of June 30, 2020. General Fund fund balance increased \$629,098 from \$5,423,170 as previously reported to \$6,052,268 as of June 30, 2020. Special Revenue Fund fund balance increased \$1,256,387 from \$-0- as previously reported to \$1,256,387 as of June 30, 2020.

**Business Type Activities**

The financial statement of the Food Service Enterprise Fund have been restated by \$44,261 to correct the unearned revenue balances.

**Fiduciary Funds**

The financial statements of the fiduciary funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities to governmental funds as noted above. The effect of this restatement is to decrease total fiduciary net position by \$1,694,601 from \$1,694,601 as previously reported to \$-0- as of June 30, 2020.

In addition, the District has prior period adjustments totaling \$115,799 to correct balances of its capital assets in the governmental and business type activities and correct unearned revenues in its business type activities.

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 7 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

Governor Phil Murphy (the “Governor”) of the State of New Jersey (the “State”) declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the governor’s pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

Recently, the United States Congress has passed relief and stimulus legislations including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the School District. It is too early to predict if the legislation will have its intended affect.

The largest portion of the School District’s revenues is derived from local tax revenues levied by the Township. In that regard, under applicable State statutes, the Township annually is required to pay 100% of the amount levied for operations and debt service to the School District regardless of delinquencies in applicable property tax collections. The ability of the Township to fully collect property taxes on a timely basis may be affected by the economic impact of the Pandemic; however, the District does not anticipate an interruption in the timely collection of property taxes from the Township.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

**REQUIRED SUPPLEMENTARY INFORMATION PART II**

**BUDGETARY COMPARISON SCHEDULES**

**NUTLEY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>REVENUES</b>					
<b>Local Sources</b>					
Property Tax Levy	\$ 59,208,160		\$ 59,208,160	\$ 59,208,160	
Tuition - Individuals	200,000		200,000	58,890	\$ (141,110)
Interest on Capital Reserve			-	3,495	3,495
Interest on Unemployment				1,274	1,274
Interest			-	12,956	12,956
Other Restricted Miscellaneous	200,765		200,765		(200,765)
Fines and Forfeitures	227,725		227,725		(227,725)
Unrestricted Miscellaneous	200,000	-	200,000	145,033	(54,967)
<b>Total Revenues - Local Sources</b>	<b>60,036,650</b>	<b>-</b>	<b>60,036,650</b>	<b>59,429,808</b>	<b>(606,842)</b>
<b>State Sources</b>					
Equalization Aid	4,878,663		4,878,663	4,878,663	
Special Education Aid	2,645,320	\$ (132,182)	2,513,138	2,513,138	
Security Aid	81,159		81,159	81,159	
Transportation Aid	588,055		588,055	588,055	
Extraordinary Aid		132,182	132,182	2,578,670	2,446,488
On-Behalf TPAF					
Normal Pension			-	7,785,561	7,785,561
NCGI Contribution			-	148,131	148,131
Long Term Disability Insurance			-	5,609	5,609
Post Retirement Contribution			-	2,486,295	2,486,295
Social Security Contributions - Non Budget	-	-	-	2,227,123	2,227,123
<b>Total State Sources</b>	<b>8,193,197</b>	<b>-</b>	<b>8,193,197</b>	<b>23,292,404</b>	<b>15,099,207</b>
<b>Federal Sources</b>					
Medicaid Reimbursement	94,749	-	94,749	94,055	(694)
<b>Total Federal Sources</b>	<b>94,749</b>	<b>-</b>	<b>94,749</b>	<b>94,055</b>	<b>(694)</b>
<b>Total Revenues</b>	<b>68,324,596</b>	<b>-</b>	<b>68,324,596</b>	<b>82,816,267</b>	<b>14,491,671</b>
<b>CURRENT EXPENDITURES</b>					
<b>Regular Programs - Instruction</b>					
<b>Salaries of Teachers:</b>					
Kindergarten	1,360,003	(23,809)	1,336,194	1,324,573	11,621
Grades 1 - 5	7,222,714	(245,566)	6,977,148	6,977,148	-
Grades 6 - 8	4,562,052	151,533	4,713,585	4,662,599	50,986
Grades 9 - 12	6,069,976	190,029	6,260,005	6,260,005	-
<b>Home Instruction:</b>					
Salaries of Teachers	25,000	(8,427)	16,573	1,339	15,234
Purchased Professional-Educational Services	25,000	-	25,000	11,761	13,239
Purchased Technical Services	2,000,000	(1,937,385)	62,615	62,615	62,615
Other Purchased Services	401,334	-	401,334	401,334	401,334
<b>Regular Programs - Undistributed Instruction:</b>					
Purchased Technical Services	146,257	-	146,257	126,891	19,366
Other Purchased Services	80,521	628,618	709,139	663,378	45,761
General Supplies	879,577	9,303	888,880	445,504	443,376
Textbooks	223,374	(7,380)	215,994	175,427	40,567
Other Objects	14,638	-	14,638	3,348	11,290
<b>Total Regular Programs - Instruction</b>	<b>23,010,446</b>	<b>(1,243,084)</b>	<b>21,767,362</b>	<b>20,651,973</b>	<b>1,115,389</b>
<b>Special Education - Instruction</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	719,285	9,587	728,872	728,872	-
Other Salaries for Instruction	647,137	(38,603)	608,534	522,969	85,565
General Supplies	20,000	(11,744)	8,256	8,256	-
Textbooks	4,000	(4,000)	-	-	-
Other Objects	100	-	100	-	100
<b>Total Learning and/or Language Disabilities</b>	<b>1,390,522</b>	<b>(44,760)</b>	<b>1,345,762</b>	<b>1,260,097</b>	<b>85,665</b>
<b>Resource Room/Resource Center</b>					
Salaries of Teachers	3,269,306	(26,558)	3,242,748	3,234,290	8,458
General Supplies	20,000	-	20,000	16,857	3,143
Textbooks	4,000	(4,000)	-	-	-
<b>Total Resource Room/Resource Center</b>	<b>3,293,306</b>	<b>(30,558)</b>	<b>3,262,748</b>	<b>3,251,147</b>	<b>11,601</b>

**NUTLEY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Special Education - Instruction (Continued)					
Autism					
Salaries of Teachers	\$ 657,473	\$ (18,734)	\$ 638,739	\$ 577,914	\$ 60,825
Other Salaries for Instruction	586,190	74,205	660,395	650,218	10,177
General Supplies	20,000	-	20,000	8,634	11,366
Other Objects	250	-	250	-	250
Total Autism	<u>1,263,913</u>	<u>55,471</u>	<u>1,319,384</u>	<u>1,236,766</u>	<u>82,618</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	136,154	58,455	194,609	193,859	750
Other Salaries for Instruction	174,265	5,954	180,219	177,819	2,400
General Supplies	15,000	(3,619)	11,381	5,777	5,604
Other Objects	100	-	100	-	100
Total Preschool Disabilities - Part-Time	<u>325,519</u>	<u>60,790</u>	<u>386,309</u>	<u>377,455</u>	<u>8,854</u>
Preschool Disabilities - Full-Time					
Salaries of Teachers	456,134	(123,866)	332,268	327,268	5,000
Other Salaries for Instruction	424,013	(54,716)	369,297	360,439	8,858
General Supplies	10,000	-	10,000	-	10,000
Total Preschool Disabilities - Full-Time	<u>890,147</u>	<u>(178,582)</u>	<u>711,565</u>	<u>687,707</u>	<u>23,858</u>
Total Special Education - Instruction	<u>7,163,407</u>	<u>(137,639)</u>	<u>7,025,768</u>	<u>6,813,172</u>	<u>212,596</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	473,832	4,188	478,020	478,020	-
General Supplies	2,000	(1,645)	355	355	-
Total Basic Skills/Remedial - Instruction	<u>475,832</u>	<u>2,543</u>	<u>478,375</u>	<u>478,375</u>	<u>-</u>
Bilingual Education - Instruction					
Salaries of Teachers	324,542	(2,543)	321,999	299,178	22,821
General Supplies	1,280	-	1,280	131	1,149
Total Bilingual Education - Instruction	<u>325,822</u>	<u>(2,543)</u>	<u>323,279</u>	<u>299,309</u>	<u>23,970</u>
School Sponsored Co/Extra Curricular Activities - Instruction					
Salaries of Teachers	251,000	8,149	259,149	235,211	23,938
Purchased Services	1,200	(1,200)	-	-	-
Supplies and Materials	16,500	(8,727)	7,773	5,675	2,098
Other Objects	14,500	(8,183)	6,317	6,317	-
Total School Sponsored Co/Extra Curricular Activities-Instr.	<u>283,200</u>	<u>(9,961)</u>	<u>273,239</u>	<u>247,203</u>	<u>26,036</u>
School Sponsored Athletics - Instruction					
Salaries	546,227	15,392	561,619	530,547	31,072
Purchased Services	102,975	798	103,773	82,713	21,060
Supplies and Materials	53,775	2,048	55,823	20,317	35,506
Other Objects	158,430	(5,051)	153,379	84,389	68,990
Total Athletics - Instruction	<u>861,407</u>	<u>13,187</u>	<u>874,594</u>	<u>717,966</u>	<u>156,628</u>
Other Instructional Programs - Instruction					
Salaries	72,633	7,923	80,556	80,556	-
Purchased Services	500	-	500	-	500
Supplies and Materials	15,000	-	15,000	7,582	7,418
Other Objects	4,150	-	4,150	1,559	2,591
Total Other Instructional Programs - Instruction	<u>92,283</u>	<u>7,923</u>	<u>100,206</u>	<u>89,697</u>	<u>10,509</u>
Community Services Programs/Operations					
Salaries	-	1,792	1,792	1,792	-
Total Community Services Programs/Operations	<u>-</u>	<u>1,792</u>	<u>1,792</u>	<u>1,792</u>	<u>-</u>
Total Instruction	<u>32,212,397</u>	<u>(1,367,782)</u>	<u>30,844,615</u>	<u>29,299,487</u>	<u>1,545,128</u>

**NUTLEY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within State - Special	\$ 149,625	\$ (268)	\$ 149,357	\$ 149,357	-
Tuition to County Vocational School District - Regular		11,822	11,822	11,822	-
Tuition to CSSD and Regional Day School	400,000	(6,326)	393,674	393,674	-
Tuition to APSSD W/I State	3,659,478	570,210	4,229,688	4,229,688	-
Tuition - State Facilities	18,053	-	18,053	18,053	-
Total Instruction (Tuition)	4,227,156	575,438	4,802,594	4,802,594	-
Health Services					
Salaries	620,334	(7,818)	612,516	566,790	\$ 45,726
Purchased Professional and Technical Services	62,000	(11,637)	50,363	46,412	3,951
Supplies and Materials	45,000	6,477	51,477	32,239	19,238
Total Health Services	727,334	(12,978)	714,356	645,441	68,915
Other Supp. Svcs.-					
Speech, OT, PT and Related Services					
Salaries	681,949	62,443	744,392	743,892	500
Purchased Professional Educational Services	812,949	236,014	1,048,963	1,048,963	-
Supplies and Materials	10,500	185	10,685	10,461	224
Total Speech, OT, PT and Related Services	1,505,398	298,642	1,804,040	1,803,316	724
Other Supp. Svcs.-Extraord. Serv.					
Salaries	500,563	21,845	522,408	521,532	876
Purchased Professional-Educational Services	50,000	(15,540)	34,460	34,460	-
Total Other Support Svcs.-Extraordinary Services	550,563	6,305	556,868	555,992	876
Other Supp. Svcs.-Guidance					
Salaries of Other Professional Staff	1,225,345	(1,791)	1,223,554	1,223,554	-
Salaries of Secretarial and Clerical Assistants	96,171	(2,500)	93,671	93,671	-
Other Purchased Professional and Technical Services	8,499	(50)	8,449	8,449	-
Other Purchased Services	1,450	481	1,931	780	1,151
Supplies and Materials	26,665	(4,663)	22,002	3,574	18,428
Other Objects	4,625	(4,000)	625	225	400
Total Other Support Services-Guidance	1,362,755	(12,523)	1,350,232	1,330,253	19,979
Other Supp. Svcs.-Child Study Teams					
Salaries of Other Professional Staff	1,418,894	8,533	1,427,427	1,359,773	67,654
Purchased Professional Educational Services		4,616	4,616	4,616	-
Other Purchased Services	8,668	(1,200)	7,468	1,800	5,668
Supplies and Materials	12,800	9,471	22,271	17,210	5,061
Other Objects	100	-	100	-	100
Total Other Support Services-Child Study Teams	1,440,462	21,420	1,461,882	1,383,399	78,483
Improvement of Instruction					
Salaries of Other Professional Staff	20,000	-	20,000	6,076	13,924
Salaries of Secretarial and Clerical Assist.	134,819	9,573	144,392	144,392	-
Purchased Professional Educational Services	5,000	-	5,000	-	5,000
Other Purchased Services	5,546	-	5,546	3,056	2,490
Supplies and Materials	7,500	-	7,500	1,550	5,950
Other Objects	500	(224)	276	200	76
Total Improvement of Instruction	173,365	9,349	182,714	155,274	27,440
Educational Media Services/ School Library					
Salaries	475,753	369	476,122	476,122	-
Purchased Professional and Technical Services	26,500	278	26,778	26,778	-
Other Purchased Services	20,000	-	20,000	8,599	11,401
Supplies and Materials	55,250	-	55,250	3,094	52,156
Other Objects	9,200	-	9,200	-	9,200
Total Educational Media Services/ School Library	586,703	647	587,350	514,593	72,757

**NUTLEY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Instructional Staff Training Services					
Salaries of Other Professional Staff	\$ 5,000	\$ (2,519)	\$ 2,481	\$ 3,996	\$ (1,515)
Purchased Professional Educational Services	21,300	(1,661)	19,639	16,295	3,344
Other Purchased Services	12,000	142	12,142	6,582	5,560
<b>Total Instructional Staff Training Services</b>	<b>38,300</b>	<b>(4,038)</b>	<b>34,262</b>	<b>26,873</b>	<b>7,389</b>
Support Services General Administration					
Salaries	650,636	91,777	742,413	742,413	-
Legal Services	150,000	28,791	178,791	165,354	13,437
Audit Fees	45,000	29,014	74,014	74,014	-
Purchased Technical Services	170,000	26,232	196,232	196,232	-
Communications/Telephone	86,360	(9,207)	77,153	75,489	1,664
BOE Other Purchased Services	11,500	(208)	11,292	11,292	-
Miscellaneous Purchased Services	3,000	5,208	8,208	5,344	2,864
General Supplies	3,000	5,208	8,208	7,573	635
Miscellaneous Expenditures	9,500	(300)	9,200	8,422	778
BOE Membership Dues and Fees	26,000	-	26,000	25,114	886
<b>Total Support Services General Administration</b>	<b>1,151,996</b>	<b>176,651</b>	<b>1,328,647</b>	<b>1,299,955</b>	<b>28,692</b>
Support Services School Administration					
Salaries of Principals/Assistant Principals/Prog Dir	1,347,385	39,555	1,386,940	1,386,940	-
Salaries of Other Professional Staff	1,293,609	41,234	1,334,843	1,334,843	-
Salaries of Secretarial and Clerical Assistants	496,157	17,820	513,977	513,079	898
Other Purchased Services	89,614	(5,140)	84,474	79,934	4,540
Supplies and Materials	61,230	(11,115)	50,115	26,021	24,094
Other Objects	61,425	3,421	64,846	62,714	2,132
<b>Total Support Services School Administration</b>	<b>3,349,420</b>	<b>85,775</b>	<b>3,435,195</b>	<b>3,403,531</b>	<b>31,664</b>
Central Services					
Salaries	659,108	(3,897)	655,211	640,116	15,095
Purchased Professional Services	94,000	26,596	120,596	63,340	57,256
Purchased Technical Services	21,770	-	21,770	19,458	2,312
Miscellaneous Purchased Services	26,500	1,430	27,930	20,194	7,736
Supplies and Materials	10,000	(3,486)	6,514	6,358	156
Miscellaneous Expenditures	600	-	600	599	1
<b>Total Undistributed Expenditures - Central Services</b>	<b>811,978</b>	<b>20,643</b>	<b>832,621</b>	<b>750,065</b>	<b>82,556</b>
Admin. Info. Tech.					
Salaries	320,714	22,716	343,430	343,430	-
Purchased Technical Services	51,496	(1,905)	49,591	36,168	13,423
Supplies and Materials	35,000	-	35,000	18,211	16,789
<b>Total Undistributed Expenditures - Admin. Info. Technology</b>	<b>407,210</b>	<b>20,811</b>	<b>428,021</b>	<b>397,809</b>	<b>30,212</b>
Required Maintenance for School Facilities					
Salaries	432,529	41,341	473,870	456,374	17,496
Cleaning, Repair and Maintenance Services	615,000	106,359	721,359	521,763	199,596
General Supplies	197,500	16,409	213,909	145,613	68,296
Other Objects	-	200	200	200	-
<b>Total Undistributed Expend.-Required Maint for School Facilities</b>	<b>1,245,029</b>	<b>164,309</b>	<b>1,409,338</b>	<b>1,123,950</b>	<b>285,388</b>
Custodial Services					
Salaries	1,675,057	244,243	1,919,300	1,607,025	312,275
Salaries of Non-Instructional Aides	250,000	(250,000)	-	-	-
Purchased Professional and Technical Services	12,242	-	12,242	7,615	4,627
Cleaning, Repair and Maintenance Services	115,000	-	115,000	33,723	81,277
Rental of Land & Bldg. Oth. Than Lease Purch. Agreement	2,136	-	2,136	1,873	263
Insurance	330,000	27,109	357,109	357,109	-
Miscellaneous Purchased Services	7,500	-	7,500	2,257	5,243
General Supplies	130,000	-	130,000	92,347	37,653
Energy (Natural Gas)	240,000	33,809	273,809	273,809	-
Energy (Electricity)	835,000	(33,809)	801,191	666,518	134,673
Energy (Gasoline)	20,000	-	20,000	1,340	18,660
Other Objects	1,200	-	1,200	363	837
<b>Total Undistributed Expenditures-Custodial Services</b>	<b>3,618,135</b>	<b>21,352</b>	<b>3,639,487</b>	<b>3,043,979</b>	<b>595,508</b>

**NUTLEY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Care & Upkeep of Grounds					
Salaries	\$ 310,206.0	\$ 23,338.0	\$ 333,544.0	\$ 333,544.0	-
Purchased Professional and Technical		35,160	35,160	35,160	-
Cleaning, Repair, and Maintenance Services	45,000	3,195	48,195	47,232	\$ 963
General Supplies	25,750	-	25,750	23,748	2,002
Total Undistributed Expend.- Care & Upkeep of Grounds	<u>380,956</u>	<u>61,693</u>	<u>442,649</u>	<u>439,684</u>	<u>2,965</u>
Security					
Salaries	168,468	54,409	222,877	222,877	-
Purchased Professional and Technical Services	53,200	-	53,200	5,743	47,457
General Supplies	30,000	-	30,000	9,130	20,870
Other Objects	1,200	-	1,200	-	1,200
Total Undistributed Expenditures-Security	<u>252,868</u>	<u>54,409</u>	<u>307,277</u>	<u>237,750</u>	<u>69,527</u>
Student Transportation Services					
Salaries for Pupil Trans (Bet Home & Sch)-Regular		4,341	4,341	4,341	-
Salaries for Pupil Trans (Bet Home & Sch)-Sp Ed.	1,096,468	(287,745)	808,723	808,723	-
Salaries for Pupil Trans (Other Than Bet Home & Sch)	75,000	(52,404)	22,596	22,596	-
Other Purchased Professional and Technical Services	1,500	-	1,500	1,130	370
Cleaning, Repair and Maintenance Services	195,000	(3,647)	191,353	93,222	98,131
Lease Purchase Payments - School Buses	120,000	140,144	260,144	129,277	130,867
Contract. Serv. - Aid in Lieu Pymts-Charter Sch	4,000	-	4,000	668	3,332
Contr Serv(Oth. Than Bet Home &Sch)-Vend	25,000	(1,332)	23,668	22,834	834
Contr Serv(Special Education Stds.)-Vendors	650,000	(92,841)	557,159	338,484	218,675
Miscellaneous Purch. Services- Transportation	24,900	3,647	28,547	27,647	900
General Supplies	56,500	(834)	55,666	33,527	22,139
Other Objects	6,000	3,000	9,000	7,077	1,923
Total Undist. Expend.-Student Transportation Services	<u>2,254,368</u>	<u>(287,671)</u>	<u>1,966,697</u>	<u>1,489,526</u>	<u>477,171</u>
Unallocated Employee Benefits					
Social Security Contributions	825,000	(31,442)	793,558	745,036	48,522
Other Retirement Contributions - PERS	1,025,000	-	1,025,000	1,024,993	7
Other Retirement Contributions - Regular	28,000	2,471	30,471	23,691	6,780
Unemployment Compensation (Nonbudget)				241,554	(241,554)
Workmens Compensation	190,000	26,083	216,083	216,083	-
Health Benefits	12,900,546	(31,973)	12,868,573	12,501,986	366,587
Tuition Reimbursements	40,000	(7,067)	32,933	31,144	1,789
Other Employee Benefits	408,000	90,439	498,439	438,104	60,335
Total Unallocated Employee Benefits	<u>15,416,546</u>	<u>48,511</u>	<u>15,465,057</u>	<u>15,222,591</u>	<u>242,466</u>
On-Behalf TPAF - Non Budget					
Pension System Contributions-Normal				7,785,561	(7,785,561)
NCGI Premium				148,131	(148,131)
Long Term Disability Insurance				5,609	(5,609)
Post Retirement Benefits				2,486,295	(2,486,295)
Social Security Contributions	-	-	-	2,227,123	(2,227,123)
Total TPAF Pension and Social Security Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,652,719</u>	<u>(12,652,719)</u>
Total Undistributed Expenditures	<u>39,500,542</u>	<u>1,248,745</u>	<u>40,749,287</u>	<u>51,279,294</u>	<u>(10,530,007)</u>
Total Current Expenditures	<u>71,712,939</u>	<u>(119,037)</u>	<u>71,593,902</u>	<u>80,578,781</u>	<u>(8,984,879)</u>

**NUTLEY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Undistributed Expenditures					
Custodial and Maintenance	-	\$ 179,492	\$ 179,492	\$ 147,272	\$ 32,220
Total Equipment	-	179,492	179,492	147,272	32,220
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	\$ 88,649	-	88,649	88,649	-
Total Facilities Acquisition and Construction	88,649	-	88,649	88,649	-
Total Expenditures - Capital Outlay	88,649	179,492	268,141	235,921	32,220
Transfer of Funds to Charter Schools	33,586	5,556	39,142	39,142	-
Total Expenditures - General Fund	71,835,174	66,011	71,901,185	80,853,844	(8,952,659)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(3,510,578)	(66,011)	(3,576,589)	1,962,423	5,539,012
Other Financing Sources (Uses)					
Transfer to Capital Projects	-	(1,080,000)	(1,080,000)	(1,080,000)	-
Total Other Financing Sources	-	(1,080,000)	(1,080,000)	(1,080,000)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(3,510,578)	(1,146,011)	(4,656,589)	882,423	5,539,012
Fund Balance, Beginning of Year (Restated)	8,306,057	-	8,306,057	8,306,057	-
Fund Balance, End of Year	\$ 4,795,479	\$ (1,146,011)	\$ 3,649,468	\$ 9,188,480	\$ 5,539,012
<b>Recapitulation of Fund Balance</b>					
<b>Restricted</b>					
Capital Reserve				\$ 1,691,361	
Maintenance Reserve				716,773	
Excess Surplus - Designated for Subsequent Year's Budget				256,644	
Unemployment Compensation				388,818	
<b>Assigned</b>					
Encumbrances				322,913	
Designated for Subsequent Year's Budget				858,182	
<b>Unassigned</b>					
				4,953,789	
Fund Balance (Budgetary Basis)				9,188,480	
<b>Reconciliation to Governmental Fund Statements (GAAP)</b>					
2020/2021 State Aid Payments Not Recognized on a GAAP Basis				(3,332,399)	
Fund Balance per Governmental Funds (GAAP Basis)				\$ 5,856,081	

**NUTLEY BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 593,725	\$ (69,486)	\$ 524,239	\$ 323,234	\$ (201,005)
Federal	1,248,742	1,679,810	2,928,552	2,101,639	(826,913)
Local Sources					
Miscellaneous	-	241,374	241,374	292,343	50,969
Total Revenues	<u>1,842,467</u>	<u>1,851,698</u>	<u>3,694,165</u>	<u>2,717,216</u>	<u>(976,949)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	71,474	196,039	267,513	188,559	78,954
Purchased Professional/Educational Services	448,026	(169,096)	278,930	228,677	50,253
Tuition	100,000	-	100,000	100,000	-
Other Purchased Services		106,730	106,730	41,610	65,120
General Supplies	141,377	138,205	279,582	130,551	149,031
Textbooks	28,181	37,754	65,935	36,103	29,832
Other Objects	-	69,637	69,637	28,046	41,591
Co-Curricular Student Activities and Athletics	-	152,252	152,252	152,252	-
Total Instruction	<u>789,058</u>	<u>531,521</u>	<u>1,320,579</u>	<u>905,798</u>	<u>414,781</u>
Support Services					
Salaries of Program Directors		4,000	4,000	4,000	-
Other Salaries		22,448	22,448	15,830	6,618
Employee Benefits		62,714	62,714	-	62,714
Purchased Professional/Educational Services	783,420	170,479	953,899	927,534	26,365
Other Purchased Services	15,000	117,944	132,944	65,331	67,613
Cleaning, Repairs and Maintenance		314,859	314,859	242,790	72,069
Travel		21,869	21,869	9,860	12,009
Supplies and Materials	254,989	(236,943)	18,046	3,447	14,599
Miscellaneous Expenditures - Scholarships	-	14,400	14,400	14,400	-
Total Support Services	<u>1,053,409</u>	<u>491,770</u>	<u>1,545,179</u>	<u>1,283,192</u>	<u>261,987</u>
Facilities Acquisition and Construction					
Building Improvements		808,981	808,981	424,425	384,556
Instructional Equipment	-	19,426	19,426	11,870	7,556
Total Facilities Acquisition	<u>-</u>	<u>828,407</u>	<u>828,407</u>	<u>436,295</u>	<u>392,112</u>
Total Expenditures	<u>1,842,467</u>	<u>1,851,698</u>	<u>3,694,165</u>	<u>2,625,285</u>	<u>1,068,880</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	91,931	(91,931)
Fund Balances, Beginning of Year (Restated)	<u>1,256,387</u>	-	<u>1,256,387</u>	<u>1,256,387</u>	-
Fund Balances, End of Year	<u>\$ 1,256,387</u>	<u>\$ -</u>	<u>\$ 1,256,387</u>	<u>\$ 1,348,318</u>	<u>\$ (91,931)</u>

**NUTLEY BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

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

	<b>General Fund</b>		<b>Special Revenue Fund</b>
<b>Sources/Inflows of Resources</b>			
Actual revenues (budgetary basis)	C-1 \$ 82,816,267	C-2	\$ 2,717,216
Difference - Budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Add: June 30, 2020 Encumbrances			28,402
Less: June 30, 2021 Encumbrances			(21,975)
State Aid payments recognized for GAAP Statements, not recognized for budgetary purposes.	2,253,789		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.	<u>(3,332,399)</u>		<u>-</u>
 Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 B-2 \$ <u>81,737,657</u>	B-2	 \$ <u>2,723,643</u>
 <b>Uses/Outflows of Resources</b>			
Actual expenditures (budgetary basis)	C-1 \$ 80,853,844	C-2	\$ 2,625,285
Differences - Budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Add: June 30, 2020 Encumbrances			28,402
Less: June 30, 2021 Encumbrances	<u>-</u>		<u>(21,975)</u>
 Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 B-2 \$ <u>80,853,844</u>	B-2	 \$ <u>2,631,712</u>

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

NUTLEY BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
 OF THE NET PENSION LIABILITY  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
 Last Eight Fiscal Years \*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.09370%	0.09343%	0.09711%	0.09389%	0.09757%	0.09695%	0.09608%	0.09415%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 15,279,442	\$ 16,834,508	\$ 19,121,430	\$ 21,856,981	\$ 28,898,604	\$ 21,763,777	\$ 17,988,448	\$ 17,993,580
District's Covered-Employee Payroll	\$ 6,739,622	\$ 6,647,060	\$ 6,638,316	\$ 6,633,093	\$ 6,498,740	\$ 6,571,992	\$ 6,569,878	\$ 6,550,921
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	226.71%	253.26%	288.05%	329.51%	444.68%	331.16%	273.80%	274.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

NUTLEY BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
 Last Eight Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,024,993	\$ 908,795	\$ 965,979	\$ 869,826	\$ 866,833	\$ 833,527	\$ 792,054	\$ 709,387
Contributions in Relation to the Contractually Required Contributions	<u>1,024,993</u>	<u>908,795</u>	<u>965,979</u>	<u>869,826</u>	<u>866,833</u>	<u>833,527</u>	<u>792,054</u>	<u>709,387</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered- Employee Payroll	\$ 6,756,645	\$ 6,739,622	\$ 6,647,060	\$ 6,638,316	\$ 6,633,093	\$ 6,498,740	\$ 6,571,992	\$ 6,569,878
Contributions as a Percentage of Covered-Employee Payroll	15.17%	13.48%	14.53%	13.10%	13.07%	12.83%	12.05%	10.80%

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

NUTLEY BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
 OF THE NET PENSION LIABILITY  
 TEACHERS' PENSION AND ANNUITY FUND  
 Last Eight Fiscal Years \*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated With the District	<u>184,814,212</u>	<u>171,322,226</u>	<u>173,098,747</u>	<u>184,723,672</u>	<u>213,178,883</u>	<u>168,635,838</u>	<u>146,676,355</u>	<u>139,153,451</u>
<b>Total</b>	<b>\$ <u>184,814,212</u></b>	<b>\$ <u>171,322,226</u></b>	<b>\$ <u>173,098,747</u></b>	<b>\$ <u>184,723,672</u></b>	<b>\$ <u>213,178,883</u></b>	<b>\$ <u>168,635,838</u></b>	<b>\$ <u>146,676,355</u></b>	<b>\$ <u>139,153,451</u></b>
District's Covered-Employee Payroll	\$ 30,888,916	\$ 29,324,891	\$ 29,838,161	\$ 29,130,675	\$ 27,882,556	\$ 27,968,425	\$ 26,006,174	\$ 26,393,487
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

**NUTLEY BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Change of Benefit Terms:** None.

**Change of Assumptions:** Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 5d.

**NUTLEY BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF  
TOTAL OTHER POSTEMPLOYMENT BENEFIT LIABILITY**

**Postemployment Health Benefit Plan**

**Last Four Fiscal Years\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 5,025,548	\$ 4,711,430	\$ 5,145,343	\$ 6,183,524
Interest on Total OPEB Liability	3,954,608	4,857,983	5,209,364	4,504,970
Changes of Benefit Terms				-
Differences Between Expected and Actual Experience	31,121,565	(20,910,038)	(12,645,671)	-
Changes of Assumptions	32,749,842	1,632,111	(14,049,762)	(18,751,543)
Gross Benefit Payments	(3,121,265)	(3,360,205)	(3,273,806)	(3,432,841)
Contribution from the Member	<u>94,605</u>	<u>99,606</u>	<u>113,148</u>	<u>126,406</u>
Net Change in Total OPEB Liability	69,824,903	(12,969,113)	(19,501,384)	(11,369,484)
Total OPEB Liability - Beginning of Year	<u>109,463,562</u>	<u>122,432,675</u>	<u>141,934,059</u>	<u>153,303,543</u>
Total OPEB Liability - End of Year	<u>\$ 179,288,465</u>	<u>\$ 109,463,562</u>	<u>\$ 122,432,675</u>	<u>\$ 141,934,059</u>
District's Proportionate Share of OPEB Liability	-	-	-	-
State's Proportionate Share of OPEB Liability	<u>\$ 179,288,465</u>	<u>\$ 109,463,562</u>	<u>\$ 122,432,675</u>	<u>\$ 141,934,059</u>
Total OPEB Liability - Ending	<u>\$ 179,288,465</u>	<u>\$ 109,463,562</u>	<u>\$ 122,432,675</u>	<u>\$ 141,934,059</u>
District's Covered-Employee Payroll	<u>\$ 37,628,538</u>	<u>\$ 35,971,951</u>	<u>\$ 36,476,477</u>	<u>\$ 35,763,768</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>

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

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

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

**NUTLEY BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

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

**SPECIAL REVENUE FUND**

**NUTLEY BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Page 2 Subtotal	Page 3 Subtotal	Page 4 Subtotal	Total
<b>REVENUES</b>				
State Sources	\$ 28,523	\$ 294,711		\$ 323,234
Federal Sources	599,666		\$ 1,501,973	2,101,639
Other	292,343	-	-	292,343
<b>Total Revenues</b>	<u>920,532</u>	<u>294,711</u>	<u>1,501,973</u>	<u>2,717,216</u>
<b>EXPENDITURES</b>				
Instruction:				
Salaries of Teachers	311		188,248	188,559
Purchased Professional Educational Services	-	195,470	33,207	228,677
Tuition			100,000	100,000
Other Purchased Services			41,610	41,610
General Supplies	73,680		56,871	130,551
Textbooks		36,103		36,103
Other Objects	28,046			28,046
Co-Curricular Student Activities and Athletics	152,252	-	-	152,252
<b>Total Instruction</b>	<u>254,289</u>	<u>231,573</u>	<u>419,936</u>	<u>905,798</u>
Support Services				
Salaries of Program Directors			4,000	4,000
Other Salaries	5,053		10,777	15,830
Employee Benefits				-
Purchased Professional Educational Services		63,138	864,396	927,534
Other Purchased Services			65,331	65,331
Cleaning, Repairs and Maintenance	130,434		112,356	242,790
Travel			9,860	9,860
Supplies and Materials			3,447	3,447
Miscellaneous Expenditures - Scholarships	14,400	-	-	14,400
<b>Total Support Services</b>	<u>149,887</u>	<u>63,138</u>	<u>1,070,167</u>	<u>1,283,192</u>
Facilities Acquisition and Construction Services				
Building Improvements	424,425			424,425
Instructional Equipment			11,870	11,870
Non-Instructional Equipment	-	-	-	-
<b>Total Facilities Acquisition</b>	<u>424,425</u>	<u>-</u>	<u>11,870</u>	<u>436,295</u>
<b>Total Expenditures</b>	<u>828,601</u>	<u>294,711</u>	<u>1,501,973</u>	<u>2,625,285</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	91,931	-	-	91,931
Fund Balances, Beginning of Year	1,256,387	-	-	1,256,387
Fund Balances, End of Year	<u>1,348,318</u>	<u>-</u>	<u>-</u>	<u>1,348,318</u>

NUTLEY BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Coronavirus Relief Fund	ESSER II	Nonpublic Security	Other	Student Activities	Scholarships	Total
<b>REVENUES</b>							
State Sources			\$ 28,523				\$ 28,523
Federal Sources	\$ 175,241	\$ 424,425					599,666
Other	-	-	-	\$ 33,760	\$ 137,226	\$ 121,357	292,343
Total Revenues	175,241	424,425	28,523	33,760	137,226	121,357	920,532
<b>EXPENDITURES</b>							
Instruction:							
Salaries of Teachers				311			311
Purchased Professional Educational Services							-
Tuition							-
Other Purchased Services							-
General Supplies	44,807		28,523	350			73,680
Textbooks							-
Other Objects				28,046			28,046
Co-Curricular Student Activities and Athletics	-	-	-	-	152,252	-	152,252
Total Instruction	44,807	-	28,523	28,707	152,252	-	254,289
Support Services							
Salaries of Program Directors							-
Other Salaries				5,053			5,053
Employee Benefits							-
Purchased Professional Educational Services							-
Other Purchased Services							-
Cleaning, Repairs and Maintenance	130,434						130,434
Travel							-
Supplies and Materials							-
Miscellaneous Expenditures - Scholarships	-	-	-	-	-	14,400	14,400
Total Support Services	130,434	-	-	5,053	-	14,400	149,887
Facilities Acquisition and Construction Services							
Building Improvements		424,425					424,425
Instructional Equipment							-
Non-Instructional Equipment	-	-	-	-	-	-	-
Total Facilities Acquisition	-	424,425	-	-	-	-	424,425
Total Expenditures	175,241	424,425	28,523	33,760	152,252	14,400	828,601
Excess (Deficiency) of Revenues							
Over/(Under) Expenditures	-	-	-	-	(15,026)	106,957	91,931
Fund Balances, Beginning of Year	-	-	-	-	190,884	1,065,503	1,256,387
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ 175,858	\$ 1,172,460	\$ 1,348,318

**NUTLEY BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	N.J. Nonpublic Auxiliary					NJ Nonpublic Handicapped			Nonpublic Nursing	Sub-Total
	Nonpublic Textbooks	Compensatory Education	ESL	Transportation	Home Instruction	Supplemental Instruction	Examination/ Classification	Corrective Speech		
<b>REVENUES</b>										
State Sources	\$ 36,103	\$ 85,254	\$ 3,908	\$ -	\$ -	\$ 39,337	\$ 52,206	\$ 14,765	\$ 63,138	\$ 294,711
Federal Sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<u>36,103</u>	<u>85,254</u>	<u>3,908</u>	<u>-</u>	<u>-</u>	<u>39,337</u>	<u>52,206</u>	<u>14,765</u>	<u>63,138</u>	<u>294,711</u>
<b>EXPENDITURES</b>										
Instruction:										
Salaries of Teachers										-
Purchased Prof. and Technical Services										-
Purchased Professional Educational Services		85,254	3,908			39,337	52,206	14,765		195,470
Tuition										-
General Supplies										-
Textbooks	36,103									36,103
Other Objects	-	-	-	-	-	-	-	-	-	-
<b>Total Instruction</b>	<u>36,103</u>	<u>85,254</u>	<u>3,908</u>	<u>-</u>	<u>-</u>	<u>39,337</u>	<u>52,206</u>	<u>14,765</u>	<u>-</u>	<u>231,573</u>
Support Services										
Employee Benefits										-
Purchased Professional Educational Services									63,138	63,138
Other Purchased Services										-
Supplies and Materials	-	-	-	-	-	-	-	-	-	-
<b>Total Support Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,138</u>	<u>63,138</u>
Facilities Acquisition and Instructional Equipment	-	-	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>36,103</u>	<u>85,254</u>	<u>3,908</u>	<u>-</u>	<u>-</u>	<u>39,337</u>	<u>52,206</u>	<u>14,765</u>	<u>63,138</u>	<u>294,711</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NUTLEY BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Title I	Title II A	Title III	Title III Immigrant	Title IV	Perkins Vocational Education	IDEA B Basic	IDEA B Preschool	CARES (ESSER I)	Sub-Total
<b>REVENUES</b>										
State Sources										
Federal Sources	\$ 207,385	\$ 68,786	\$ 14,402	\$ 7,097	\$ 24,297	\$ 21,447	\$ 966,629	\$ 41,610	\$ 150,320	\$ 1,501,973
Other	-	-	-	-	-	-	-	-	-	-
Total Revenues	207,385	68,786	14,402	7,097	24,297	21,447	966,629	41,610	150,320	1,501,973
<b>EXPENDITURES</b>										
Instruction:										
Salaries of Teachers	163,377	4,795	12,979	7,097						188,248
Purchased Professional Educational Services	15,000				14,958	3,249				33,207
Tuition							100,000			100,000
Other Purchased Services								41,610		41,610
General Supplies	3,516		1,423			3,736	10,232		37,964	56,871
Textbooks										-
Other Objects	-	-	-	-	-	-	-	-	-	-
Total Instruction	181,893	4,795	14,402	7,097	14,958	6,985	110,232	41,610	37,964	419,936
Support Services										
Salaries of Program Directors	4,000									4,000
Other Salaries	9,545					1,232				10,777
Employee Benefits										-
Purchased Professional Educational Services		1,160			9,339		853,897			864,396
Other Purchased Services		62,831					2,500			65,331
Cleaning, Repairs and Maintenance									112,356	112,356
Travel	9,860									9,860
Supplies and Materials	2,087					1,360				3,447
Other Objects	-	-	-	-	-	-	-	-	-	-
Total Support Services	25,492	63,991	-	-	9,339	2,592	856,397	-	112,356	1,070,167
Facilities Acquisition and Construction Services										
Instructional Equipment						11,870				11,870
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition	-	-	-	-	-	11,870	-	-	-	11,870
Total Expenditures	207,385	68,786	14,402	7,097	24,297	21,447	966,629	41,610	150,320	1,501,973
Excess (Deficiency) of Revenues										
Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year										
	-	-	-	-	-	-	-	-	-	-
Fund Balances, End of Year										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**NUTLEY BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Balance</u> <u>July 1, 2020</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disburse-</u> <u>ments</u>	<u>Balance</u> <u>June 30, 2021</u>
<b>ELEMENTARY SCHOOLS</b>				
Lincoln	\$ 2,464	\$ 2,127	\$ 80	\$ 4,511
Radcliffe	4,642	1,673	2,740	3,575
Spring Garden	6,582	203	779	6,006
Washington	1,659	1,657	1,739	1,577
Yantacaw	14,797	139	-	14,936
	<u>30,144</u>	<u>5,799</u>	<u>5,338</u>	<u>30,605</u>
<b>MIDDLE SCHOOL</b>				
John Walker	12,397	8,364	6,433	14,328
<b>HIGH SCHOOL</b>				
Nutley High School	148,343	123,063	140,481	130,925
<b>TOTAL ALL SCHOOLS</b>	<u>\$ 190,884</u>	<u>\$ 137,226</u>	<u>\$ 152,252</u>	<u>\$ 175,858</u>

**CAPITAL PROJECTS FUND**

**NUTLEY BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Project Description</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2021</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Nutley High School Oval Project	\$ 1,380,000	\$ 72,427	\$ 1,263,420	\$ 44,153
Yantacaw School Secure Entrance	600,000			600,000
Nutley High School Media Center	200,000			200,000
John Walker Middle School Parking Lot	550,000	30,227	593	519,180
Acquisition of Buses and Maintenance Vehicles and Equipment	<u>397,974</u>	<u>-</u>	<u>260,194</u>	<u>137,780</u>
	<u>\$ 3,127,974</u>	<u>\$ 102,654</u>	<u>\$ 1,524,207</u>	<u>\$ 1,501,113</u>
Project Balances, June 30, 2021				\$ 1,501,113
Interest on Lease Purchase				27
Cancelled SDA Grant				<u>(12,804)</u>
Fund Balance, June 30, 2021				<u>\$ 1,488,336</u>
<b>Recapitulation of Fund Balance</b>				
Restricted for Capital Projects				
Encumbrances				\$ 34,684
Reserved for Lease Purchase				137,807
Available for Capital Projects				<u>1,315,845</u>
Total Fund Balance - Restricted for Capital Projects				<u>\$ 1,488,336</u>

**NUTLEY BOARD OF EDUCATION  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGETARY BASIS  
CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<b>Revenues and Other Financing Sources</b>	
Transfer from Capital Reserve	\$ 1,080,000
Lease Purchase Proceeds	397,974
Interest on Lease Purchase	<u>27</u>
 Total Revenues and Other Financing Sources	 <u>1,478,001</u>
 <b>Expenditures and Other Financing Uses</b>	
Construction Services	1,263,420
Purchased Professional and Technical Services	593
Acquisition of School Buses	227,974
Acquisition of Maintenance Vehicles and Equipment	<u>32,220</u>
 Total Expenditures and Other Financing Uses	 <u>1,524,207</u>
 Excess of Expenditures and Other Financing Uses Over Revenues and Other Financing Sources	  (46,206)
 Fund Balance, Beginning of Year	 <u>1,534,542</u>
 Fund Balance, End of Year	 <u>\$ 1,488,336</u>

**NUTLEY BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
NUTLEY HIGH SCHOOL OVAL PROJECT  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 300,000	\$ 1,080,000	\$ 1,380,000	\$ 1,380,000
Total Revenues and Other Financing Sources	<u>300,000</u>	<u>1,080,000</u>	<u>1,380,000</u>	<u>1,380,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	72,427		72,427	80,000
Construction Services	<u>-</u>	<u>1,263,420</u>	<u>1,263,420</u>	<u>1,300,000</u>
Total Expenditures and Other Financing Uses	<u>72,427</u>	<u>1,263,420</u>	<u>1,335,847</u>	<u>1,380,000</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 227,573</u>	<u>\$ (183,420)</u>	<u>\$ 44,153</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	N/A
Original Authorized Cost	\$ 300,000
Revised Authorized Cost	\$ 1,380,000
Percentage Completion	97%
Original Target Completion Date	6/30/2021
Revised Target Completion Date	6/30/2022

**NUTLEY BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
YANTACAW SCHOOL SECURE ENTRANCE  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 600,000	\$ -	\$ 600,000	\$ 600,000
Total Revenues and Other Financing Sources	<u>600,000</u>	<u>-</u>	<u>600,000</u>	<u>600,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services				-
Construction Services	-	-	-	600,000
Total Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>600,000</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 600,000</u>	<u>\$ -</u>	<u>\$ 600,000</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	N/A
Original Authorized Cost	\$ 600,000
Revised Authorized Cost	\$ 600,000
Percentage Completion	0%
Original Target Completion Date	6/30/2021
Revised Target Completion Date	6/30/2022

**NUTLEY BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
NUTLEY HIGH SCHOOL MEDIA CENTER  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 200,000	\$ -	\$ 200,000	\$ 200,000
Total Revenues and Other Financing Sources	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services				-
Construction Services	-	-	-	200,000
Total Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	N/A
Original Authorized Cost	\$ 200,000
Revised Authorized Cost	\$ 200,000
Percentage Completion	0%
Original Target Completion Date	6/30/2021
Revised Target Completion Date	6/30/2022

**NUTLEY BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND**  
**PROJECT STATUS - BUDGETARY BASIS**  
**PARKING LOT - JOHN WALKER MIDDLE SCHOOL**  
**FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Project</u> <u>Authorization</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 550,000	-	\$ 550,000	\$ 550,000
Total Revenues and Other Financing Sources	<u>550,000</u>	<u>-</u>	<u>550,000</u>	<u>550,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	30,227	\$ 593	30,820	50,000
Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Total Expenditures and Other Financing Uses	<u>30,227</u>	<u>593</u>	<u>30,820</u>	<u>550,000</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 519,773</u>	<u>\$ (593)</u>	<u>\$ 519,180</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	N/A
Original Authorized Cost	\$ 1,000,000
Revised Authorized Cost	\$ 550,000
Percentage Completion	6%
Original Target Completion Date	June 30, 2017
Revised Target Completion Date	June 30, 2022

**NUTLEY BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
LEASE PURCHASE - ACQUISITION OF BUSES AND MAINTENANCE VEHICLES AND EQUIPMENT  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
<b>Revenues and Other Financing Sources</b>				
Lease Purchase Proceeds	\$ -	\$ 397,974	\$ 397,974	\$ 397,974
Total Revenues and Other Financing Sources	<u>-</u>	<u>397,974</u>	<u>397,974</u>	<u>397,974</u>
<b>Expenditures and Other Financing Uses</b>				
Acquisition of School Buses		227,974	227,974	227,974
Acquisition of Maintenance Vehicles and Equipment	-	32,220	32,220	170,000
Total Expenditures and Other Financing Uses	<u>-</u>	<u>260,194</u>	<u>260,194</u>	<u>397,974</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ -</u>	<u>\$ 137,780</u>	<u>\$ 137,780</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	N/A
Original Authorized Cost	\$ 397,974
Revised Authorized Cost	\$ 397,974
Percentage Completion	65%
Original Target Completion Date	June 30, 2021
Revised Target Completion Date	June 30, 2022

**PROPRIETARY FUND**

**NUTLEY BOARD OF EDUCATION  
PROPRIETARY FUND  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**NOT APPLICABLE**

**LONG-TERM DEBT**

**NUTLEY BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Annual Date</u>	<u>Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2020</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance June 30, 2021</u>
Series 2012 Refunding Bonds	12/27/2012	\$ 10,000,000	8/15/21-23	650,000	4.00 %				
			8/15/24	645,000	4.00				
			8/15/25	660,000	3.50				
			8/15/26	660,000	3.25				
			8/15/27	650,000	3.25				
			8/15/28	645,000	4.00				
			8/15/29	640,000	4.00	\$ 6,500,000	\$ 650,000	\$ 5,850,000	
Series 2013 Refunding Bonds	01/03/2013	1,860,000	8/15/21	195,000	2.25				
			8/15/22	190,000	2.25				
			8/15/23	185,000	2.25	760,000	190,000	570,000	
Series 2015 Refunding Bonds	04/08/15	\$ 30,445,000	7/15/21	1,435,000	2.50-5.00				
			7/15/22	1,500,000	2.50-5.00				
			7/15/23	1,580,000	2.50-5.00				
			7/15/24	1,660,000	2.75-5.00				
			7/15/25	1,960,000	3.00-5.00				
			7/15/26	2,040,000	3.50				
			7/15/27	2,135,000	4.00				
			7/15/28	2,245,000	4.00				
			7/15/29	2,360,000	4.00				
			7/15/30	2,475,000	4.00				
			7/15/31	3,260,000	4.00				
			7/15/32	3,380,000	4.00	27,395,000	-	1,365,000	26,030,000
						\$ 34,655,000	\$ -	\$ 2,205,000	\$ 32,450,000

**NUTLEY BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Purpose</u>	<u>Original Issue</u>	<u>Balance, July 1, 2020</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance, June 30, 2021</u>
2017 School Bus	\$ 85,000	\$ 12,656		\$ 12,656	
School Bus	75,880	31,816		15,576	\$ 16,240
School Bus	78,419	52,571		16,658	35,913
School Buses (2)	155,563	145,563		26,949	118,614
School Buses (3) and Maint. Vehicles and Equipment	397,974	<u>-</u>	<u>\$ 397,974</u>	<u>81,361</u>	<u>316,613</u>
		<u>\$ 242,606</u>	<u>\$ 397,974</u>	<u>\$ 153,200</u>	<u>\$ 487,380</u>

**NUTLEY BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 2,654,459		\$ 2,654,459	\$ 2,654,459	
State Sources					
Debt Service Aid	<u>807,841</u>	<u>-</u>	<u>807,841</u>	<u>807,841</u>	<u>-</u>
Total Revenues	<u>3,462,300</u>	<u>-</u>	<u>3,462,300</u>	<u>3,462,300</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	2,205,000		2,205,000	2,205,000	
Interest	<u>1,257,300</u>	<u>-</u>	<u>1,257,300</u>	<u>1,257,302</u>	<u>\$ (2)</u>
Total Expenditures	<u>3,462,300</u>	<u>-</u>	<u>3,462,300</u>	<u>3,462,302</u>	<u>(2)</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	-	-	-	(2)	(2)
Fund Balance, Beginning of Year	<u>3</u>	<u>-</u>	<u>3</u>	<u>3</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 1</u>	<u>\$ (2)</u>

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

#### **Demographic and Economic Information**

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental Activities</b>										
Net Investment In Capital Assets	\$ 17,943,222	\$ 18,517,662	\$ 18,590,958	\$ 18,540,094	\$ 19,313,537	\$ 20,801,024	\$ 20,707,017	\$ 22,071,442	\$ 23,328,725	\$ 25,042,001
Restricted	124,182	1,175,583	2,676,310	3,492,729	4,864,909	5,012,012	5,060,927	3,394,063	5,202,669	5,508,604
Unrestricted	9,923	2,111,252	(15,840,785)	(16,363,514)	(16,909,567)	(20,671,996)	(21,503,149)	(20,654,477)	(19,732,367)	(21,319,130)
<b>Total Governmental Activities Net Position</b>	<b>\$ 18,077,327</b>	<b>\$ 21,804,497</b>	<b>\$ 5,426,483</b>	<b>\$ 5,669,309</b>	<b>\$ 7,268,879</b>	<b>\$ 5,141,040</b>	<b>\$ 4,264,795</b>	<b>\$ 4,811,028</b>	<b>\$ 8,799,027</b>	<b>\$ 9,231,475</b>
<b>Business-Type Activities</b>										
Investment In Capital Assets	\$ 8,363	\$ 114,056	\$ 99,715	\$ 98,186	\$ 90,147	\$ 77,694	\$ 109,349	\$ 97,257	\$ 72,493	\$ 103,023
Unrestricted	197,161	373,744	587,550	786,662	1,038,986	1,241,168	1,417,498	1,270,929	825,345	936,602
<b>Total Business-Type Activities Net Position</b>	<b>\$ 205,524</b>	<b>\$ 487,800</b>	<b>\$ 687,265</b>	<b>\$ 884,848</b>	<b>\$ 1,129,133</b>	<b>\$ 1,318,862</b>	<b>\$ 1,526,847</b>	<b>\$ 1,368,186</b>	<b>\$ 897,838</b>	<b>\$ 1,039,625</b>
<b>District-Wide</b>										
Net Investment In Capital Assets	\$ 17,951,585	\$ 18,631,718	\$ 18,690,673	\$ 18,638,280	\$ 19,403,684	\$ 20,878,718	\$ 20,816,366	\$ 22,168,699	\$ 23,401,218	\$ 25,145,024
Restricted	124,182	1,175,583	2,676,310	3,492,729	4,864,909	5,012,012	5,060,927	3,394,063	5,202,669	5,508,604
Unrestricted	207,084	2,484,996	(15,253,235)	(15,576,852)	(15,870,581)	(19,430,828)	(20,085,651)	(19,383,548)	(18,907,022)	(20,382,528)
<b>Total District Net Position</b>	<b>\$ 18,282,851</b>	<b>\$ 22,292,297</b>	<b>\$ 6,113,748</b>	<b>\$ 6,554,157</b>	<b>\$ 8,398,012</b>	<b>\$ 6,459,902</b>	<b>\$ 5,791,642</b>	<b>\$ 6,179,214</b>	<b>\$ 9,696,865</b>	<b>\$ 10,271,100</b>

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

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

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 26,758,166	\$ 27,419,378	\$ 28,391,303	\$ 33,504,690	\$ 34,587,775	\$ 39,615,017	\$ 39,630,862	\$ 36,846,477	\$ 36,022,418	\$ 42,044,190
Special Education	9,528,464	10,429,282	10,727,289	12,894,166	12,965,002	14,753,414	16,024,335	15,955,511	16,067,749	18,282,125
Other Instruction	1,389,023	1,466,465	1,294,381	1,411,766	1,598,362	1,845,551	1,891,637	1,587,816	1,556,551	1,783,365
School Sponsored Activities And Athletics	1,235,319	1,260,343	1,329,760	1,666,089	1,777,672	1,853,132	1,934,689	1,962,757	1,860,377	1,922,767
Community Services	11,555	14,010	22,149	14,725	8,178	10,053	10,711	5,262	4,543	3,677
<b>Support Services</b>										
Student And Instruction Related Services	6,865,496	7,196,414	7,553,144	8,502,186	9,071,293	10,525,535	10,983,302	10,760,509	11,057,920	12,146,861
General Administration	1,981,393	2,116,336	2,076,679	2,177,346	2,038,030	2,255,573	2,451,486	2,155,337	2,194,904	2,542,798
School Administrative Services	4,013,565	3,971,209	4,072,242	4,639,417	5,013,306	5,732,435	5,860,531	5,279,558	5,121,879	6,081,401
Plant Operations And Maintenance	5,147,653	5,348,366	5,544,444	5,647,257	5,807,656	6,513,129	7,453,672	6,973,333	6,271,313	7,703,075
Pupil Transportation	2,033,798	1,981,555	2,254,536	2,499,702	2,463,922	2,441,456	2,843,524	2,679,826	2,643,556	1,988,017
Business Services	1,267,237	1,245,684	1,330,423	1,436,409	1,650,848	1,796,514	1,772,934	1,669,012	1,450,238	1,905,005
Interest On Long-Term Debt	2,241,443	2,402,651	1,895,079	1,843,704	1,678,057	1,633,618	1,559,545	1,487,793	1,413,201	1,353,072
<b>Total Governmental Activities Expenses</b>	<b>62,473,112</b>	<b>64,851,693</b>	<b>66,491,429</b>	<b>76,237,457</b>	<b>78,660,101</b>	<b>88,975,427</b>	<b>92,417,228</b>	<b>87,363,191</b>	<b>85,664,649</b>	<b>97,756,353</b>
<b>Business-Type Activities:</b>										
Food Service	960,177	899,942	918,360	846,273	916,514	988,220	940,782	1,112,733	895,514	764,528
Extended Day	623,930	655,239	690,063	836,125	854,554	940,362	899,588	1,057,490	1,102,030	158,591
Athletic Camps	16,836	11,768	15,558	-	-	3,189	590	-	-	-
<b>Total Business-Type Activities Expense</b>	<b>1,600,943</b>	<b>1,566,949</b>	<b>1,623,981</b>	<b>1,682,398</b>	<b>1,771,068</b>	<b>1,931,771</b>	<b>1,840,960</b>	<b>2,170,223</b>	<b>1,997,544</b>	<b>923,119</b>
<b>Total District Expenses</b>	<b>\$ 64,074,055</b>	<b>\$ 66,418,642</b>	<b>\$ 68,115,410</b>	<b>\$ 77,919,855</b>	<b>\$ 80,431,169</b>	<b>\$ 90,907,198</b>	<b>\$ 94,258,188</b>	<b>\$ 89,533,414</b>	<b>\$ 87,662,193</b>	<b>\$ 98,679,472</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges For Services:</b>										
Instruction (Tuition)	\$ 130,494	\$ 167,909	\$ 166,386	\$ 242,148	\$ 153,876	\$ 143,067	\$ 132,071	\$ 148,273	\$ 99,158	\$ 58,890
School Sponsored Activities										137,226
Pupil Transportation	53,493	41,220	44,170	44,970	9,100	10,000				
Operating Grants And Contributions	8,677,804	10,130,902	9,372,573	16,734,781	19,664,224	25,544,164	28,962,962	23,778,116	21,064,189	30,145,758
Capital Grants And Contributions	-	567,532						275,552		11,870
<b>Total Governmental Activities Program Revenues</b>	<b>8,861,791</b>	<b>10,907,563</b>	<b>9,583,129</b>	<b>17,021,899</b>	<b>19,827,200</b>	<b>25,697,231</b>	<b>29,095,033</b>	<b>24,201,941</b>	<b>21,163,347</b>	<b>30,353,744</b>
<b>Business-Type Activities:</b>										
<b>Charges For Services</b>										
Food Service	768,611	688,996	785,006	761,257	741,578	788,858	678,410	732,606	632,133	36,766
Extended Day	714,196	818,730	916,906	891,490	1,016,495	1,067,012	1,126,078	1,036,410	629,092	
Athletic Camps	19,330	8,825	15,900	1,700						
Operating Grants And Contributions	214,863	225,396	236,632	230,530	257,066	265,290	241,031	226,275	272,525	1,030,712
<b>Total Business Type Activities Program Revenues</b>	<b>1,717,000</b>	<b>1,741,947</b>	<b>1,954,444</b>	<b>1,884,977</b>	<b>2,015,139</b>	<b>2,121,160</b>	<b>2,045,519</b>	<b>1,995,291</b>	<b>1,533,750</b>	<b>1,067,478</b>
<b>Total District Program Revenues</b>	<b>\$ 10,578,791</b>	<b>\$ 12,649,510</b>	<b>\$ 11,537,573</b>	<b>\$ 18,906,876</b>	<b>\$ 21,842,339</b>	<b>\$ 27,818,391</b>	<b>\$ 31,140,552</b>	<b>\$ 26,197,232</b>	<b>\$ 22,697,097</b>	<b>\$ 31,421,222</b>

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (53,611,321)	\$ (53,944,130)	\$ (56,908,300)	\$ (59,215,558)	\$ (58,832,901)	\$ (63,278,196)	\$ (63,322,195)	\$ (63,161,250)	\$ (64,501,302)	\$ (67,402,609)
Business-Type Activities	116,057	174,998	330,463	202,579	244,071	189,389	204,559	(174,932)	(463,794)	144,359
<b>Total District-Wide Net Expense</b>	<b>\$ (53,495,264)</b>	<b>\$ (53,769,132)</b>	<b>\$ (56,577,837)</b>	<b>\$ (59,012,979)</b>	<b>\$ (58,588,830)</b>	<b>\$ (63,088,807)</b>	<b>\$ (63,117,636)</b>	<b>\$ (63,336,182)</b>	<b>\$ (64,965,096)</b>	<b>\$ (67,258,250)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes	\$ 51,056,143	\$ 52,016,386	\$ 52,931,802	\$ 53,867,824	\$ 54,765,838	\$ 55,912,921	\$ 56,905,643	\$ 57,983,872	\$ 60,449,059	\$ 61,862,619
State Aid Unrestricted	3,936,364	4,348,256	4,332,821	4,421,065	4,436,197	4,454,961	4,579,410	4,499,607	4,840,795	4,882,351
Restricted Grants And Contributions	826,730	824,615	823,700	822,251	821,929	724,855	783,837	792,590	800,920	807,841
Miscellaneous Income	461,504	414,967	435,543	391,327	435,680	400,478	492,651	431,414	482,061	162,785
Loss on Disposal of Capital Assets	(57,148)	-	-	(22,215)	(27,173)	(52,079)	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>56,223,593</b>	<b>57,604,224</b>	<b>58,523,866</b>	<b>59,480,252</b>	<b>60,432,471</b>	<b>61,441,136</b>	<b>62,761,541</b>	<b>63,707,483</b>	<b>66,572,835</b>	<b>67,715,596</b>
Business-Type Activities:										
Investment Earnings	\$ 99	\$ 104	\$ 122	\$ 140	\$ 214	\$ 340	\$ 5,019	\$ 16,271	\$ 7,821	\$ 1,090
Loss on Disposal of Capital Assets	-	-	-	(5,136)	-	-	(1,593)	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>99</b>	<b>104</b>	<b>122</b>	<b>(4,996)</b>	<b>214</b>	<b>340</b>	<b>3,426</b>	<b>16,271</b>	<b>7,821</b>	<b>1,090</b>
<b>Total District-Wide</b>	<b>\$ 56,223,692</b>	<b>\$ 57,604,328</b>	<b>\$ 58,523,988</b>	<b>\$ 59,475,256</b>	<b>\$ 60,432,685</b>	<b>\$ 61,441,476</b>	<b>\$ 62,764,967</b>	<b>\$ 63,723,754</b>	<b>\$ 66,580,656</b>	<b>\$ 67,716,686</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 2,612,272	\$ 3,660,094	\$ 1,615,566	\$ 264,694	\$ 1,599,570	\$ (1,837,060)	\$ (560,654)	\$ 546,233	\$ 2,071,533	\$ 312,987
Business-Type Activities	116,156	175,102	330,585	197,583	244,285	189,729	207,985	(158,661)	(455,973)	145,449
<b>Total District</b>	<b>\$ 2,728,428</b>	<b>\$ 3,835,196</b>	<b>\$ 1,946,151</b>	<b>\$ 462,277</b>	<b>\$ 1,843,855</b>	<b>\$ (1,647,331)</b>	<b>\$ (352,669)</b>	<b>\$ 387,572</b>	<b>\$ 1,615,560</b>	<b>\$ 458,436</b>

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 2,010,762	\$ 3,563,000	\$ 4,611,520	\$ 5,248,019	\$ 5,884,777	\$ 5,840,207	\$ 6,261,721	\$ 4,605,954	\$ 4,794,385	\$ 3,053,596
Committed		768,085	1,017,859	999,913	1,163,964	273,620		1,023,126		
Assigned	346,862	782,558	753,498	405,188	1,351,514	199,860	159,378	200,180	2,703,174	1,181,095
Unassigned	349,037	294,743	463,377	394,823	396,003	445,357	287,560	92,768	(188,904)	1,621,390
<b>Total General Fund</b>	<u>\$ 2,706,661</u>	<u>\$ 5,408,386</u>	<u>\$ 6,846,254</u>	<u>\$ 7,047,943</u>	<u>\$ 8,796,258</u>	<u>\$ 6,759,044</u>	<u>\$ 6,708,659</u>	<u>\$ 5,922,028</u>	<u>\$ 7,308,655</u>	<u>\$ 5,856,081</u>
All Other Governmental Funds										
Restricted	\$ 2,500,503	\$ 2,793,597	\$ 2,641,984	\$ 1,369,990	\$ 1,209,231	\$ 1,233,573	\$ 587,423	\$ 532,974	\$ 1,534,545	\$ 2,836,655
Unassigned								(129,999)		
<b>Total All Other Governmental Funds</b>	<u>\$ 2,500,503</u>	<u>\$ 2,793,597</u>	<u>\$ 2,641,984</u>	<u>\$ 1,369,990</u>	<u>\$ 1,209,231</u>	<u>\$ 1,233,573</u>	<u>\$ 587,423</u>	<u>\$ 402,975</u>	<u>\$ 1,534,545</u>	<u>\$ 2,836,655</u>

Note 1 - Fund balances in the General and Special Revenue Funds at June 30, 2020 are restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Property Taxes	\$ 51,056,143	\$ 52,016,386	\$ 52,931,802	\$ 53,867,824	\$ 54,765,838	\$ 55,912,921	\$ 56,905,643	\$ 57,983,872	\$ 60,449,059	\$ 61,862,619
Tuition Charges	130,494	167,909	166,386	242,148	153,876	143,067	132,071	148,273	99,158	58,890
Transportation Fees	53,493	41,220	44,170	44,970	9,100	10,000				
Miscellaneous	515,818	456,955	508,306	413,059	471,012	470,029	581,787	490,797	566,455	457,399
State Sources	12,198,392	14,056,089	13,319,923	14,187,967	15,326,113	16,379,031	18,055,593	20,013,850	21,180,318	23,349,825
Federal Sources	1,188,192	1,773,228	1,136,408	1,318,310	1,433,829	1,339,648	1,416,828	1,491,597	1,279,087	2,194,894
<b>Total Revenues</b>	<b>65,142,532</b>	<b>68,511,787</b>	<b>68,106,995</b>	<b>70,074,278</b>	<b>72,159,768</b>	<b>74,254,696</b>	<b>77,091,922</b>	<b>80,128,389</b>	<b>83,574,077</b>	<b>87,923,627</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	27,111,748	27,368,714	28,154,882	29,014,834	29,057,613	30,934,879	30,720,504	32,237,099	32,952,481	35,540,418
Special Education Instruction	9,597,730	10,444,298	10,719,106	11,863,284	11,742,726	12,595,281	13,789,533	14,703,075	15,390,586	16,466,431
Other Instruction	1,389,023	1,466,465	1,294,381	1,193,421	1,338,495	1,422,373	1,471,613	1,396,479	1,437,930	1,512,964
School Sponsored Activities And Athletics	1,235,319	1,260,343	1,329,760	1,470,857	1,527,737	1,496,122	1,561,965	1,768,294	1,734,171	1,687,528
Community Services	11,555	14,010	22,149	12,655	6,813	7,729	8,312	4,812	4,189	3,126
<b>Support Services</b>										
Student & Inst. Related Services	6,573,596	6,671,377	7,008,335	7,211,891	7,549,527	8,231,471	8,670,369	9,461,514	10,228,745	10,563,162
General Administration	1,526,592	1,346,143	1,427,271	1,430,737	1,497,630	1,522,821	1,634,925	1,548,708	1,523,749	1,754,591
School Administration	4,115,123	3,988,349	4,058,543	4,366,535	4,474,823	4,781,406	4,874,592	4,855,625	4,966,646	5,336,016
Plant Operations And Maintenance	5,182,274	5,190,641	5,415,913	5,495,831	5,436,951	5,700,202	6,536,563	6,467,137	5,906,324	6,759,421
Pupil Transportation	1,881,001	1,739,700	2,003,893	2,170,794	2,032,271	2,191,583	2,530,583	2,498,252	2,549,577	1,767,202
Other Support Services	1,344,469	1,262,427	1,321,299	1,456,747	1,538,732	1,567,357	1,516,272	1,565,601	1,458,653	1,682,469
<b>Capital Outlay</b>	<b>2,416,195</b>	<b>542,478</b>	<b>243,975</b>	<b>1,748,011</b>	<b>829,680</b>	<b>2,213,115</b>	<b>941,756</b>	<b>1,330,919</b>	<b>1,312,387</b>	<b>1,683,349</b>
<b>Debt Service:</b>										
Principal	1,586,442	1,964,707	1,724,681	1,821,106	2,181,739	1,967,132	2,042,350	2,122,602	2,209,807	2,358,200
Interest And Other Charges	2,269,127	2,286,927	2,096,552	2,242,733	1,442,475	1,636,097	1,565,000	1,493,322	1,421,683	1,357,188
<b>Total Expenditures</b>	<b>66,240,194</b>	<b>65,546,579</b>	<b>66,820,740</b>	<b>71,499,436</b>	<b>70,657,212</b>	<b>76,267,568</b>	<b>77,864,337</b>	<b>81,453,439</b>	<b>83,096,928</b>	<b>88,472,065</b>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(1,097,662)	2,965,208	1,286,255	(1,425,158)	1,502,556	(2,012,872)	(772,415)	(1,325,050)	477,149	(548,438)
<b>Other Financing Sources (Uses)</b>										
Payments to Escrow Agent		(12,688,407)		(32,947,950)						
Refunding Bond Proceeds		11,860,000		30,445,000						
Capital Leases (Non-Budgeted)	98,022	-		135,761	85,000		75,880	78,419	155,563	397,974
Proceeds from Insurance Recoveries								275,552		
Premium On Bonds		946,633		2,722,042						
Cancellation of State Grant Receivable		(88,615)								
Transfers In	2,837	88,284	1,554	1,483	2,108	553,436	7,731	101,906	1,100,048	1,080,000
Transfers Out	(2,837)	(88,284)	(1,554)	(1,483)	(2,108)	(553,436)	(7,731)	(101,906)	(1,100,048)	(1,080,000)
<b>Total Other Financing Sources (Uses)</b>	<b>98,022</b>	<b>29,611</b>	<b>-</b>	<b>354,853</b>	<b>85,000</b>	<b>-</b>	<b>75,880</b>	<b>353,971</b>	<b>155,563</b>	<b>397,974</b>
<b>Net Change In Fund Balances</b>	<b>\$ (999,640)</b>	<b>\$ 2,994,819</b>	<b>\$ 1,286,255</b>	<b>\$ (1,070,305)</b>	<b>\$ 1,587,556</b>	<b>\$ (2,012,872)</b>	<b>\$ (696,535)</b>	<b>\$ (971,079)</b>	<b>\$ 632,712</b>	<b>\$ (150,464)</b>
<b>Debt Service As A Percentage Of Noncapital Expenditures</b>	<b>6.04%</b>	<b>6.54%</b>	<b>5.74%</b>	<b>5.83%</b>	<b>5.19%</b>	<b>4.87%</b>	<b>4.69%</b>	<b>4.51%</b>	<b>4.44%</b>	<b>4.28%</b>

\* Noncapital expenditures are total expenditures less capital outlay.

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

<b>Fiscal Year Ended June 30</b>	<b><u>Interest</u></b>	<b><u>Tuition</u></b>	<b><u>Transportation</u></b>	<b><u>Rentals</u></b>	<b><u>Admissions</u></b>	<b><u>Miscellaneous</u></b>	<b><u>Total</u></b>
2012	\$ 5,979	\$ 130,494	\$ 53,493	\$ 161,626	\$ 8,485	\$ 282,577	\$ 642,654
2013	8,725	167,909	41,220	133,693	9,776	261,221	622,544
2014	9,969	166,386	44,170	161,089	14,796	248,135	644,545
2015	10,160	242,148	44,970	184,488	6,627	188,569	676,962
2016	15,177	153,876	9,100	188,564	10,442	219,389	596,548
2017	38,732	143,067	10,000	195,668	9,553	153,089	550,109
2018	64,759	132,071		198,579	12,727	208,855	616,991
2019	105,403	148,273		189,736	12,331	116,806	572,549
2020	66,841	99,158		199,238	9,354	206,580	581,171
2021	17,725	58,890				145,033	221,648

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Valuation	Total Direct School Tax Rate <sup>a</sup>
2012	\$ 24,517,100	\$ 2,691,525,000	\$ 626,050,300	\$ 17,871,800	\$ 157,079,300	\$ 3,517,043,500	\$ 6,245,100	\$ 3,523,288,600	\$ 3,839,000,008	\$ 1.463
2013	24,137,700	2,595,694,900	626,196,900	17,188,700	156,756,200	3,419,974,400	9,206	3,419,983,606	3,736,274,900	1.535
2014	25,436,700	2,595,229,600	537,704,700	14,281,700	157,518,900	3,330,171,600	9,200	3,330,180,800	3,642,872,019	1.564
2015	25,537,800	2,600,236,500	433,136,000	12,845,700	168,110,400	3,239,866,400	9,200	3,239,875,600	3,554,993,213	1.596
2016	25,383,100	2,604,434,300	433,441,600	11,831,600	173,652,900	3,248,743,500		3,248,743,500	3,584,622,642	1.622
2017	30,582,100	2,610,651,100	430,209,400	11,831,600	170,801,200	3,254,075,400		3,254,075,400	3,655,443,047	1.679
2018	30,197,000	2,620,553,600	434,442,300	12,545,700	171,143,400	3,268,882,000	9,100	3,268,891,100	3,733,731,582	1.697
2019	30,168,900	2,629,433,000	420,826,700	12,545,700	171,143,400	3,264,117,700		3,264,117,700	3,821,256,966	1.768
2020	31,788,900	2,635,963,300	390,260,600	12,545,700	171,143,400	3,241,701,900	9,100	3,241,711,000	3,995,080,858	1.806
2021	30,546,600	2,642,920,600	397,245,800	12,475,700	170,377,200	3,253,565,900	9,100	3,253,575,000	4,235,556,102	1.936

Source: County Abstract of Ratables

<sup>a</sup> Tax rates are per \$100

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

<u>Year</u>	<u>School District</u>	<u>Township</u>	<u>County</u>	<u>County Open Space</u>	<u>Total</u>
2012	\$1.463	\$1.078	\$0.491	\$0.017	\$3.049
2013	1.535	1.129	0.522	0.017	3.203
2014	1.564	1.153	0.540	0.017	3.274
2015	1.596	1.176	0.527	0.017	3.316
2016	1.622	1.197	0.534	0.017	3.370
2017	1.679	1.190	0.550	0.017	3.473
2018	1.697	1.256	0.541	0.017	3.511
2019	1.768	1.283	0.539	0.018	3.608
2020	1.806	1.292	0.565	0.019	3.682
2021	1.936	1.283	0.605	0.020	3.844

Source: Township of Nutley, Tax Assessor

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

Taxpayer	2021	
	Taxable Assessed Value	% of Total District Net Assessed Value
PB-200 Metro Urban Renewal LLC	\$ 31,760,000	0.00976157
GI TC Nutley LLC	22,532,000	0.006925305
PB Nutcliff Master, LLC	19,390,300	0.00595969
Public Service Electric & Gas	17,788,600	0.005467401
M&M @ E Centre St	17,609,400	0.005412323
Village Manor Associates	16,669,000	0.005123287
432 Owners Inc.	16,320,000	0.005016021
SF Nutley Properties Owner II, LLC	15,192,000	0.004669325
HSRE Ideation Property Owner LLC	14,897,300	0.004578748
Nutley Shop-Rite	11,293,600	0.003471136
<b>Total</b>	<b>\$ 183,452,200</b>	<b>5.64%</b>

	2012	
	Taxable Assessed Value	% of Total District Net Assessed Value
Hoffman-LaRoche, Inc	\$ 308,393,896	8.75%
492 River Road Reckson	22,532,000	0.64%
Public Service Electric & Gas	18,678,600	0.53%
Nutley Properties	18,616,000	0.53%
Village Manor Associates	17,324,300	0.49%
432 Owners Inc.	16,320,000	0.46%
M&M @ E Centre St	12,485,000	0.35%
Nutley Shop-Rite	11,293,600	0.32%
JERC Partners III	8,006,800	0.23%
River Road Assoc	7,277,400	0.21%
<b>Total</b>	<b>\$ 440,927,596</b>	<b>12.51%</b>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 51,056,143	\$ 51,056,143	100.00%	N/A
2013	52,016,386	52,016,386	100.00%	N/A
2014	52,931,802	52,931,802	100.00%	N/A
2015	53,867,824	53,867,824	100.00%	N/A
2016	54,765,838	54,765,838	100.00%	N/A
2017	55,912,921	55,912,921	100.00%	N/A
2018	56,905,643	56,905,643	100.00%	N/A
2019	57,983,872	57,983,872	100.00%	N/A
2020	60,449,059	60,449,059	100.00%	N/A
2021	61,862,619	61,862,619	100.00%	N/A

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases			
2012	\$ 49,363,000	\$ 195,505	\$ 49,558,505	28,469	\$ 1,741
2013	47,890,000	137,979	48,027,979	28,414	1,690
2014	46,225,000	78,298	46,303,298	28,441	1,628
2015	44,930,000	96,374	45,026,374	28,481	1,581
2016	42,805,000	124,635	42,929,635	28,504	1,506
2017	40,865,000	97,503	40,962,503	28,532	1,436
2018	38,865,000	131,033	38,996,033	28,542	1,366
2019	36,795,000	156,850	36,951,850	28,542	1,295
2020	34,655,000	242,606	34,897,606	28,557	1,222
2021	32,450,000	487,380	32,937,380	28,457	1,157

Source: District records

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2012	\$ 49,363,000		\$ 49,363,000	1.4%	\$ 1,734
2013	47,890,000		47,890,000	1.4%	1,685
2014	46,225,000		46,225,000	1.4%	1,625
2015	44,930,000		44,930,000	1.4%	1,578
2016	42,805,000		42,805,000	1.3%	1,502
2017	40,865,000		40,865,000	1.3%	1,432
2018	38,865,000		38,865,000	1.2%	1,362
2019	36,795,000		36,795,000	1.1%	1,289
2020	34,655,000		34,655,000	1.1%	1,214
2021	32,450,000		32,450,000	1.0%	1,140

Source: District records

**NUTLEY BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
AS OF JUNE 30, 2021  
(Unaudited)**

Net Direct Debt of School District as of June 30, 2021		\$ 32,450,000
Net Overlapping Debt of School District		
Township of Nutley	\$ 14,209,024	
Essex County	29,490,366	
Essex County Utilities Authority (A)	1,028,960	
Passaic Valley Sewerage Commission (B)	5,287,593	
North Jersey District Water Supply Commission (B)	<u>345,198</u>	
		<u>50,361,141</u>
Total Direct and Overlapping Debt as of June 30, 2021		<u>\$ 82,811,141</u>

(A) The debt for this entity was apportioned by dividing the Municipality's 2020 equalized value by the total 2020 equalized value for Essex County.

(B) Overlapping debt was computed based upon usage

Sources:

- (1) Township of Nutley 2020 Annual Debt Statement
- (2) Essex County 2020 Annual Debt Statement
- (3) Essex County Utilities Authority
- (4) North Jersey District Water Supply Commission
- (5) Passaic Valley Sewerage Commission

**NUTLEY BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 164,911,330	\$ 158,545,501	\$ 153,352,090	\$ 148,988,680	\$ 145,714,626	\$ 144,771,418	\$ 145,881,342	\$ 149,241,432	\$ 153,956,554	\$ 160,401,413
Total Net Debt Applicable To Limit	49,363,087	47,890,604	46,225,000	44,930,000	42,805,000	40,865,000	38,865,000	36,795,000	34,655,000	32,450,000
Legal Debt Margin	<u>\$ 115,548,243</u>	<u>\$ 110,654,897</u>	<u>\$ 107,127,090</u>	<u>\$ 104,058,680</u>	<u>\$ 102,909,626</u>	<u>\$ 103,906,418</u>	<u>\$ 107,016,342</u>	<u>\$ 112,446,432</u>	<u>\$ 119,301,554</u>	<u>\$ 127,951,413</u>
Total net debt applicable to the limit as a percentage of debt limit	29.93%	30.21%	30.14%	30.16%	29.38%	28.23%	26.64%	24.65%	22.51%	20.23%

**Legal Debt Margin Calculation for Fiscal Year 2021**

Equalized Valuation Basis

2020	\$ 4,200,183,856
2019	4,003,087,687
2018	3,826,834,465
	<u>\$ 12,030,106,008</u>

Average Equalized Valuation of Taxable Property	\$ 4,010,035,336
Debt Limit (4 % of Average Equalization Value)	160,401,413
Total Net Debt Applicable to Limit	<u>32,450,000</u>
Legal Debt Margin	<u>\$ 127,951,413</u>

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

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2012	28,469	\$ 54,224	8.2%
2013	28,414	55,054	7.1%
2014	28,441	55,808	6.0%
2015	28,481	58,487	5.1%
2016	28,504	60,840	4.5%
2017	28,532	62,334	4.3%
2018	28,542	64,232	3.8%
2019	28,542	65,214	3.2%
2020	28,557	67,657	3.2%
2021	28,457	N/A	9.9%

Source: New Jersey State Department of Education

N/A - Information Not Available

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

**INFORMATION NOT AVAILABLE**

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

<u>Function/Program</u>	<u>2012</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction										
Regular	257	257	226	225	231	240	239	245	251	252
Special Education	50	50	53	52	56	57	64	67	67	68
Support Services										
Student and Instruction Related Services	107	107	138	147	141	161	147	144	140	141
General Administration	3	3	5	5	5	5	5	5	5	5
School Administrative Services	10	10	10	10	10	10	10	10	10	10
Other Administrative Services	9	9	9	11	12	12	12	11	11	11
Central Services	11	11	9	9	8	8	10	9	11	11
Administrative Information Technology	4	4	4	4	4	4	3	3	4	4
Plant Operations and Maintenance	40	40	36	38	37	39	42	43	41	40
Pupil Transportation	31	31	31	31	31	31	31	31	47	46
Other Support Services	23	23	23	23	23	23	22	24	24	24
Food Service	-	-	-							
Total	<u>545</u>	<u>545</u>	<u>543</u>	<u>555</u>	<u>558</u>	<u>590</u>	<u>585</u>	<u>592</u>	<u>611</u>	<u>612</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures (A)	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Teacher/Pupil Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2012	3,980	\$ 59,968,430	\$ 15,067	1.27%	336.4	12	13	15	3,962	3,762	1.51%	94.95%
2013	4,045	60,752,467	15,019	-0.32%	308.9	13	14	17	4,036	3,832	1.87%	94.95%
2014	4,015	62,755,532	15,630	4.07%	311.4	15	15	15	4,020	3,820	-0.40%	95.02%
2015	4,003	65,687,586	16,410	4.99%	305.0	13	13	15	4,005	3,807	-0.37%	95.06%
2016	4,038	66,203,318	16,395	-0.09%	334.0	14	13	15	4,026	3,826	0.52%	95.03%
2017	4,076	70,451,224	17,284	5.42%	319.0	12	13	14	4,075	3,856	1.22%	94.63%
2018	4,051	73,315,231	18,098	4.71%	316.0	10	12	13	4,058	3,832	-0.42%	94.43%
2019	4,063	76,506,596	18,830	4.04%	312.0	13	11	13	4,068	3,849	0.25%	94.62%
2020	4,046	78,153,051	19,316	2.58%	362.0	12	11	12	4,046	3,886	-0.54%	96.05%
2021	3,966	83,073,328	20,946	8.44%	377.0				3,966	0	-1.98%	0.00%

Sources: District records

(A) Excludes Debt Service and Capital Outlay Expenditures

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b><u>District Building</u></b>										
<b><u>Nutley High School</u></b>										
Square Feet	192,260.00	192,260.00	192,260.00	192,260.00	192,260.00	192,260.00	192,260.00	192,260.00	192,260.00	192,260.00
Capacity (students)	906.62	909.62	909.62	909.62	909.62	909.62	909.62	909.62	909.62	909.62
Enrollment	1,296.00	1,283.00	1,246.00	1,242.00	1,244.00	1,230.00	1,210.00	1,216.00	1,179.00	1,144.00
<b><u>John H. Walker Middle School</u></b>										
Square Feet	128,036.00	128,036.00	128,036.00	128,036.00	128,036.00	128,036.00	128,036.00	128,036.00	128,036.00	128,036.00
Capacity (students)	412.99	412.99	412.99	412.99	412.99	412.99	412.99	412.99	412.99	412.99
Enrollment <sup>a</sup>	642.00	647.00	637.00	618.00	612.00	637.00	602.00	551.00	620.00	651.00
<b><u>Radcliffe Elementary School</u></b>										
Square Feet	45,305.00	45,305.00	45,305.00	45,305.00	45,305.00	45,305.00	45,305.00	45,305.00	45,305.00	45,305.00
Capacity (students)	412.69	412.69	412.69	412.69	412.69	412.69	412.69	412.69	412.69	412.69
Enrollment	372.00	336.00	342.00	338.00	326.00	330.00	357.00	352.00	353.00	340.00
<b><u>Yantacaw Elementary School</u></b>										
Square Feet	49,512.00	49,512.00	49,512.00	49,512.00	49,512.00	49,512.00	49,512.00	49,512.00	49,512.00	49,512.00
Capacity (students)	439.76	439.76	439.76	439.76	439.76	439.76	439.76	439.76	439.76	439.76
Enrollment	469.00	491.00	470.00	487.00	461.00	481.00	486.00	494.00	476.00	460.00
<b><u>Washington Elementary School</u></b>										
Square Feet	49,067.00	49,067.00	49,067.00	49,067.00	49,067.00	49,067.00	49,067.00	49,067.00	49,067.00	49,067.00
Capacity (students)	351.65	351.65	351.65	351.65	351.65	351.65	351.65	351.65	351.65	351.65
Enrollment	394.00	423.00	453.00	483.00	546.00	561.00	543.00	556.00	560.00	523.00
<b><u>Spring Garden Elementary School</u></b>										
Square Feet	43,955.00	51,155.00	51,155.00	51,155.00	51,155.00	51,155.00	51,155.00	51,155.00	51,155.00	51,155.00
Capacity (students)	378.62	378.62	378.62	378.62	378.62	378.62	378.62	378.62	378.62	378.62
Enrollment	381.00	384.00	356.00	351.00	359.00	366.00	367.00	397.00	396.00	399.00
<b><u>Lincoln Elementary School</u></b>										
Square Feet	56,342.00	56,342.00	56,342.00	56,342.00	56,342.00	56,342.00	56,342.00	56,342.00	56,342.00	56,342.00
Capacity (students)	462.62	462.62	462.62	462.62	462.62	462.62	462.62	462.62	462.62	462.62
Enrollment	495.00	482.00	511.00	484.00	490.00	471.00	486.00	497.00	462.00	449.00
<b><u>Other</u></b>										
Maintenance Warehouse										
Square Feet	5,386.00	5,386.00	5,386.00	5,386.00	5,386.00	5,386.00	5,386.00	5,386.00	5,386.00	5,386.00
Demuro Park Field House										
Square Feet	4,848.00	4,848.00	4,848.00	4,848.00	4,848.00	4,848.00	4,848.00	4,848.00	4,848.00	4,848.00
Oval Refreshment Stand										
Square Feet	1,309.00	1,309.00	1,309.00	1,309.00	1,309.00	1,309.00	1,309.00	1,309.00	1,309.00	1,309.00
Storage Shed										
Square Feet	912.00	912.00	912.00	912.00	912.00	912.00	912.00	912.00	912.00	912.00
Number of Schools at June 30, 2021										
Elementary = 5										
Middle School = 1										
High School = 1										
Other = 4										

Source: District Records

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

<u>School</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Nutley High School	\$ 239,747	\$ 263,863	\$ 279,224	\$ 277,532	\$ 274,644	\$ 293,700	\$ 411,831	\$ 309,880	\$ 328,030	\$ 377,994
John H. Walker Middle School	151,226	195,781	157,652	167,526	164,414	156,293	196,580	220,633	218,452	251,726
Lincoln Elementary School	76,296	70,451	65,199	85,767	68,938	83,988	136,898	117,322	96,130	110,772
Radcliffe Elementary School	67,910	84,036	85,308	108,058	133,787	90,723	101,274	329,350	77,298	89,072
Spring Garden Elementary School	63,387	72,135	61,936	75,250	89,235	128,955	81,319	92,092	87,280	100,574
Washington Elementary School	90,308	97,322	118,943	87,238	78,377	175,288	89,794	121,051	83,717	96,469
Yantacaw Elementary School	58,174	80,635	78,540	66,747	91,361	81,481	80,076	97,389	84,476	97,343
Grand Total	<u>\$ 747,048</u>	<u>\$ 864,223</u>	<u>\$ 846,802</u>	<u>\$ 868,118</u>	<u>\$ 900,756</u>	<u>\$ 1,010,428</u>	<u>\$ 1,097,772</u>	<u>\$ 1,287,717</u>	<u>\$ 975,383</u>	<u>\$ 1,123,950</u>

**NUTLEY BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
JUNE 30, 2021  
(Unaudited)**

	<u>Insurance Company</u>	<u>Coverage</u>	<u>Deductible</u>
All Real and Personal Property and Theft of Contents	Suburban Metro JIF	\$ 250,000	\$ 500
	Multiple Carriers - Shared Layers	149,749,500	250,000
Money and Security Loss	Suburban Metro JIF	250,000	500
	Selective Insurance Company of America	249,500	250,000
General Liability (BI and PD)	Suburban Metro JIF	250,000	N/A
	Selective Insurance Company of America	9,750,000	250,000
Automobile Liability	Suburban Metro JIF	250,000	N/A
	Selective Insurance Company of America	9,750,000	250,000
School Board Legal Liability	Suburban Metro JIF	100,000	N/A
	Selective Insurance Company of America	9,900,000	100,000
Excess Liability (GL / AL / SBLL)	General Reinsurance Corporation	5,000,000	N/A
Athletic Accident Insurance	Monumental Life Insurance Company	5,000,000	N/A
Interscholastic Sports Disability	Monumental Life Insurance Company	550,000	N/A
Voluntary Student Coverage - Excluding Athletes	Monumental Life Insurance Company	500,000	N/A
Worker's Compensation	Suburban Metro JIF	250,000	N/A
	Selective Insurance Company of America	Statutory Cov A 9,750,000 Cov B	250,000 250,000
Public Official Bonds Joanne Wilson Business Administrator	Selective	400,000	N/A
	RLI Insurance Company	3,000	N/A

Source: School District's records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, RMA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

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

**INDEPENDENT AUDITOR’S REPORT**

Honorable President and Members  
of the Board of Trustees  
Nutley Board of Education  
315 Franklin Avenue  
Nutley, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Nutley Board of Education as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Nutley Board of Education’s basic financial statements and have issued our report thereon dated March 11, 2022.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Nutley Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated March 11, 2022.

### **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 Nutley Board of Education’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Nutley Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
March 11, 2022



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
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MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

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

**INDEPENDENT AUDITOR’S REPORT**

Honorable President and Members  
of the Board of Trustees  
Nutley Board of Education  
315 Franklin Avenue  
Nutley, New Jersey

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

We have audited the Nutley Board of Education’s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Nutley Board of Education’s major federal and state programs for the fiscal year ended June 30, 2021. The Nutley Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the Nutley Board of Education’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Nutley Board of Education’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Nutley Board of Education's compliance.

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

In our opinion, the Nutley Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2021.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal and state program is not modified with respect to these matters.

The Nutley Board of Education's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Nutley Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the Nutley Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Nutley Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Nutley Board of Education's internal control over compliance.

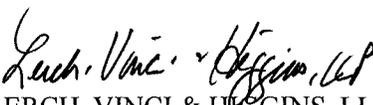
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Nutley Board of Education, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated March 11, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
March 11, 2022

**NUTLEY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Federal FAIN Number	Grant Period	Award Amount	Balance July 1, 2020			Cash Received	Budgetary Expenditures	Adjustment	Prior Year Adjustments	Balance June 30, 2021			Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor	
<b>U.S. Department of Education</b>															
<b>Passed Through State Department of Education</b>															
<b>General Fund</b>															
Medicaid Reimbursement	93.778	2005NJSMAP	7/1/20-6/30/21	\$ 77,663			\$ 77,663	\$ 77,663							
FFCRA/SEMI	93.778	2005NJSMAP	7/1/20-6/30/21	6,631			6,631	6,631							
Medicaid Administrative Cost Reimbursement	93.778	2005NJSMAP	7/1/20-6/30/21	9,761			9,761	9,761							
<b>Total - Medicaid Assistance/General Fund</b>							<b>94,055</b>	<b>94,055</b>							
<b>Special Revenue Fund:</b>															
Title I	84.010	S010A200030	7/1/20-9/30/21	286,938			\$ 61,917	180,573	207,385	\$ (61,917)		\$ (168,282)	\$ 141,470	\$ (26,812)	
Title I	84.010	S010A190030	7/1/19-9/30/20	273,957	\$ (299,988)	\$ 61,917	(61,917)	238,071	-	61,917		-	-	-	
<b>Total Title I</b>					<b>(299,988)</b>	<b>61,917</b>	<b>-</b>	<b>418,644</b>	<b>207,385</b>	<b>-</b>	<b>-</b>	<b>(168,282)</b>	<b>141,470</b>	<b>(26,812)</b>	
Title II	84.367	S367A200029	7/1/20-9/30/21	74,380			21,049	10,734	68,786	(21,049)		(84,695)	26,643	(57,253)	
Title II	84.367	S367A190029	7/1/19-9/30/20	71,275	(57,286)	23,549	(21,049)	36,237	-	21,049		-	\$ 2,500	-	
<b>Total Title II</b>					<b>(57,286)</b>	<b>23,549</b>	<b>-</b>	<b>46,971</b>	<b>68,786</b>	<b>-</b>	<b>-</b>	<b>(84,695)</b>	<b>26,643</b>	<b>2,500</b>	
Title III	84.365	S365A200030	7/1/20-9/30/21	18,154			7,682	12,455	14,402	(7,682)		(13,381)	11,434	(1,947)	
Title III	84.365	S365A190030	7/1/19-9/30/20	19,610	(27,522)	7,448	(7,682)	19,840	-	7,682	\$ 234	-	-	-	
Title III, Immigrant	84.365	S365A200030	7/1/20-9/30/21	7,258			5,604	7,097	7,097	(5,604)		(5,765)	5,765	-	
Title III, Immigrant	84.365	S365A190030	7/1/19-9/30/20	7,790	(7,790)	5,604	(5,604)	2,186	-	5,604		-	-	-	
<b>Total Title III</b>					<b>(35,312)</b>	<b>13,052</b>	<b>-</b>	<b>41,578</b>	<b>21,499</b>	<b>-</b>	<b>234</b>	<b>(19,146)</b>	<b>17,199</b>	<b>(1,947)</b>	
Title IV	84.424	S424A200031	7/1/20-9/30/21	20,220			16,048	9,599	24,297	(16,048)		(26,669)	11,971	(14,698)	
Title IV	84.424	S424A190031	7/1/19-9/30/20	17,107	(17,107)	16,048	(16,048)	1,059	-	16,048		-	-	-	
<b>Total Title IV</b>					<b>(17,107)</b>	<b>16,048</b>	<b>-</b>	<b>10,658</b>	<b>24,297</b>	<b>-</b>	<b>-</b>	<b>(26,669)</b>	<b>11,971</b>	<b>(14,698)</b>	
CARES (ESSER I)	84.425D	S425D00027	3/13/20-9/30/22	267,354	(220,144)	213,694	-	105,453	150,320	-		(161,901)	110,584	(41,737)	
CRRSA - ESSER II	84.425D	S425D00027	3/13/20-9/30/23	906,981	-	-	-	-	424,425	-		(906,981)	482,556	(424,425)	
CR Learning Acceleration	84.425D	S425D00027	3/13/20-9/30/23	58,205	-	-	-	-	-	-		(58,205)	58,205	-	
CR Mental Health	84.425D	S425D00027	3/13/20-9/30/23	45,000	-	-	-	-	-	-		(45,000)	45,000	-	
<b>Total Education Stabilization</b>					<b>(220,144)</b>	<b>213,694</b>	<b>-</b>	<b>105,453</b>	<b>574,745</b>	<b>-</b>	<b>-</b>	<b>(1,172,087)</b>	<b>696,345</b>	<b>(466,162)</b>	
Coronavirus Relief Fund	21.019	NA	3/1/20-12/31/20	175,241				175,241	175,241						
NonPublic Digital Divide	21.019	NA	7/16/20-10/31/20	24,576				24,576	-				24,576		
								199,817	175,241					24,576	
IDEA Part B	84.027	H027A200100	7/1/20-9/30/21	980,749			134,695	734,762	964,129	(134,695)		(380,682)	151,315	(228,035)	
IDEA Part B	84.027	H027A190100	7/1/19-9/30/20	923,488	(154,174)	140,135	(134,695)	19,479	2,500	134,695	1,191	-	4,131	-	
IDEA Part B	84.027	H027A170100	7/1/17-6/30/18	902,437		\$ 45								45	
IDEA Part B Preschool	84.173	H173A200114	7/1/20-9/30/21	41,610					41,610			(41,610)		(41,610)	
<b>Total IDEA</b>					<b>(154,174)</b>	<b>140,135</b>	<b>45</b>	<b>754,241</b>	<b>1,008,239</b>	<b>-</b>	<b>1,191</b>	<b>(422,292)</b>	<b>151,315</b>	<b>4,176</b>	
Carl D. Perkins- Secondary	84.048	V048A200030	7/1/20-6/30/21	24,642				20,213	21,447			(1,234)		(1,234)	
Carl D. Perkins- Secondary	84.048	V048A190030	7/1/19-6/30/20	24,900		1,647							1,647		
<b>Total Carl D. Perkins</b>						<b>1,647</b>		<b>20,213</b>	<b>21,447</b>	<b>-</b>	<b>-</b>	<b>(1,234)</b>	<b>1,647</b>	<b>(1,234)</b>	
<b>Total Special Revenue Fund</b>					<b>(784,011)</b>	<b>468,395</b>	<b>1,692</b>	<b>1,597,575</b>	<b>2,101,639</b>	<b>-</b>	<b>1,425</b>	<b>(1,894,405)</b>	<b>1,044,943</b>	<b>32,899</b>	

**NUTLEY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Federal FAIN Number	Grant Period	Award Amount	Balance July 1, 2020			Cash Carryover	Cash Received	Budgetary Expenditures	Adjustment	Prior Year Adjustments	Balance June 30, 2021			Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S.D.A. Department of Agriculture Passed Through State Department of Education <u>Enterprise Fund:</u> National School Lunch Program	10.555															
Non-Cash Assistance (Food Distribution)		201NJ304N1099	9/1/19-6/30/20	37,538		\$ 5,108			\$ 5,108							
Non-Cash Assistance (Food Distribution)		211NJ304N1099	7/1/20-6/30/21	47,398				\$ 47,398	45,733				\$ 1,665			
Cash Assistance		201NJ304N1099	9/1/19-6/30/20	199,754	\$ (17,055)			17,055								
Cash Assistance		211NJ304N1099	7/1/20-6/30/21	614,203				542,893	614,203				\$ (71,310)		\$ (71,310)	
School Breakfast Program	10.553	211NJ304N1099	7/1/20-6/30/21	332,057				293,341	332,057				(38,716)		(38,716)	
School Breakfast Program	10.553	201NJ304N1099	9/1/19-6/30/20	30,213	(9,018)			9,018								
Total Enterprise Fund - National School Lunch Program					(26,073)	5,108	-	909,705	997,101	-	-	-	(110,026)	1,665	-	(110,026)
Total Federal Financial Awards					\$ (810,084)	\$ 473,503	\$ 1,692	\$ -	\$ 2,601,335	\$ 3,192,795	\$ -	\$ 1,425	\$ (2,004,431)	\$ 1,046,608	\$ 32,899	\$ (947,777)

a - cancelled payable and encumbrance

NUTLEY BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Department of Education	Grant or State Project Number	Grant	Award Amount	Balance July 1, 2020	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Adjustments	Balance June 30, 2021			Memorandum		
										(Accts. Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Budgetary Expenditures	
<b>General Fund:</b>															
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	\$ 4,878,663			\$ 4,422,494	\$ 4,878,663			\$ (456,169)			*	\$ 4,878,663	
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	4,878,663	(459,857)		459,857							*		
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	2,513,138			2,278,152	2,513,138			(234,986)			*	2,513,138	
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	2,451,565	(231,081)		231,081							*		
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	81,159			73,570	81,159			(7,589)			*	81,159	
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	81,159	(7,650)		7,650							*		
Total State Aid Public				(698,588)		7,472,804	7,472,960			(698,744)			*	7,472,960	
TPAF Pension Contribution - NCGI	21-495-034-5094-004	7/1/20-6/30/21	148,131			148,131	148,131						*	148,131	
TPAF Pension Contribution - Normal	21-495-034-5094-002	7/1/20-6/30/21	7,785,561			7,785,561	7,785,561						*	7,785,561	
TPAF Pension Contribution - LTDI	21-495-034-5094-004	7/1/20-6/30/21	5,609			5,609	5,609						*	5,609	
TPAF Pension Contribution- Post Retirement	21-495-034-5094-001	7/1/20-6/30/21	2,486,295			2,486,295	2,486,295						*	2,486,295	
Total On-Behalf TPAF Pension						10,425,596	10,425,596						*	10,425,596	
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	588,055			533,070	588,055			(54,985)			*	588,055	
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	588,055	(55,429)		55,429							*		
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	2,578,670			1,499,772	2,578,670			(2,578,670)			*	2,578,670	
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	1,499,772	(1,499,772)									*		
TPAF Social Security Contribution	21-495-034-5094-003	7/1/20-6/30/21	2,227,123			2,005,450	2,227,123			(221,673)			*	2,227,123	
Total General Fund				(2,253,789)		21,992,121	23,292,404			(3,554,072)			*	23,292,404	
<b>Special Revenue Fund:</b>															
<b>New Jersey Nonpublic Aid:</b>															
Textbooks	20-100-034-5120-064	7/1/19-6/30/20	33,154	678				\$ 678					*		
Textbooks	21-100-034-5120-064	7/1/20-6/30/21	37,754			37,754	36,103				\$ 1,651		*	36,103	
<b>Auxiliary Services</b>															
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	115,189	24,416				24,416					*		
Compensatory Education	21-100-034-5120-067	7/1/20-6/30/21	106,338			106,338	85,254				21,084		*	85,254	
English as a Second Language	20-100-034-5120-067	7/1/19-6/30/20	3,309	2,895				2,895					*		
English as a Second Language	21-100-034-5120-067	7/1/20-6/30/21	5,773			5,773	3,908				1,865		*	3,908	
Transportation	21-100-034-5120-067	7/1/20-6/30/21	32,567			32,567					32,567		*		
Home Instruction	20-100-034-5120-067	7/1/19-6/30/20	811	(811)		811							*		
				26,500		145,489	89,162		27,311			55,316	*	89,162	
<b>Handicapped Services</b>															
Supplemental Instruction	20-100-034-5120-066	7/1/19-6/30/20	46,140	9,146				9,146					*		
Supplemental Instruction	21-100-034-5120-066	7/1/20-6/30/21	47,031			47,031	39,337				7,694		*	39,337	
Examination and Classification	20-100-034-5120-066	7/1/19-6/30/20	67,627	42,546				42,546					*		
Examination and Classification	21-100-034-5120-066	7/1/20-6/30/21	61,691			61,691	52,206				9,485		*	52,206	
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	27,341	12,759				12,759					*		
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	22,785			22,785	14,765				8,020		*	14,765	
				64,451		131,507	106,308		64,451			25,199	*	106,308	
Nonpublic Security Aid	20-100-034-5120-509	7/1/19-6/30/20	94,350	43,126				43,126					*		
Nonpublic Security Aid	21-100-034-5120-509	7/1/20-6/30/21	108,325			108,325	28,523				79,802		*	28,523	
Nonpublic Nursing	21-100-034-5120-070	7/1/20-6/30/21	63,138			63,138	63,138						*	63,138	
Total Special Revenue Fund				134,755		486,213	323,234		135,566			162,168	*	323,234	

NUTLEY BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Department of Education	Grant or State Project Number	Grant	Award Amount	Balance July 1, 2020	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Adjustments	Balance June 30, 2021			Memorandum		
										(Accts. Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Budgetary Expenditures	
Debt Service Fund:															
Debt Service Aid	21-495-034-5120-075	7/1/20-6/30/21	807,841	-	-	\$ 807,841	\$ 807,841	-	-	-	-	-	-	-	\$ 807,841
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	10,130	\$ (2,757)	-	2,757	-	-	-	-	-	-	-	\$ -	-
National School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	33,611	-	-	25,037	33,611	-	-	\$ (8,574)	-	-	-	(8,574)	33,611
				(2,757)	-	27,794	33,611	-	-	(8,574)	-	-	-	(8,574)	33,611
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				<b>\$ (2,121,791)</b>	<b>\$ -</b>	<b>\$ 23,313,969</b>	<b>\$ 24,457,090</b>	<b>\$ 135,566</b>	<b>\$ -</b>	<b>\$ (3,562,646)</b>	<b>\$ -</b>	<b>\$ 162,168</b>	<b>\$ (230,247)</b>	<b>\$ 24,457,090</b>	
<b>Less On-Behalf TPAF Pension and Annuity Aid</b>															
NCGI - Contribution							148,131	148,131							148,131
Normal Pension							7,785,561	7,785,561							7,785,561
LTDI							5,609	5,609							5,609
Post Retirement Medical							2,486,295	2,486,295							2,486,295
Subject to Single Audit							10,425,596	10,425,596							10,425,596
<b>Total for State Financial Assistance Subject to Major Program Determination</b>				<b>\$ (2,121,791)</b>	<b>\$ -</b>	<b>\$ 12,888,373</b>	<b>\$ 14,031,494</b>	<b>\$ 135,566</b>	<b>\$ -</b>	<b>\$ (3,562,646)</b>	<b>\$ -</b>	<b>\$ 162,168</b>	<b>\$ (230,247)</b>	<b>\$ 14,031,494</b>	

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal and state financial assistance programs of the Nutley Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is 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 (U.S. 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 the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$1,078,610 for the general fund and an increase of \$6,427 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 94,055	\$ 22,213,794	\$ 22,307,849
Special Revenue Fund	2,100,839	328,190	2,429,029
Debt Service Fund		807,841	807,841
Food Service Fund	997,101	33,611	1,030,712
	<u>          </u>	<u>          </u>	<u>          </u>
Total Financial Assistance	<u>\$ 3,191,995</u>	<u>\$ 23,383,436</u>	<u>\$ 26,575,431</u>

**NUTLEY BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$2,227,123 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2021. The amount reported as TPAF Pension System Contributions in the amount of \$7,933,692, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,486,295 and TPAF Long-Term Disability Insurance in the amount of \$5,609 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2021.

**NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

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

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

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

**NUTLEY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

Type of auditors' report issued Unmodified

Internal control over financial reporting:

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

2) Significant deficiencies identified? \_\_\_\_\_ yes X none reported

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

**Federal Awards Section**

Internal Control over major programs:

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

2) Significant deficiencies identified? \_\_\_\_\_ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR200 Section .516(a) of Uniform Guidance? X yes \_\_\_\_\_ no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A200100</u>	<u>IDEA Basic</u>
<u>84.173</u>	<u>H173A200114</u>	<u>IDEA Preschool</u>
<u>10.553</u>	<u>211NJ304N1099</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>211NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.555</u>	<u>211NJ304N1099</u>	<u>USDA Commodities</u>

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ X yes \_\_\_\_\_ no

**NUTLEY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

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

\$750,000

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Auditee qualified as low-risk auditee?

X  yes      \_\_\_\_\_ no

Internal Control over major programs:

(1) Material weakness(es) identified?

\_\_\_\_\_ yes       X  no

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

\_\_\_\_\_ yes       X  none reported

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

Unmodified

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

\_\_\_\_\_ yes       X  no

Identification of major state programs:

GMIS Number(s)
21-495-034-5120-078
21-495-034-5120-089
21-495-034-5120-084
21-495-034-5120-075
21-495-034-5094-003
21-495-034-5120-044

Name of State Program
Equalization Aid
Special Education Aid
Security Aid
Debt Service Aid
TPAF Social Security
Extraordinary Aid

**NUTLEY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Part 2 – Schedule of Financial Statement Findings*

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

There are none.

**NUTLEY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

**CURRENT YEAR FEDERAL AWARDS**

**Finding 2021-001**

Our audit of IDEA noted the following:

- The modified budget per the appropriation report was not in agreement with the approved grant application.
- The grant application did not include certain eligible costs in the maintenance of effort calculation. These costs included expenditures for child study team, OT, PT and related services.

**Information on the Federal Program**

84.027	IDEA, Part B – Basic
84.173	IDEA Preschool

**Criteria or Specific Requirement**

U.S. Uniform Guidance; Compliance Supplement – Special Education Cluster

**Condition**

The District's budget reports were not in agreement with the approved grant application. Furthermore, the District's maintenance of effort calculation excluded certain eligible costs in the grant application.

**Questioned Costs**

Unknown.

**Context**

The budget amounts reported by the District were not in agreement with the accounts approved in the grant application. The maintenance of effort information provided in the grant application did not include costs pertaining to the child study team, OT, PT and related services.

**Effect**

An amendment to the grant application should be submitted to the Department of Education to reallocate the grant budget. In addition, costs to calculate the maintenance of effort were understated.

**Cause**

Unknown.

**Recommendation**

The District implement procedures to ensure that the budget amounts reported in their internal accounting records are in agreement with the respective approved grant budgets. In addition, the IDEA grant application submitted to the Department of Education include all eligible costs in the maintenance of effort calculation.

**View of Responsible Officials and Planned Corrective Action**

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**NUTLEY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

**CURRENT YEAR STATE AWARDS**

There are none.

**NUTLEY BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards and N.J. OMB Circular Letter 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.