

NUTLEY BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Nutley, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

Nutley Board of Education

Nutley, New Jersey

For The Fiscal Year Ended June 30, 2022

Prepared by

Business Office

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INTRODUCTORY SECTION



THE NUTLEY PUBLIC SCHOOLS
Administrative Office
371 Franklin Avenue 2nd FL
Nutley, New Jersey 07110

Kent Bania
Superintendent of Schools

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Fax: 973-320-8476

Janine Loconsolo
Assistant Superintendent of
Curriculum & Instruction

Phone: 973-661-8792
Fax: 973-320-8475

David DiPisa
Assistant Superintendent of
Business / Board Secretary

Phone: 973-661-8797
Fax: 973-320-8475

February 16, 2023

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 annual comprehensive financial report (ACFR) of the Nutley Board of Education for the fiscal year ended June 30, 2022.

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 & Bliss, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Nutley Board of Education as of and for the fiscal year ended June 30, 2022, 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, 2022, 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 ACFR.

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 2021-22 fiscal year with an average daily enrollment of 4023 students, which is 57 students more 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>
2021-22	4,023	1.4%
2020-21	3,966	(2.0%)
2019-20	4,046	(.6%)
2018-19	4,068	0.24%
2017-18	4,058	(0.42%)

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, 2022.

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 & Bliss, LLP was selected by the Board to perform the audit for the fiscal year ended June 30, 2022. 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,

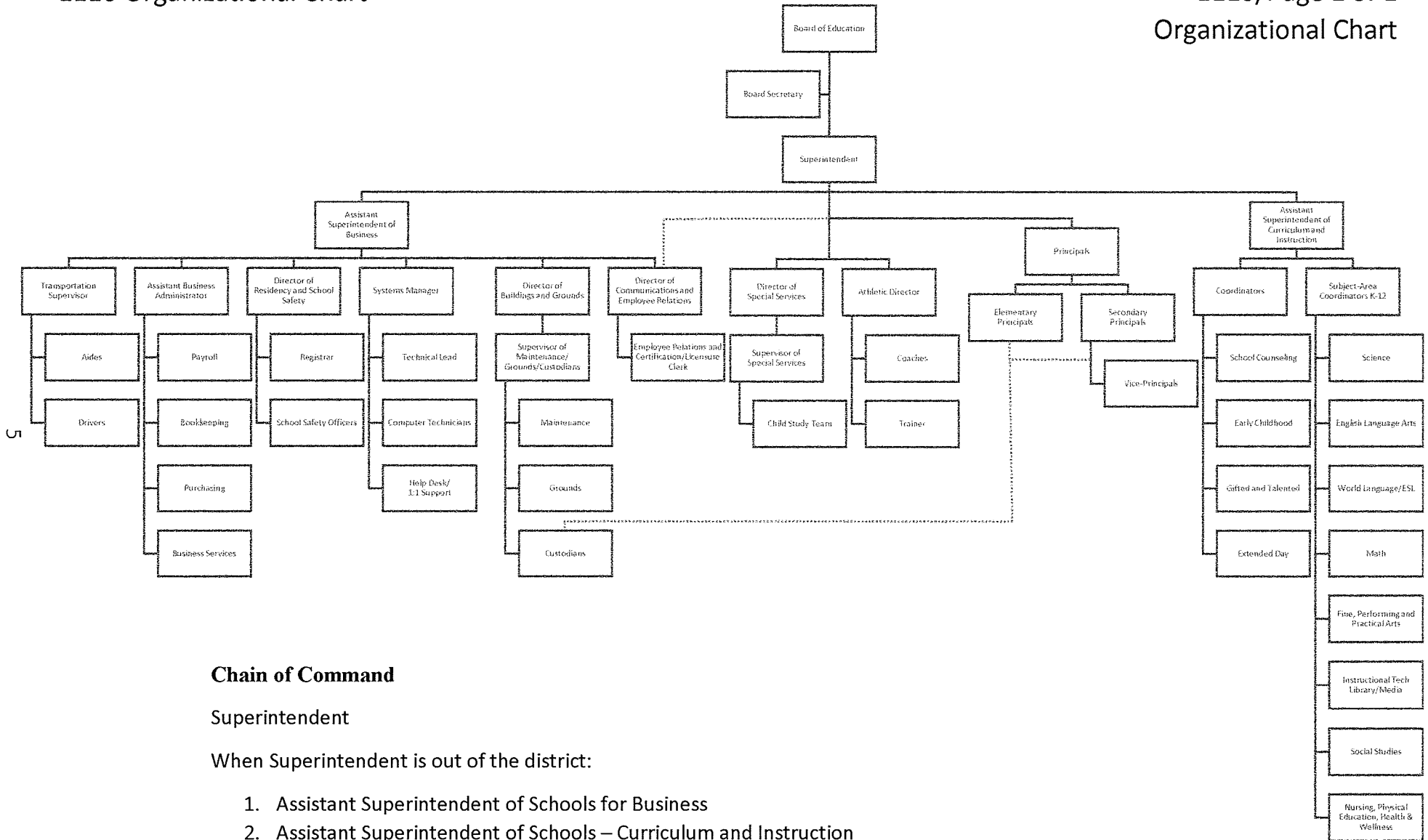


David DiPisa
Assistant Superintendent of Business / Board Secretary

POLICY

1110 Organizational Chart

Nutley Public Schools
Administration
1110/Page 1 of 1
Organizational Chart



Chain of Command

Superintendent

When Superintendent is out of the district:

1. Assistant Superintendent of Schools for Business
2. Assistant Superintendent of Schools – Curriculum and Instruction
3. Assistant Business Administrator

Approved: Oct 17 2022

**NUTLEY BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2022**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mr. Salvatore Balsamo	2023
Mr. Joe Battaglia	2024
Mr. Daniel Carnicella	2022
Mrs. Lisa Danchak-Martin	2023
Mr. Frank DeMaio	2022
Mr. Salvatore Ferraro	2023
Mr. Charles Kucinski	2022
Mr. Kenneth J. Reilly	2021
Mr. Nicholas Scotti	2024

Other Officials

Kent Bania, Acting Superintendent of Schools

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

Independent Auditors

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

Official Depository

TD Bank
575 Kingsland Street
Nutley, NJ 07110

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Nutley Board of Education, as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Nutley Board of Education as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

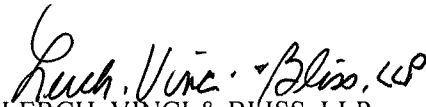
Other Information

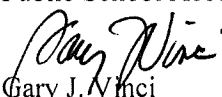
Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 16, 2023 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 & BLISS, LLP
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 16, 2023

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 annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022. 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 2021-2022 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 \$14,457,942.
- Overall district revenues were \$96,767,944. General revenues accounted for \$69,145,311 or 71% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$27,622,633 or 29% of total revenues.
- The school district had \$89,695,795 in expenses for governmental activities; only \$25,142,810 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$69,144,283 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 \$7,941,472.
- The General Fund (GAAP Basis) fund balance at June 30, 2022 was \$5,269,225 a decrease of \$586,856 from the June 30, 2021 balance of \$5,856,081.

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.

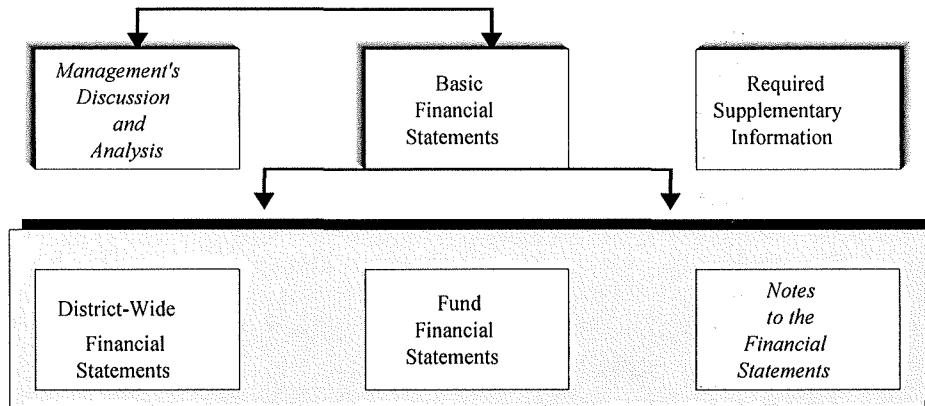
NUTLEY BOARD OF EDUCATION

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 \$14,457,942 as of June 30, 2022.

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, 2022 and 2021

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets						
Current Assets	\$ 11,018,737	\$ 11,515,946	\$ 1,043,179	\$ 1,022,315	\$ 12,061,916	\$ 12,538,261
Capital Assets, Net	<u>56,848,966</u>	<u>57,702,100</u>	<u>395,250</u>	<u>103,023</u>	<u>57,244,216</u>	<u>57,805,123</u>
Total Assets	<u>67,867,703</u>	<u>69,218,046</u>	<u>1,438,429</u>	<u>1,125,338</u>	<u>69,306,132</u>	<u>70,343,384</u>
Deferred Outflows of Resources	<u>2,036,558</u>	<u>3,591,769</u>	<u>-</u>	<u>-</u>	<u>2,036,558</u>	<u>3,591,769</u>
Total Assets & Deferred Outflows of Resources	<u>69,904,261</u>	<u>72,809,815</u>	<u>1,438,429</u>	<u>1,125,338</u>	<u>71,342,690</u>	<u>73,935,153</u>
Liabilities						
Long-Term Liabilities	45,760,286	53,684,410			45,760,286	53,684,410
Other Liabilities	<u>3,544,006</u>	<u>3,365,675</u>	<u>134,850</u>	<u>84,048</u>	<u>3,678,856</u>	<u>3,449,723</u>
Total Liabilities	<u>49,304,292</u>	<u>57,050,085</u>	<u>134,850</u>	<u>84,048</u>	<u>49,439,142</u>	<u>57,134,133</u>
Deferred Inflows of Resources	<u>7,445,549</u>	<u>7,196,608</u>	<u>57</u>	<u>1,665</u>	<u>7,445,606</u>	<u>7,198,273</u>
Total Liabilities & Deferred Inflows of Resources	<u>56,749,841</u>	<u>64,246,693</u>	<u>134,907</u>	<u>85,713</u>	<u>56,884,748</u>	<u>64,332,406</u>
Net Position						
Net Investment in Capital Assets	26,479,892	25,042,001	395,250	103,023	26,875,142	25,145,024
Restricted	5,353,951	5,508,604			5,353,951	5,508,604
Unrestricted	<u>(18,679,423)</u>	<u>(21,987,483)</u>	<u>908,272</u>	<u>936,602</u>	<u>(17,771,151)</u>	<u>(21,050,881)</u>
Total Net Position	<u>\$ 13,154,420</u>	<u>\$ 8,563,122</u>	<u>\$ 1,303,522</u>	<u>\$ 1,039,625</u>	<u>\$ 14,457,942</u>	<u>\$ 9,602,747</u>

NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

Change in Net Position

For The Fiscal Years Ended June 30, 2022 and 2021

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program Revenues						
Charges for Services	\$ 271,420	\$ 196,116	\$ 995,958	\$ 36,766	\$ 1,267,378	\$ 232,882
Operating Grants and Contributions	24,477,442	30,145,758	1,483,865	1,030,712	25,961,307	31,176,470
Capital Grants and Contributions	393,948	11,870			393,948	11,870
General Revenues						
Property Taxes	62,451,195	61,862,619			62,451,195	61,862,619
State Aid	5,693,637	5,690,192			5,693,637	5,690,192
Other	999,451	162,785	1,028	1,090	1,000,479	163,875
	<u>94,287,093</u>	<u>98,069,340</u>	<u>2,480,851</u>	<u>1,068,568</u>	<u>96,767,944</u>	<u>99,137,908</u>
Expenses						
Instruction						
Regular	36,431,664	42,044,190			36,431,664	42,044,190
Special Education	17,381,210	18,282,125			17,381,210	18,282,125
Other Instruction	1,664,833	1,783,365			1,664,833	1,783,365
School Sponsored Activities and Athletics	1,942,315	1,922,767			1,942,315	1,922,767
Community Services	308,030	3,677			308,030	3,677
Support Services						
Student and Instruction Related Services	11,647,484	12,146,861			11,647,484	12,146,861
General Administrative Services	2,177,548	2,542,798			2,177,548	2,542,798
School Administrative Services	5,221,639	6,081,401			5,221,639	6,081,401
Plant Operations and Maintenance	7,155,029	7,703,075			7,155,029	7,703,075
Pupil Transportation	2,862,647	1,988,017			2,862,647	1,988,017
Business Services	1,605,939	1,905,005			1,605,939	1,905,005
Interest and Chgs on Long-Term Debt	1,297,457	1,353,072			1,297,457	1,353,072
Food Services			1,486,129	764,528	1,486,129	764,528
Extended Day	-	-	730,825	158,591	730,825	158,591
	<u>89,695,795</u>	<u>97,756,353</u>	<u>2,216,954</u>	<u>923,119</u>	<u>91,912,749</u>	<u>98,679,472</u>
Change in Net Position	4,591,298	312,987	263,897	145,449	4,855,195	458,436
Net Position, Beginning of Year	8,563,122	8,130,674	1,039,625	897,838	9,602,747	9,028,512
Prior Period Adjustment	-	119,461	-	(3,662)	-	115,799
Net Position, End of Year	<u>\$ 13,154,420</u>	<u>\$ 8,563,122</u>	<u>\$ 1,303,522</u>	<u>\$ 1,039,625</u>	<u>\$ 14,457,942</u>	<u>\$ 9,602,747</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 \$94,287,093 for the fiscal year ended June 30, 2022. Property taxes of \$62,451,195 represented 66 percent of revenues. Another significant portion of revenues came from State aid; total State, Federal, Local and formula aid was \$30,565,027. 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.

The total cost of all governmental activities programs and services was \$89,695,795. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$57,728,052 (64%) of total expenditures. Student support services, exclusive of general and school administration, total \$11,647,484 or (13%) of total expenditures.

Total governmental activities revenues surpassed expenses increasing net position by \$4,591,298 from the previous year.

Net Cost of Governmental Activities. The District's total cost of services was \$89,695,795. After applying program revenues, derived from charges for services of \$271,420; and operating and capital grants and contributions of \$24,871,390; the net cost of services of the District is \$64,552,985.

Total and Net Cost of Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Instruction				
Regular	\$ 36,431,664	\$ 42,044,190	\$ 27,309,449	\$ 28,108,501
Special Education	17,381,210	18,282,125	9,067,996	10,116,695
Other Instruction	1,664,833	1,783,365	1,125,640	1,178,519
School Sponsored Activities and Athletics	1,942,315	1,922,767	1,400,061	1,251,802
Community Services	308,030	3,677	306,095	2,428
Support Services				
Student and Instruction Related Services	11,647,484	12,146,861	8,177,379	8,927,496
General Administrative Services	2,177,548	2,542,798	1,964,818	2,229,903
School Administrative Services	5,221,639	6,081,401	4,363,089	4,819,118
Plant Operations and Maintenance	7,155,029	7,703,075	6,115,135	6,517,539
Pupil Transportation	2,862,647	1,988,017	2,049,920	1,265,854
Business Services	1,605,939	1,905,005	1,375,946	1,631,682
Interest and Other Chgs on Long-Term Debt	1,297,457	1,353,072	1,297,457	1,353,072
Total	\$ 89,695,795	\$ 97,756,353	\$ 64,552,985	\$ 67,402,609

NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

Business-Type Activities – The District's total business-type activities revenues were \$2,480,851 for the fiscal year ended June 30, 2022. Charges for services accounted for 40% of total revenues. Operating grants and contributions accounted for 60% of total revenue for the year.

The total cost of all business-type activities programs and services was \$2,216,954. 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 \$263,897 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 \$7,941,472, a decrease of \$751,264. The June 30, 2021, fund balance as restated was \$8,692,736.

Revenues for the District's governmental funds were \$96,527,421 while total expenses were \$97,339,247.

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.

	Fiscal Year Ended		Increase (Decrease)	Percentage Increase (Decrease)
	June 30, 2022	June 30, 2021		
Local Sources				
Property Taxes	\$ 59,800,241	\$ 59,208,160	\$ 592,081	1.0%
Tuition	71,545	58,890	12,655	21.5%
Miscellaneous	999,416	162,758	836,658	514.1%
State Sources	27,929,722	22,213,794	5,715,928	25.7%
Federal Sources	118,917	94,055	24,862	26.4%
Total General Fund Revenues	<u>\$ 88,919,841</u>	<u>\$ 81,737,657</u>	<u>\$ 7,182,184</u>	8.8%

NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

Total General Fund Revenues increased by \$7,182,184 or 9% over the previous year.

Property taxes increased 1% over the previous year. State aid revenues increase \$5,715,928 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>		<u>Increase (Decrease)</u>	<u>Percentage Increase (Decrease)</u>
	<u>June 30, 2022</u>	<u>June 30, 2021</u>		
Instruction	\$ 59,788,081	\$ 54,314,618	\$ 5,473,463	10.1%
Support Services	28,524,784	26,138,868	2,385,916	9.1%
Debt Service	449,916	253,086	196,830	77.8%
Capital Outlay	<u>193,916</u>	<u>147,272</u>	<u>46,644</u>	31.7%
Total Expenditures	<u>\$ 88,956,697</u>	<u>\$ 80,853,844</u>	<u>\$ 8,102,853</u>	10.0%

Total General Fund expenditures increased \$8,102,853 from the previous year. A significant portion of the increase is attributed to increases in contractual salaries for the 2021/2022 school year and increases in on-behalf TPAF pension contributions.

In 2021-2022 General Fund expenditures and other financing uses exceeded revenues and other financing sources by \$586,856. As a result, total fund balance decreased to \$5,269,225 at June 30, 2022. After deducting statutory restrictions and committed and assigned encumbrances, the unassigned fund balance (GAAP Basis) at June 30, 2022 is \$1,238,876.

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 \$4,138,814 for the fiscal year ended June 30, 2022. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 85% of the total revenue for the year.

Expenditures of the Special Revenue Fund were \$4,126,672. Instructional expenditures were \$1,578,939 support services expenditures were \$2,153,785 and capital outlay expenditures were \$393,948.

Capital Projects – Expenditures and other financing uses were greater than revenues and other financing sources by \$176,550 resulting in a fund balance of \$1,311,786 at June 30, 2022.

NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

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, 2021 encumbrances).
- Appropriation of Capital Reserve and prior year unbudgeted extraordinary aid.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2022 amounts to \$57,244,216 (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 2021-2022 amounted to \$2,167,583 for governmental activities and \$13,470 for business-type activities.

Capital Assets at June 30, 2022 and 2021
(Net of Accumulated Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 79,932	\$ 79,932			\$ 79,932	\$ 79,932
Construction In Progress	35,644	30,820			35,644	30,820
Buildings and Improvements	55,247,013	56,101,053	\$ 63,367		55,310,380	56,101,053
Machinery and Equipment	<u>1,486,377</u>	<u>1,490,295</u>	<u>331,883</u>	<u>\$ 103,023</u>	<u>1,818,260</u>	<u>1,593,318</u>
Total Capital Assets (Net)	<u>\$ 56,848,966</u>	<u>\$ 57,702,100</u>	<u>\$ 395,250</u>	<u>\$ 103,023</u>	<u>\$ 57,244,216</u>	<u>\$ 57,805,123</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 \$1,295,858, capital and other financing agreements of \$809,058 net pension liability of \$11,221,199 accrued liability for insurance claims, \$833,928 and bonds payable, inclusive of unamortized premium, of \$31,600,243.

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

Outstanding Long-Term Liabilities

	<u>2022</u>	<u>2021</u>
Serial Bonds Payable	\$ 31,600,243	\$ 34,205,596
Capital Financing Agreements	348,480	487,380
Other Financing Agreements	460,578	668,353
Net Pension Liability	11,221,199	15,378,709
Accrued Liability for Insurance Claims	833,928	1,208,667
Compensated Absences	<u>1,295,858</u>	<u>1,735,705</u>
Total Long-Term Liabilities	<u>\$ 45,760,286</u>	<u>\$ 53,684,410</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 2022-2023 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, 371 Franklin Ave., Nutley, NJ 07110.

BASIC FINANCIAL STATEMENTS

**NUTLEY BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 6,757,217	\$ 820,404	\$ 7,577,621
Receivables, net			
Receivables from Other Governments	3,161,246	188,833	3,350,079
Other	569,999	5,897	575,896
Inventory		28,045	28,045
Restricted Assets			
Cash and Cash Equivalents Held by Fiscal Agent	530,275		530,275
Capital Assets			
Not Being Depreciated	115,576		115,576
Being Depreciated, Net	<u>56,733,390</u>	<u>395,250</u>	<u>57,128,640</u>
Total Assets	<u>67,867,703</u>	<u>1,438,429</u>	<u>69,306,132</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	548,050		548,050
Deferred Amounts on Refundings of Debt	<u>1,488,508</u>	<u>-</u>	<u>1,488,508</u>
Total Deferred Outflows of Resources	<u>2,036,558</u>	<u>-</u>	<u>2,036,558</u>
Total Assets and Deferred Outflows of Resources	<u>69,904,261</u>	<u>1,438,429</u>	<u>71,342,690</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,863,206	95,162	1,958,368
Payable to State and Federal Governments	460,591		460,591
Claims and Judgements Payable	439,072		439,072
Accrued Interest Payable	466,741		466,741
Unearned Revenue	314,396	39,688	354,084
Noncurrent Liabilities			
Due Within One Year	2,764,474		2,764,474
Due Beyond One Year	<u>42,995,812</u>	<u>-</u>	<u>42,995,812</u>
Total Liabilities	<u>49,304,292</u>	<u>134,850</u>	<u>49,439,142</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	7,445,549	-	7,445,549
Deferred Commodities Revenue	<u>-</u>	<u>57</u>	<u>57</u>
Total Deferred Inflows of Resources	<u>7,445,549</u>	<u>57</u>	<u>7,445,606</u>
Total Liabilities and Deferred Inflows of Resources	<u>56,749,841</u>	<u>134,907</u>	<u>56,884,748</u>
NET POSITION			
Net Investment in Capital Assets	26,479,892	395,250	26,875,142
Restricted for:			
Capital Projects	2,886,082		2,886,082
Other Purposes	2,467,869		2,467,869
Unrestricted	<u>(18,679,423)</u>	<u>908,272</u>	<u>(17,771,151)</u>
Total Net Position	<u>\$ 13,154,420</u>	<u>\$ 1,303,522</u>	<u>\$ 14,457,942</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, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities							
Instruction							
Regular	\$ 36,431,664	\$ 71,545	\$ 9,050,670		\$ (27,309,449)		\$ (27,309,449)
Special Education	17,381,210		8,313,214		(9,067,996)		(9,067,996)
Other Instruction	1,664,833		539,193		(1,125,640)		(1,125,640)
School Sponsored Activities and Athletics	1,942,315	199,875	342,379		(1,400,061)		(1,400,061)
Community Services	308,030		1,935		(306,095)		(306,095)
Support Services							
Student and Instruction Related Services	11,647,484		3,470,105		(8,177,379)		(8,177,379)
General Administrative Services	2,177,548		212,730		(1,964,818)		(1,964,818)
School Administrative Services	5,221,639		858,550		(4,363,089)		(4,363,089)
Plant Operations and Maintenance	7,155,029		645,946	\$ 393,948	(6,115,135)		(6,115,135)
Pupil Transportation	2,862,647		812,727		(2,049,920)		(2,049,920)
Business Services	1,605,939		229,993		(1,375,946)		(1,375,946)
Interest on Long-Term Debt and Other Charges	1,297,457	-	-	-	(1,297,457)	-	(1,297,457)
Total Governmental Activities	89,695,795	271,420	24,477,442	393,948	(64,552,985)	-	(64,552,985)
Business-Type Activities							
Food Service	1,486,129	221,323	1,483,865			\$ 219,059	219,059
Extended Day	730,825	774,635	-	-	-	43,810	43,810
Total Business-Type Activities	2,216,954	995,958	1,483,865	-	-	262,869	262,869
Total Primary Government	\$ 91,912,749	\$ 1,267,378	\$ 25,961,307	\$ 393,948	(64,552,985)	262,869	(64,290,116)

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, 2022**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Balance, Carry Forward	\$ (64,552,985)	\$ 262,869	\$ (64,290,116)
General Revenues			
Property Taxes			
General Purposes	59,800,241		59,800,241
Debt Service	2,650,954		2,650,954
State Aid			
Unrestricted	4,875,860		4,875,860
Restricted for Debt Service	817,777		817,777
Miscellaneous Income	999,451	1,028	1,000,479
Total General Revenues	69,144,283	1,028	69,145,311
Change in Net Position	4,591,298	263,897	4,855,195
Net Position, Beginning of Year	8,563,122	1,039,625	9,602,747
Net Position, End of Year	\$ 13,154,420	\$ 1,303,522	\$ 14,457,942

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, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 4,168,724	\$ 1,360,460	\$ 1,228,032	\$ 1	\$ 6,757,217
Cash Held by Fiscal Agent	439,072		91,203		530,275
Receivables, Net					
Receivables from Other Governments	184,225	2,977,021			3,161,246
Other	564,226	5,773			569,999
Due from Other Funds	<u>2,059,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,059,732</u>
 Total Assets	 <u>\$ 7,415,979</u>	 <u>\$ 4,343,254</u>	 <u>\$ 1,319,235</u>	 <u>\$ 1</u>	 <u>\$ 13,078,469</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 762,047	\$ 369,501	\$ 7,449		\$ 1,138,997
Due to Other Funds		2,059,732			2,059,732
Intergovernmental Payable	209,176	251,415			460,591
Payroll Deductions and Withholdings Payable	724,209				724,209
Claims and Judgements Payable	439,072				439,072
Unearned Revenue	<u>12,250</u>	<u>302,146</u>	<u>-</u>	<u>-</u>	<u>314,396</u>
 Total Liabilities	 <u>2,146,754</u>	 <u>2,982,794</u>	 <u>7,449</u>	 <u>-</u>	 <u>5,136,997</u>
Fund Balances					
Restricted					
Capital Reserve	1,665,499				1,665,499
Maintenance Reserve	716,773				716,773
Unemployment Compensation Reserve	390,635				390,635
Student Activities		203,224			203,224
Scholarship Awards		1,157,236			1,157,236
Capital Financing Agreement Obligations			\$ 91,203		91,203
Capital Projects			1,220,583		1,220,583
Debt Service				\$ 1	1
Assigned					
Encumbrances	157,442				157,442
Designated for Subsequent Year's Budget	1,100,000				1,100,000
Unassigned	<u>1,238,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,238,876</u>
 Total Fund Balances	 <u>5,269,225</u>	 <u>1,360,460</u>	 <u>1,311,786</u>	 <u>1</u>	 <u>7,941,472</u>
 Total Liabilities and Fund Balances	 <u>\$ 7,415,979</u>	 <u>\$ 4,343,254</u>	 <u>\$ 1,319,235</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 \$91,808,006 and the accumulated depreciation is \$34,959,040. 56,848,966

The District has financed capital assets through the issuance of serial bonds. The interest accrual at year end is: (466,741)

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) (45,760,286)

Deferred Inflows and Outflows related to the debt refundings and net pension liability are not reported in the funds. (See Note 2) (5,408,991)

\$ 13,154,420

**NUTLEY BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Taxes	\$ 59,800,241			\$ 2,650,954	\$ 62,451,195
Tuition	71,545				71,545
Interest	15,164		\$ 35		15,199
Miscellaneous	<u>984,252</u>	<u>\$ 218,204</u>	<u>-</u>	<u>-</u>	<u>1,202,456</u>
Total - Local Sources	<u>60,871,202</u>	<u>218,204</u>	<u>35</u>	<u>2,650,954</u>	<u>63,740,395</u>
State Sources	27,929,722	391,276		817,777	29,138,775
Federal Sources	<u>118,917</u>	<u>3,529,334</u>	<u>-</u>	<u>-</u>	<u>3,648,251</u>
Total Revenues	<u>88,919,841</u>	<u>4,138,814</u>	<u>35</u>	<u>3,468,731</u>	<u>96,527,421</u>
EXPENDITURES					
Current					
Regular Instruction	38,019,155	883,168			38,902,323
Special Education Instruction	18,001,703	315,182			18,316,885
Other Instruction	1,573,688	208,080			1,781,768
School-Sponsored Activities and Athletics	1,884,855	172,509			2,057,364
Community Services	308,680				308,680
Support Services					
Student and Instructional Related Services	9,948,678	1,991,994			11,940,672
General Administrative Services	1,749,888				1,749,888
School Administrative Services	5,613,501				5,613,501
Plant Operations and Maintenance	6,668,509	113,699			6,782,208
Pupil Transportation	2,805,799	48,092			2,853,891
Business Services	1,738,409				1,738,409
Debt Service					
Principal	346,675			2,280,000	2,626,675
Interest and Other Charges	103,241			1,249,293	1,352,534
Capital Outlay	<u>193,916</u>	<u>393,948</u>	<u>726,585</u>	<u>-</u>	<u>1,314,449</u>
Total Expenditures	<u>88,956,697</u>	<u>4,126,672</u>	<u>726,585</u>	<u>3,529,293</u>	<u>97,339,247</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	<u>(36,856)</u>	<u>12,142</u>	<u>(726,550)</u>	<u>(60,562)</u>	<u>(811,826)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from Refunding Bonds				4,695,000	4,695,000
Payments to Escrow Agent				(4,634,438)	(4,634,438)
Transfers In			550,000		550,000
Transfers Out	<u>(550,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(550,000)</u>
Total Other Financing Sources (Uses)	<u>(550,000)</u>	<u>-</u>	<u>550,000</u>	<u>60,562</u>	<u>60,562</u>
Net Change in Fund Balances	(586,856)	12,142	(176,550)	-	(751,264)
Fund Balance, Beginning 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>
Fund Balance, End of Year	<u>\$ 5,269,225</u>	<u>\$ 1,360,460</u>	<u>\$ 1,311,786</u>	<u>\$ 1</u>	<u>\$ 7,941,472</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, 2022**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ (751,264)**

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	\$ 1,314,449	
Depreciation Expense	<u>(2,167,583)</u>	(853,134)

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		439,847
Accrued Liability for Insurance Claims		374,739

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.

Repayment of Debt Principal		
Serial Bonds	2,280,000	
Capital and Other Financing Financing Agreements	346,675	
Proceeds from Bond Refunding	(4,695,000)	
Payments to Refunding Escrow Agent	<u>4,634,438</u>	2,566,113

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	242,700	
Amortization of Deferred Amount on Refunding of Debt	<u>(263,347)</u>	(20,647)

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		2,760,796
Increase in Pension Expense - Essex County Pension Fund		(876)

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>75,724</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 4,591,298**

**NUTLEY BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2022**

	<u>Food Service</u>	<u>Extended Day</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
ASSETS			
Cash and Cash Equivalents	\$ 377,304	\$ 443,100	\$ 820,404
Intergovernmental Accounts Receivable			
State	2,346		2,346
Federal	186,487		186,487
Other Accounts Receivable	5,897		5,897
Inventory	28,045	-	28,045
Total Current Assets	600,079	443,100	1,043,179
Capital Assets			
Building Improvements	63,367		63,367
Machinery and Equipment	559,975		559,975
Less: Accumulated Depreciation	(228,092)	-	(228,092)
Total Capital Assets, Net	395,250	-	395,250
Total Assets	995,329	443,100	1,438,429
LIABILITIES			
Liabilities			
Accounts Payable	95,162		95,162
Unearned Revenue	39,688	-	39,688
Total Liabilities	134,850	-	134,850
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	57	-	57
Total Deferred Inflows of Resources	57	-	57
Total Liabilities and Deferred Inflows of Resources	134,907	-	134,907
NET POSITION			
Investment in Capital Assets	395,250		395,250
Unrestricted	465,172	443,100	908,272
Total Net Position	\$ 860,422	\$ 443,100	\$ 1,303,522

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, 2022**

	<u>Food Service</u>	<u>Extended Day</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
OPERATING REVENUES			
Charges for Services			
Daily Sales			
Non-Reimbursable Programs	\$ 215,384		\$ 215,384
Miscellaneous	5,939	\$ 774,635	780,574
	<u>221,323</u>	<u>774,635</u>	<u>995,958</u>
Total Operating Revenues			
OPERATING EXPENSES			
Salaries and Wages	353,577	723,063	1,076,640
Employee Benefits	75,155		75,155
Cost of Sales			-
Reimbursable Programs	546,775		546,775
Non-Reimbursable Programs	81,248		81,248
Supplies	148,901	7,762	156,663
Purchased Services	66,155		66,155
Other	200,848		200,848
Depreciation	13,470	-	13,470
	<u>1,486,129</u>	<u>730,825</u>	<u>2,216,954</u>
Total Operating Expenses			
Operating Income (Loss)	<u>(1,264,806)</u>	<u>43,810</u>	<u>(1,220,996)</u>
NONOPERATING REVENUES (EXPENSES)			
State Sources			
State School Lunch Program	29,523		29,523
Federal Sources			
Federal School Lunch Program	1,257,134		1,257,134
Food Distribution Program	57,049		57,049
School Breakfast Program	57,648		57,648
Covid Supply Chain Assistance	80,913		80,913
Covid EMOP	356		356
Pandemic EBT Administrative Costs	1,242		1,242
Interest Income	452	576	1,028
	<u>1,484,317</u>	<u>576</u>	<u>1,484,893</u>
Total Nonoperating Revenues			
Change in Net Position	219,511	44,386	263,897
Net Position, Beginning of Year	<u>640,911</u>	<u>398,714</u>	<u>1,039,625</u>
Net Position, End of Year	<u>\$ 860,422</u>	<u>\$ 443,100</u>	<u>\$ 1,303,522</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, 2022**

	<u>Food Service</u>	<u>Extended Day</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts (Payments) from/to Customers	\$ 202,723	\$ 774,635	\$ 977,358
Payments for Employees	(428,732)	(723,063)	(1,151,795)
Payments to Suppliers	<u>(931,228)</u>	<u>(7,762)</u>	<u>(938,990)</u>
Net Cash Provided By (Used For) Operating Activities	<u>(1,157,237)</u>	<u>43,810</u>	<u>(1,113,427)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
State and Federal Sources	<u>1,356,583</u>	<u>-</u>	<u>1,356,583</u>
Net Cash Provided By Non-Capital Financing Activities	<u>1,356,583</u>	<u>-</u>	<u>1,356,583</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Acquisition of Capital Assets	<u>(305,697)</u>	<u>-</u>	<u>(305,697)</u>
Net Cash Provided by (Used for) Financing Activities	<u>(305,697)</u>	<u>-</u>	<u>(305,697)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	<u>452</u>	<u>576</u>	<u>1,028</u>
Net Cash Provided By Investing Activities	<u>452</u>	<u>576</u>	<u>1,028</u>
Net Change in Cash and Cash Equivalents	(105,899)	44,386	(61,513)
Cash and Cash Equivalents, Beginning of Year	<u>483,203</u>	<u>398,714</u>	<u>881,917</u>
Cash and Cash Equivalents, End of Year	<u>\$ 377,304</u>	<u>\$ 443,100</u>	<u>\$ 820,404</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ (1,264,806)	\$ 43,810	\$ (1,220,996)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities			
Depreciation	13,470		13,470
USDA Commodities	57,049		57,049
(Increase) Decrease in Accounts Receivable	3,548		3,548
(Increase) Decrease in Inventories	(15,692)		(15,692)
Increase (Decrease) in Accounts Payable	72,950		72,950
Increase (Decrease) in Unearned Revenue	(22,148)		(22,148)
Increase/(Decrease) in Deferred Commodities Revenue	<u>(1,608)</u>	<u>-</u>	<u>(1,608)</u>
Total Adjustments	<u>107,569</u>	<u>-</u>	<u>107,569</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ (1,157,237)</u>	<u>\$ 43,810</u>	<u>\$ (1,113,427)</u>
Non-Cash Financing Activities			
Fair Value of Food Distribution Program - National School Lunch	<u>\$ 55,441</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, 2022**

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 of Schools to the Board

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the 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 2022, the District adopted the following GASB statements:

- GASB Statement No. 87, *Leases*. 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 Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. 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.

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 92, *Omnibus 2020*. 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 Statement 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 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.
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

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

- GASB Statement 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 Statement No. 99, *Omnibus 2022*, the section applicable to the District will be effective beginning with the fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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 and proprietary activities. 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.

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, financing agreements 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.

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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.

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

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

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

**NUTLEY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 Capital Financing 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

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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*

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

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

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Financing Agreements

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

10. 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 refunding's are classified as deferred inflows of resources or as deferred outflows of resources (delete as applicable). Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Differences resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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

11. 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.

NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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).

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).

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.

Capital Financing Agreement Obligations – This restriction was created from proceeds of the capital financing agreement held in escrow.

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

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

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 2022/2023 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.

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. *Fund Balance Policies*

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. 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 of Education for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2020-2021 and 2021-2022 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.

**NUTLEY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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.

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	\$ 30,315,000
Unamortized Premium	1,285,243
Capital Financing Agreements	348,480
Other Financing Agreements	460,578
Compensated Absences Payable	1,295,858
Accrued Liability for Insurance Claims	833,928
Net Pension Liability	
Public Employees' Retirement System	11,144,983
Essex County	<u>76,216</u>
	<u>\$ 45,760,286</u>

Net Adjustment to Reduce Fund Balance - Total Governmental
 Funds to Arrive at Net Position - Governmental Activities

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	\$ 7,445,549
Deferred Outflows of Resources	
Deferred Amounts on Debt Refundings	(1,488,508)
Deferred Amount on Net Pension Liability	<u>(548,050)</u>
	<u>\$ 5,408,991</u>

**NUTLEY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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. 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.

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 2021/2022. Also, during 2021/2022 the Board increased the original budget of the general fund by \$2,439,760 and the special revenue fund by \$4,742,482. The increases were funded by the additional appropriation of unassigned fund balance, 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 Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Undistributed Expenditures			
Custodial Services			
General Supplies	\$67,422	\$76,539	\$9,117

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, 2022**

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, 2022 is as follows:

Balance, July 1, 2021		\$ 1,691,361
Increased by:		
Interest Earnings	\$ 967	
Deposits Approved by Board Resolution	<u>523,171</u>	
		<u>524,138</u>
		2,215,499
Decreased by:		
Withdrawals Approved by Board Resolution		
Capital Projects Fund		<u>550,000</u>
Balance, June 30, 2022		<u>\$ 1,665,499</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.

The activity of the maintenance reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021	<u>\$ 716,773</u>
Balance, June 30, 2022	<u>\$ 716,773</u>

The June 30, 2022 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$3,269,992.

**NUTLEY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022, the book value of the Board's deposits were \$8,107,896 and bank and brokerage firm balances of the Board's deposits amounted to \$9,264,641. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 8,114,705
Uninsured and Collateralized	<u>1,149,936</u>
	<u>\$ 9,264,641</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2022 the Board's bank balance of \$1,122,197 was exposed to custodial credit risk as follows:

Depository Account

	<u>Fair Value</u>
Uninsured and Collateralized:	
Collateral held by Board's Agent in the Board's name	\$ 439,072
Collateral held by pledging financial institution's trust department but not in the Board's name	<u>710,864</u>
	<u>\$ 1,149,936</u>

**NUTLEY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

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.

At June 30, 2022, the Board had no outstanding investments.

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

B. Receivables

Receivables as of June 30, 2022 for the district's individual major funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts	\$ 564,226	\$ 5,773	\$ 5,897	\$ 575,896
Intergovernmental				
Federal	65,340	2,975,838	186,487	3,227,665
State	118,885	1,183	2,346	122,414
Gross Receivables	748,451	2,982,794	194,730	3,925,975
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 748,451</u>	<u>\$ 2,982,794</u>	<u>\$ 194,730</u>	<u>\$ 3,925,975</u>

C. Unearned Revenue

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

General Fund	
Prepaid Fees	\$ 12,250
Special Revenue Fund	
Unencumbered Grant Draw Downs	235,660
Grant Draw Downs Year-End Encumbrances	<u>66,486</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 314,396</u>

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Balance <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2022</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 79,932			\$ 79,932
Construction in Progress	30,820	\$ 4,824	-	35,644
Total Capital Assets, Not Being Depreciated	<u>110,752</u>	<u>4,824</u>	<u>-</u>	<u>115,576</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	84,640,609	1,059,678		85,700,287
Machinery and Equipment	6,098,444	249,947	\$ (356,248)	5,992,143
Total Capital Assets Being Depreciated	<u>90,739,053</u>	<u>1,309,625</u>	<u>(356,248)</u>	<u>91,692,430</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(28,539,556)	(1,913,718)		(30,453,274)
Machinery and Equipment	(4,608,149)	(253,865)	356,248	(4,505,766)
Total Accumulated Depreciation	<u>(33,147,705)</u>	<u>(2,167,583)</u>	<u>356,248</u>	<u>(34,959,040)</u>
Total Capital Assets, Being Depreciated, net	<u>57,591,348</u>	<u>(857,958)</u>	<u>-</u>	<u>56,733,390</u>
Governmental Activities Capital Assets, net	<u>\$ 57,702,100</u>	<u>\$ (853,134)</u>	<u>\$ -</u>	<u>\$ 56,848,966</u>

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	<u>Balance</u> <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2022</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Building Improvements		\$ 63,367		\$ 63,367
Machinery and Equipment	\$ 320,085	242,330	\$ (2,440)	559,975
Total Capital Assets Being Depreciated	<u>320,085</u>	<u>305,697</u>	<u>(2,440)</u>	<u>623,342</u>
Less Accumulated Depreciation for:				
Building Improvements		-		-
Machinery and Equipment	(217,062)	(13,470)	2,440	(228,092)
Total Accumulated Depreciation	<u>(217,062)</u>	<u>(13,470)</u>	<u>2,440</u>	<u>(228,092)</u>
Total Capital Assets, Being Depreciated, net	<u>103,023</u>	<u>292,227</u>	<u>-</u>	<u>395,250</u>
Business-Type Activities Capital Assets, net	<u>\$ 103,023</u>	<u>\$ 292,227</u>	<u>\$ -</u>	<u>\$ 395,250</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 433,260
Total Instruction	<u>433,260</u>
Support Services	
Student and Instruction Related Services	324,795
General Administration	534,558
School Administration	1,924
Operations and Maintenance of Plant	775,135
Student Transportation	97,911
Total Support Services	<u>1,734,323</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,167,583</u>
Business-Type Activities:	
Food Service Fund	\$ 13,470
Total Depreciation Expense-Business-Type Activities	<u>\$ 13,470</u>

**NUTLEY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	<u>\$ 2,059,732</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

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

Interfund Transfers

	<u>Transfer In:</u>
Transfer Out:	Capital
General Fund	Projects
	<u>Fund</u>
	<u>\$ 550,000</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. Financing Agreements

Capital Financing Agreements

The District entered into the following agreements to finance the acquisition of capital assets under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the District's approved budget.

Capital financing agreements at June 30, 2022 are comprised of the following:

\$78,419, fiscal year 2018 Agreement for the acquisition of school bus for a term of 5 years due in annual principal installments of \$18,404 through August 15, 2022 interest at 5.10%	\$ 18,404
\$155,563, fiscal year 2019 Agreement for the acquisition of school buses for a term of 5 years due in annual principal installments of \$29,053 to \$31,412 through August 1, 2024 interest at 3.90%	90,673

**NUTLEY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements (Continued)

\$397,974, fiscal year 2021 Agreement issued the acquisition of school buses and maintenance vehicles and equipment due in annual principal installments of \$78,491 to \$81,117 through December 15, 2024 interest at 1.659%.	<u>239,403</u>
Total	<u>\$ 348,480</u>

The unexpended proceeds from the capital financing agreements, including interest earned on balances which remain on deposit are held with the respective fiscal agents. The following is a summary of balances by account type as of June 30, 2022:

Project	\$91,141
Interest	<u>62</u>
	<u>\$91,203</u>

Other Financing Agreements

The District entered into the following agreements to finance the purchase of certain equipment that does not meet the threshold of a capital asset and therefore are classified as expendable supplies. The repayments under these financing agreements are subject to the annual appropriation of funds in the District's approved budget.

Other financing agreements at June 30, 2022 are comprised of the following:

\$614,104, Fiscal year 2021 Agreement for the purchase of MacBook Air's and Imac Computers for a term of 4 years due in annual principal installments of \$153,526 through July, 2024	<u>\$ 460,578</u>
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The maturity schedule of the remaining capital and other financing agreement payments for principal and interest is as follows:

Governmental Activities:

Fiscal Year Ended <u>June 30,</u>	<u>Capital Agreements</u>		<u>Other Agreements</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	
2023	\$ 125,948	\$ 8,521	\$ 153,526	\$ 287,995
2024	110,002	5,124	153,526	268,652
2025	<u>112,530</u>	<u>2,596</u>	<u>153,526</u>	<u>268,652</u>
	<u>\$ 348,480</u>	<u>\$ 16,241</u>	<u>\$ 460,578</u>	<u>\$ 825,299</u>

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022 are comprised of the following issues:

\$10,000,000, 2012 Refunding Bonds, due in annual installments of \$650,000 through August 15, 2022, interest at 4.0%	\$ 650,000
\$1,860,000, 2013 Refunding Bonds, due in annual installments of \$185,000 to \$190,000 through August 15, 2023, interest at 2.25%	375,000
\$30,445,000, 2015 Refunding Bonds, due in annual installments of \$1,500,000 to \$3,380,000 through July 15, 2032, interest at 2.5% to 5.0%	24,595,000
\$4,695,000, 2022 Refunding Bonds, due in annual installments of \$70,000 to \$675,000 through August 15, 2029, interest at 2.24%	<u>4,695,000</u>
	<u>\$ 30,315,000</u>

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

Governmental Activities:

Fiscal Year Ended <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 2,410,000	\$ 1,019,908	\$ 3,429,908
2024	2,455,000	969,053	3,424,053
2025	2,330,000	894,490	3,224,490
2026	2,635,000	810,176	3,445,176
2027	2,710,000	720,412	3,430,412
2028-2032	14,395,000	2,086,540	16,481,540
2033	<u>3,380,000</u>	<u>67,600</u>	<u>3,447,600</u>
	<u>\$ 30,315,000</u>	<u>\$ 6,568,179</u>	<u>\$ 36,883,179</u>

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2022 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 167,528,266
Less: Net Debt Issued	<u>30,315,000</u>
Remaining Borrowing Power	<u>\$ 137,213,266</u>

Current Refundings of Debt

On May 17, 2022, the District issued \$4,695,000 in Refunding School Bonds, Series 2022 with an interest rates of 2.24%. These Bonds were issued in order to currently refund certain principal maturities of the District's Refunding School Bonds, Series 2012. The total principal refunded was \$4,550,000. This current refunding was undertaken to reduce total debt service payments over the next 8 years by \$177,815 and resulted in an economic gain of \$165,260.

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 32,450,000	\$ 4,695,000	\$ 6,830,000	\$ 30,315,000	\$ 2,410,000
Add: Unamortized Premium	<u>1,755,596</u>	<u>-</u>	<u>470,353</u>	<u>1,285,243</u>	<u>-</u>
	34,205,596	4,695,000	7,300,353	31,600,243	2,410,000
Capital Financing Agreements	487,380		138,900	348,480	125,948
Other Financing Agreements	668,353		207,775	460,578	153,526
Net Pension Liability - PERS	15,279,442		4,134,459	11,144,983	
Net Pension Liability - Essex County	99,267		23,051	76,216	
Accrued Liability for Insurance Claims	1,208,667	12,555,504	12,930,243	833,928	
Compensated Absences Payable	<u>1,735,705</u>	<u>-</u>	<u>439,847</u>	<u>1,295,858</u>	<u>75,000</u>
Governmental Activity Long-Term Liabilities	<u>\$ 53,684,410</u>	<u>\$ 17,250,504</u>	<u>\$ 25,174,628</u>	<u>\$ 45,760,286</u>	<u>\$ 2,764,474</u>

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

**NUTLEY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 Annual Comprehensive Financial Report.

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

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 has established a health insurance plan for its employees. 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, 2022, 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 \$1,273,000 reported at June 30, 2022 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, 2022 and 2021 are as follows:

Governmental Activities:	Fiscal Year Ended <u>June 30, 2022</u>	Fiscal Year Ended <u>June 30, 2021</u>
Unpaid Claims, Beginning of Year	\$ 1,620,000	
Incurred Claims	12,583,243	\$ 14,832,859
Claim Payments	<u>(12,930,243)</u>	<u>(13,212,859)</u>
Unpaid Claims, End of Year	<u>\$ 1,273,000</u>	<u>\$ 1,620,000</u>
General Fund:		
Claims and Judgements Payable	\$ 439,072	\$ 411,333
Long-Term Liabilities:		
Accrued Liability for Insurance Claims	<u>833,928</u>	<u>1,208,667</u>
	<u>\$ 1,273,000</u>	<u>\$ 1,620,000</u>

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, interest earnings, 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>
2022	\$ 200,232	\$ 34,819	\$ 390,635
2021	101,293	342,847	388,818
2020	138,128	122,774	629,098

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, 2022, 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, 2022, the District has not estimated its arbitrage earnings due to the IRS if any.

**NUTLEY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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

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

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

**NUTLEY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

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

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

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

Other Pension Funds

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

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

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

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

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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.

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2021 is \$12.0 billion and the plan fiduciary net position as a percentage of the total pension liability is 70.33%. The collective net pension liability of the State funded TPAF at June 30, 2021 is \$48.2 billion and the plan fiduciary net position as a percentage of total pension liability is 35.52%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 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 2022.

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, 2022 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 2022, 2021 and 2020 were equal to the required contributions.

During the fiscal years ended June 30, 2022, 2021 and 2020 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>
2022	\$ 1,101,766	\$ 11,896,440	\$ 10,459
2021	1,024,993	7,933,692	7,220
2020	908,795	6,266,389	10,307

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2022, 2021 and 2020 the District contributed \$0, \$0 and \$4,830, respectively for PERS and the State contributed \$5,535, \$5,609 and \$6,435, 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 \$2,315,723 during the fiscal year ended June 30, 2022 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, 2020 through June 30, 2021. 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, 2021 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2021.

At June 30, 2022, the District reported in the statement of net position (accrual basis) a liability of \$11,144,983 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. 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, 2021. At June 30, 2021, the District's proportionate share was .09408 percent, which was an increase of .00038 percent from its proportionate share measured as of June 30, 2020 of .09370 percent.

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$1,659,030 for PERS. The pension contribution made by the District during the current 2021/2022 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, 2022 with a measurement date of the prior fiscal year end of June 30, 2021. 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, 2022 for contributions made subsequent to the measurement date. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 175,771	\$ 79,785
Changes of Assumptions	58,043	3,967,686
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		2,935,881
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>314,236</u>	<u>424,418</u>
Total	<u>\$ 548,050</u>	<u>\$ 7,407,770</u>

At June 30, 2022, 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>
2023	\$ (2,715,542)
2024	(1,913,079)
2025	(1,281,259)
2026	(951,378)
2027	1,538
Thereafter	<u>-</u>
	<u>\$ (6,859,720)</u>

**NUTLEY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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 Rates

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

The actuarial assumptions used in the July 1, 2020 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, 2022**

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, 2021) 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, 2021 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%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

**NUTLEY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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:

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>15,177,207</u>	\$ <u>11,144,983</u>	\$ <u>7,723,070</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, 2021. A sensitivity analysis specific to the District’s net pension liability at June 30, 2021 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.

**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, 2020 through June 30, 2021. 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, 2021, 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, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$3,029,800 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, 2022 the State's proportionate share of the net pension liability attributable to the District is \$128,760,892. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. 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, 2021. At June 30, 2021, the State's share of the net pension liability attributable to the District was .26783 percent, which was a decrease of .01283 percent from its proportionate share measured as of June 30, 2020 of .28066 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)

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2021 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 Rates

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

The actuarial assumptions used in the July 1, 2020 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
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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)

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, 2021) 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, 2021 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%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 152,345,643</u>	<u>\$ 128,760,892</u>	<u>\$ 108,951,183</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, 2021. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2021 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

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 60th birthday or 5th 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.

**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)

Contributions

The Plan's contractually required contribution rate for the fiscal year ended June 30, 2021 was 76.28% 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 \$17,191 for fiscal year 2022.

At June 30, 2022, the District reported in the statement of net position (accrual basis) a liability of \$76,216 for its proportionate share of the ECPF net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, the District's proportionate share was .35374 percent, which was a decrease of .01924 percent from its proportionate share measured as of June 30, 2020 of .37298.

For the year ended June 30, 2022, the District recognized in the district wide statement of activities (accrual basis) a pension expense of \$18,067 for ECPF. At June 30, 2022, the District reported deferred inflows of resources related to ECPF from the following sources in the amount of \$37,779.

**Deferred
 Inflows
 of Resources**

Net Difference Between Projected and Actual	
On Pension Plan Investments	<u>\$ (37,779)</u>

Actuarial Assumptions

The District's total pension liability was determined by an actuarial valuation as of June 30, 2021, 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-2018 mortality projection, in 2021.

Disabled retirees:
 110% of PubNS-2010 mortality tables with MP-2018 mortality projection, in 2021.

**NUTLEY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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)

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>2021</u>	<u>2020</u>
U.S. Fixed Income	0.50%	1.15%
U.S. Domestic Equity	6.65%	6.40%

* Net of 2% inflation assumption.

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>
2022	June 30, 2021	5.00%
2021	June 30, 2020	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 5.00% 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 (4.0 percent) or 1-percentage-point higher (6.0 percent) than the current rate:

	Decrease (4.0%)	Discount Rate (5.0%)	Increase (6.0%)
District's Proportionate Share of the Net Pension Liability	\$ <u>116,674</u>	\$ <u>76,216</u>	\$ <u>41,235</u>

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

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. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2020:

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

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plan is 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, 2021 is \$60.0 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, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the June 30, 2020 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 \$1.23 billion to the OPEB plan in fiscal year 2021.

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, 2022, 2021 and 2020 were \$2,779,489, \$2,486,295 and \$2,324,716, 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.

**NUTLEY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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, 2020 through June 30, 2021. 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, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$9,405,801. 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, 2022 the State’s proportionate share of the OPEB liability attributable to the District is \$157,507,427. 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, 2021 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the state’s share of the OPEB liability attributable to the District was .26248 percent, which was a decrease of .00192 percent from its proportionate share measured as of June 30, 2020 of .26440 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
Salary Increases*	<u>PERS</u>	<u>TPAF</u>
Initial Fiscal Year Applied Through	2026	2026
Rate	2.00% to 6.00%	1.55% to 4.45%
Rate Thereafter	3.00% to 7.00%	2.75% to 5.65%

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

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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)

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

The actuarial assumptions used in the June 30, 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.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022 (measurement date June 30, 2021) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2020 Measurement Date	\$ <u>179,288,465</u>
Changes Recognized for the Fiscal Year:	
Service Cost	9,124,587
Interest on the Total OPEB Liability	4,085,909
Changes of Benefit Terms	(167,647)
Differences Between Expected and Actual Experience	(31,865,186)
Changes of Assumptions	155,393
Gross Benefit Payments	(3,218,551)
Contributions from the Member	<u>104,457</u>
Net Changes	\$ <u>(21,781,038)</u>
Balance, June 30, 2021 Measurement Date	\$ <u>157,507,427</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

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, 2021.

**NUTLEY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 2.16%; 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 (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 188,669,171</u>	<u>\$ 157,507,427</u>	<u>\$ 132,969,424</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	<u>\$ 127,502,774</u>	<u>\$ 157,507,427</u>	<u>\$ 197,801,459</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021 were not provided by the pension system.

F. Subsequent Events

Appropriation of Fund Balance

The Board approved the withdrawal of \$1,838,943, from its General Fund Capital Reserve account to fund unforeseen costs of various 2022/23 capital projects.

On October 17, 2022, the Board entered into a lease agreement for administrative offices. The annual lease amount is \$150,275 for the first year with an escalating provision for each successive year. The lease term is not to exceed five years.

On November 22, 2022, the Board approved the appropriation of \$1,248,707 of previously unbudgeted extraordinary aid to fund 2022/23 out of district tuition costs.

On January 31, 2023, the Board approved the cancellation of \$173,444 of unexpended capital projects balances to be restored to the General Fund Capital Reserve account.

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

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. The District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

NOTE 6 RESTATEMENT

On July 1, 2021, the Nutley Board of Education implemented GASB Statement No. 87 "Leases". 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, 2021 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2021 have been restated to reflect certain activities related to other financing agreements. The effect of this restatement is to decrease net position of governmental activities by \$668,353 from \$9,231,475 as previously reported to \$8,563,122 as of June 30, 2021.

NOTE 7 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS

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. As governments monitor the outbreaks, they have taken various steps to control them through requiring social distancing, masks and business closures and limited openings. As the virus appears to be under control in many areas, many of these restrictions have been lifted although the situation is monitored, sometimes restrictions are reinstated. Several vaccines have been developed and have been administered. Mutant variants have emerged in various places around the world and now are prevalent in the United States. Certain workers are being required to be vaccinated. Companies have developed booster shots, and current vaccines have proven substantially effective against all currently know variants. New treatments are also being developed to avert the worst outcomes. The assessment of the impact of the virus and the ability to control it and its mutant strains is ongoing.

In the State, Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. On June 4, 2021, the Governor signed legislation enabling the end of the public health emergency and keeping certain executive orders in place until January 1, 2022, though such executive orders may be modified or rescinded prior to that day by the Governor. The Board expects ongoing actions be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and may continue to negatively affect economic growth and financial markets worldwide. These negative impacts could reduce or negatively affect property values within the School District.

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 7 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS (Continued)

Since the pandemic began, the federal government had enacted rescue legislation to address the pandemic and alleviate its economic and health effects, including significant support for education. The legislation includes various forms of financial relief including direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. 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. Federal aid for public education has been provided under three 5 separate laws: The Coronavirus Aid, Relief, and Economic Security Act in March 2020 (CARES Act), and the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020 (CRRSA) and the American Rescue Plan Act in March 2021 (ARP). The Elementary and Secondary School Emergency Relief (ESSER) Fund is the main source of funding for public elementary and secondary education under each law. Because of the evolving nature of the outbreak and federal, state and local responses, the Board cannot predict how the outbreak will impact the financial condition or operations of the Board, 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 School District 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 its facilities either before or after an outbreak of an infectious disease. To date the School District has not been materially and adversely affected financially due to the virus.

REQUIRED SUPPLEMENTARY INFORMATION PART II

BUDGETARY COMPARISON SCHEDULES

NUTLEY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

EXHIBIT C-1

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Taxes	\$ 59,800,241		\$ 59,800,241	\$ 59,800,241	
Tuition - Individuals	200,000		200,000	71,545	\$ (128,455)
Rents and Royalties	200,000		200,000	2,469	(197,531)
Interest on Capital Reserve			-	967	967
Interest on Unemployment				1,817	1,817
Interest			-	12,380	12,380
Fines and Forfeitures	227,725		227,725		(227,725)
Unrestricted Miscellaneous	200,000	-	200,000	981,783	781,783
Total Revenues - Local Sources	60,627,966	-	60,627,966	60,871,202	243,236
State Sources					
Equalization Aid	4,878,663		4,878,663	4,878,663	
Special Education Aid	2,841,511		2,841,511	2,841,511	
Security Aid	81,159		81,159	81,159	
Transportation Aid	588,055		588,055	588,055	
Extraordinary Aid	871,320		871,320	2,956,057	2,084,737
On-Behalf TPAF			-	11,730,933	11,730,933
Normal Pension			-	165,507	165,507
NCGI Contribution			-	5,535	5,535
Long Term Disability Insurance			-	2,779,489	2,779,489
Post Retirement Contribution			-	2,315,723	2,315,723
Social Security Contributions	-	-	-		
Total State Sources	9,260,708	-	9,260,708	28,342,632	19,081,924
Federal Sources					
Medicaid Reimbursement	78,509	-	78,509	118,917	40,408
Total Federal Sources	78,509	-	78,509	118,917	40,408
Total Revenues	69,967,183	-	69,967,183	89,332,751	19,365,568
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers:					
Kindergarten	1,447,232	\$ (217,247)	1,229,985	1,229,985	-
Grades 1 - 5	7,736,369	(220,841)	7,515,528	7,515,528	-
Grades 6 - 8	5,008,015	(429,802)	4,578,213	4,577,213	1,000
Grades 9 - 12	6,559,404	266,694	6,826,098	6,826,098	-
Home Instruction:					
Salaries of Teachers	25,000	14,268	39,268	39,268	-
Purchased Professional-Educational Services	25,000	68,398	93,398	84,321	9,077
Other Purchased Services	10,000	(10,000)			-
Regular Programs - Undistributed Instruction:					
Other Purchased Services	80,982	13,482	94,464	86,628	7,836
General Supplies	1,269,376	(34,059)	1,235,317	1,151,584	83,733
Textbooks	313,343	(197,187)	116,156	51,689	64,467
Other Objects	8,800	-	8,800	1,754	7,046
Total Regular Programs - Instruction	22,483,521	(746,294)	21,737,227	21,564,068	173,159
Special Education - Instruction					
Learning and/or Language Disabilities					
Salaries of Teachers	766,559	52,634	819,193	819,193	-
Other Salaries for Instruction	608,236	(14,366)	593,870	586,186	7,684
General Supplies	15,000	(6,885)	8,115	7,744	371
Textbooks	4,000	(3,955)	45	45	-
Other Objects	100	300	400	400	-
Total Learning and/or Language Disabilities	1,393,895	27,728	1,421,623	1,413,568	8,055
Resource Room/Resource Center					
Salaries of Teachers	3,435,338	(4,668)	3,430,670	3,430,670	-
General Supplies	15,000	5,955	20,955	19,015	1,940
Textbooks	4,000	(4,000)	-	-	-
Total Resource Room/Resource Center	3,454,338	(2,713)	3,451,625	3,449,685	1,940

NUTLEY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

EXHIBIT C-1

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Special Education - Instruction (Continued)					
Autism					
Salaries of Teachers	\$ 681,356	\$ 31,186	\$ 712,542	\$ 712,542	-
Other Salaries for Instruction	636,774	(3,590)	633,184	633,184	-
General Supplies	15,000	(5,095)	9,905	6,277	\$ 3,628
Other Objects	250	-	250	-	250
Total Autism	<u>1,333,380</u>	<u>22,501</u>	<u>1,355,881</u>	<u>1,352,003</u>	<u>3,878</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	206,182	3,019	209,201	209,201	-
Other Salaries for Instruction	197,691	(25,815)	171,876	171,876	-
General Supplies	12,500	-	12,500	11,662	838
Other Objects	100	-	100	-	100
Total Preschool Disabilities - Part-Time	<u>416,473</u>	<u>(22,796)</u>	<u>393,677</u>	<u>392,739</u>	<u>938</u>
Preschool Disabilities - Full-Time					
Salaries of Teachers	347,532	(10,112)	337,420	337,420	-
Other Salaries for Instruction	379,976	(22,229)	357,747	357,747	-
General Supplies	8,000	(2,500)	5,500	-	5,500
Total Preschool Disabilities - Full-Time	<u>735,508</u>	<u>(34,841)</u>	<u>700,667</u>	<u>695,167</u>	<u>5,500</u>
Total Special Education - Instruction	<u>7,333,594</u>	<u>(10,121)</u>	<u>7,323,473</u>	<u>7,303,162</u>	<u>20,311</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	510,094	(57,496)	452,598	452,598	-
General Supplies	2,000	-	2,000	70	1,930
Total Basic Skills/Remedial - Instruction	<u>512,094</u>	<u>(57,496)</u>	<u>454,598</u>	<u>452,668</u>	<u>1,930</u>
Bilingual Education - Instruction					
Salaries of Teachers	337,579	(37,343)	300,236	300,236	-
General Supplies	1,280	-	1,280	100	1,180
Total Bilingual Education - Instruction	<u>338,859</u>	<u>(37,343)</u>	<u>301,516</u>	<u>300,336</u>	<u>1,180</u>
School Sponsored Co/Extra Curricular Activities - Instruction					
Salaries of Teachers	201,217	86,077	287,294	287,294	-
Purchased Services	1,200	-	1,200	-	1,200
Supplies and Materials	2,500	16,098	18,598	6,504	12,094
Other Objects	14,500	-	14,500	14,397	103
Total School Sponsored Co/Extra Curricular Activities-Instr.	<u>219,417</u>	<u>102,175</u>	<u>321,592</u>	<u>308,195</u>	<u>13,397</u>
School Sponsored Athletics - Instruction					
Salaries	548,682	10,303	558,985	558,985	-
Purchased Services	102,975	(15,024)	87,951	85,495	2,456
Supplies and Materials	67,775	10,095	77,870	76,306	1,564
Other Objects	158,430	8,756	167,186	166,072	1,114
Total Athletics - Instruction	<u>877,862</u>	<u>14,130</u>	<u>891,992</u>	<u>886,858</u>	<u>5,134</u>
Other Instructional Programs - Instruction					
Salaries	75,728	(10,131)	65,597	65,597	-
Supplies and Materials	20,000	(720)	19,280	12,747	6,533
Other Objects	5,000	122	5,122	4,624	498
Total Other Instructional Programs - Instruction	<u>100,728</u>	<u>(10,729)</u>	<u>89,999</u>	<u>82,968</u>	<u>7,031</u>
Community Services Programs/Operations					
Salaries	-	4,782	4,782	4,782	-
Purchased Services	-	300,000	300,000	300,000	-
Total Community Services Programs/Operations	<u>-</u>	<u>304,782</u>	<u>304,782</u>	<u>304,782</u>	<u>-</u>
Total Instruction	<u>31,866,075</u>	<u>(440,896)</u>	<u>31,425,179</u>	<u>31,203,037</u>	<u>222,142</u>

**NUTLEY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

EXHIBIT C-1

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within State - Special	\$ 141,572	\$ (76,515)	\$ 65,057	\$ 42,899	\$ 22,158
Tuition to County Vocational School District - Regular		11,822	11,822	1,445	10,377
Tuition to CSSD and Regional Day School	326,520	19,506	346,026	346,026	-
Tuition to PSD W/I State	4,055,982	1,138,824	5,194,806	5,018,660	176,146
Tuition - State Facilities	18,053	(18,053)	-	-	-
Total Instruction (Tuition)	4,542,127	1,075,584	5,617,711	5,409,030	208,681
Health Services					
Salaries	590,722	17,122	607,844	607,844	-
Purchased Professional and Technical Services	60,000	3,950	63,950	56,576	7,374
Supplies and Materials	45,000	(8,514)	36,486	26,785	9,701
Total Health Services	695,722	12,558	708,280	691,205	17,075
Other Supp. Svcs.-					
Speech, OT, PT and Related Services					
Salaries	795,668	(43,045)	752,623	752,623	-
Purchased Professional Educational Services	538,000	5,338	543,338	542,638	700
Supplies and Materials	10,500	(499)	10,001	10,001	-
Total Speech, OT, PT and Related Services	1,344,168	(38,206)	1,305,962	1,305,262	700
Other Supp. Svcs.-Extraord. Serv.					
Salaries	530,457	71,223	601,680	601,680	-
Purchased Professional-Educational Services	25,000	(22,806)	2,194	2,194	-
Total Other Support Svcs.-Extraordinary Services	555,457	48,417	603,874	603,874	-
Other Supp. Svcs.-Guidance					
Salaries of Other Professional Staff	1,278,210	(12,711)	1,265,499	1,265,499	-
Salaries of Secretarial and Clerical Assistants	99,371	(221)	99,150	99,150	-
Other Purchased Services	1,450	(1,190)	260	260	-
Supplies and Materials	26,665	1,545	28,210	17,372	10,838
Other Objects	3,000	(600)	2,400	2,400	-
Total Other Support Services-Guidance	1,408,696	(13,177)	1,395,519	1,384,681	10,838
Other Supp. Svcs.-Child Study Teams					
Salaries of Other Professional Staff	1,449,066	217,002	1,666,068	1,666,068	-
Other Purchased Services	8,668	518	9,186	5,874	3,312
Supplies and Materials	10,000	13,582	23,582	23,186	396
Other Objects	100	(100)	-	-	-
Total Other Support Services-Child Study Teams	1,467,834	231,002	1,698,836	1,695,128	3,708
Improvement of Instruction					
Salaries of Other Professional Staff	10,000	(1,822)	8,178	8,178	-
Salaries of Secretarial and Clerical Assist.	144,764	(8,767)	135,997	135,997	-
Purchased Professional Educational Services	5,000	1,169	6,169	6,169	-
Other Purchased Services	2,300	2,449	4,749	4,749	-
Supplies and Materials	5,000	(174)	4,826	4,695	131
Other Objects	500	(300)	200	200	-
Total Improvement of Instruction	167,564	(7,445)	160,119	159,988	131
Educational Media Services/ School Library					
Salaries	507,565	42,996	550,561	550,561	-
Other Purchased Services	15,000	(6,358)	8,642	8,642	-
Supplies and Materials	78,205	(33,307)	44,898	33,637	11,261
Other Objects	5,000	(2,123)	2,877	-	2,877
Total Educational Media Services/ School Library	605,770	1,208	606,978	592,840	14,138

**NUTLEY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Instructional Staff Training Services					
Salaries of Other Professional Staff	\$ 5,000	\$ (3,054)	\$ 1,946	\$ 1,946	-
Purchased Professional Educational Services	21,300	(16,325)	4,975	4,975	-
Other Purchased Services	12,000	(5,000)	7,000	6,562	\$ 438
Total Instructional Staff Training Services	38,300	(24,379)	13,921	13,483	438
Support Services General Administration					
Salaries	807,855	(19,145)	788,710	788,710	-
Legal Services	150,000	55,645	205,645	205,645	-
Audit Fees	45,000	26,430	71,430	71,430	-
Other Purchased Professional Services	10,000	(10,000)	-	-	-
Purchased Technical Services	-	9,620	9,620	9,141	479
Communications/Telephone	87,780	13,576	101,356	100,875	481
BOE Other Purchased Services	13,000	12,943	25,943	25,943	-
Miscellaneous Purchased Services	-	5,061	5,061	5,061	-
General Supplies	2,500	10,677	13,177	10,896	2,281
Judgments Against the School Entity	-	292,370	292,370	-	292,370
Miscellaneous Expenditures	9,500	1,552	11,052	11,052	-
BOE Membership Dues and Fees	30,000	(2,386)	27,614	27,614	-
Total Support Services General Administration	1,155,635	396,343	1,551,978	1,256,367	295,611
Support Services School Administration					
Salaries of Principals/Assistant Principals/Prog Dir	1,453,653	(33,947)	1,419,706	1,419,706	-
Salaries of Other Professional Staff	1,410,467	(32,438)	1,378,029	1,378,029	-
Salaries of Secretarial and Clerical Assistants	523,165	(7,623)	515,542	515,542	-
Other Purchased Services	60,138	101,351	161,489	161,489	-
Supplies and Materials	47,500	6,539	54,039	47,262	6,777
Other Objects	50,600	17,949	68,549	67,543	1,006
Total Support Services School Administration	3,545,523	51,831	3,597,354	3,589,571	7,783
Central Services					
Salaries	636,672	71,532	708,204	708,204	-
Purchased Professional Services	79,000	(9,448)	69,552	42,712	26,840
Miscellaneous Purchased Services	23,570	7,213	30,783	30,432	351
Supplies and Materials	9,000	(534)	8,466	8,358	108
Miscellaneous Expenditures	3,000	(306)	2,694	2,694	-
Total Undistributed Expenditures - Central Services	751,242	68,457	819,699	792,400	27,299
Admin. Info. Tech.					
Salaries	336,651	16,126	352,777	352,777	-
Other Purchased Services	175,000	(21,474)	153,526	153,526	-
Supplies and Materials	10,000	638	10,638	8,225	2,413
Total Undistributed Expenditures - Admin. Info. Technology	521,651	(4,710)	516,941	514,528	2,413
Required Maintenance for School Facilities					
Salaries	461,820	37,559	499,379	499,379	-
Cleaning, Repair and Maintenance Services	357,188	73,166	430,354	376,023	54,331
General Supplies	135,500	143,432	278,932	275,977	2,955
Other Objects	-	1,099	1,099	1,099	-
Total Undistributed Expend.-Required Main for School Facilities	954,508	255,256	1,209,764	1,152,478	57,286
Custodial Services					
Salaries	1,549,553	70,187	1,619,740	1,619,740	-
Salaries of Non-Instructional Aides	-	234,254	234,254	234,254	-
Cleaning, Repair and Maintenance Services	105,000	(7,049)	97,951	83,386	14,565
Rental of Land & Bldg. Oth. Than Lease Purch. Agreement	2,136	(226)	1,910	1,910	-
Insurance	350,000	14,787	364,787	364,787	-
Miscellaneous Purchased Services	7,500	48	7,548	7,548	-
General Supplies	100,000	(32,578)	67,422	76,539	(9,117)
Energy (Natural Gas)	240,000	(24,006)	215,994	193,203	22,791
Energy (Electricity)	835,000	10,488	845,488	801,339	44,149
Energy (Gasoline)	20,000	(11,980)	8,020	8,020	-
Other Objects	1,000	1,193	2,193	2,193	-
Total Undistributed Expenditures-Custodial Services	3,210,189	255,118	3,465,307	3,392,919	72,388

NUTLEY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Care & Upkeep of Grounds					
Salaries	\$ 327,028	\$ 41,574	\$ 368,602	\$ 368,602	-
Cleaning, Repair, and Maintenance Services	45,750	3,988	49,738	42,396	\$ 7,342
General Supplies	25,000	(2,105)	22,895	22,895	-
Total Undistributed Expend.- Care & Upkeep of Grounds	397,778	43,457	441,235	433,893	7,342
Security					
Salaries	261,192	22,867	284,059	284,059	-
Purchased Professional and Technical Services	70,900	(33,763)	37,137	33,642	3,495
General Supplies	26,200	(16,227)	9,973	5,089	4,884
Total Undistributed Expenditures-Security	358,292	(27,123)	331,169	322,790	8,379
Student Transportation Services					
Salaries for Non Instructional Aides		10,827	10,827	10,827	-
Salaries for Pupil Trans (Bet Home & Sch)-Sp Ed.	1,126,473	12,402	1,138,875	1,096,447	42,428
Salaries for Pupil Trans (Other Than Bet Home & Sch)	67,909	3,669	71,578	71,578	-
Other Purchased Professional and Technical Services	1,500	(180)	1,320	1,320	-
Cleaning, Repair and Maintenance Services	200,000	(16,270)	183,730	183,730	-
Lease Purchase Payments - School Buses	200,000	(84,757)	115,243	115,243	-
Contract. Serv. - Aid in Lieu Pymts-Charter Sch	4,000	-	4,000	3,000	1,000
Contr Serv(Oth. Than Bet Home & Sch)-Vend	10,000	6,482	16,482	16,482	-
Contr Serv(Special Education Stds.)-Vendors	650,000	146,914	796,914	796,914	-
Miscellaneous Purch. Services- Transportation	35,000	(7,378)	27,622	27,622	-
General Supplies	56,500	24,770	81,270	81,270	-
Other Objects	7,000	6,183	13,183	13,183	-
Total Undist. Expend.-Student Transportation Services	2,358,382	102,662	2,461,044	2,417,616	43,428
Unallocated Employee Benefits					
Social Security Contributions	830,000	189,553	1,019,553	1,019,421	132
Other Retirement Contributions - PERS	1,075,952	25,814	1,101,766	1,101,766	-
Other Retirement Contributions - Regular	-	99,618	99,618	98,263	1,355
Workmens Compensation	220,000	(3,999)	216,001	216,001	-
Health Benefits	12,397,678	(534,791)	11,862,887	11,862,002	885
Tuition Reimbursements	40,000	9,357	49,357	49,357	-
Other Employee Benefits	445,675	(25,262)	420,413	420,413	-
Total Unallocated Employee Benefits	15,009,305	(239,710)	14,769,595	14,767,223	2,372
On-Behalf TPAF - Non Budget					
Pension System Contributions-Normal				11,730,933	(11,730,933)
NCGI Premium				165,507	(165,507)
Long Term Disability Insurance				5,535	(5,535)
Post Retirement Benefits				2,779,489	(2,779,489)
Social Security Contributions	-	-	-	2,315,723	(2,315,723)
Total TPAF Pension and Social Security Contributions	-	-	-	16,997,187	(16,997,187)
Total Undistributed Expenditures	39,088,143	2,187,143	41,275,286	57,492,463	(16,217,177)
Total Current Expenditures	70,954,218	1,746,247	72,700,465	88,695,500	(15,995,035)

NUTLEY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CAPITAL OUTLAY					
Equipment					
School Buses		\$ 155,335	\$ 155,335	\$ 155,335	
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	\$ 88,649	-	88,649	88,649	-
Total Expenditures - Capital Outlay	88,649	155,335	243,984	243,984	-
Transfer of Funds to Charter Schools	39,142	(11,822)	27,320	17,213	\$ 10,107
Total Expenditures - General Fund	71,082,009	1,889,760	72,971,769	88,956,697	(15,984,928)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(1,114,826)	(1,889,760)	(3,004,586)	376,054	3,380,640
Other Financing Sources (Uses)					
Transfer to Capital Projects	-	(550,000)	(550,000)	(550,000)	-
Total Other Financing Sources	-	(550,000)	(550,000)	(550,000)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(1,114,826)	(2,439,760)	(3,554,586)	(173,946)	3,380,640
Fund Balance, Beginning of Year	9,188,480	-	9,188,480	9,188,480	-
Fund Balance, End of Year	\$ 8,073,654	\$ (2,439,760)	\$ 5,633,894	\$ 9,014,534	\$ 3,380,640
Recapitulation of Fund Balance					
Restricted					
Capital Reserve				\$ 1,665,499	
Maintenance Reserve				716,773	
Unemployment Compensation Reserve				390,635	
Assigned					
Encumbrances				157,442	
Designated for Subsequent Year's Budget				1,100,000	
Unassigned				4,984,185	
Fund Balance (Budgetary Basis)				9,014,534	
Reconciliation to Governmental Fund Statements (GAAP)					
2021/2022 State Aid Payments Not Recognized on a GAAP Basis				(3,745,309)	
Fund Balance per Governmental Funds (GAAP Basis)				\$ 5,269,225	

**NUTLEY BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State		\$ 656,826	\$ 656,826	\$ 451,524	\$ (205,302)
Federal	\$ 1,722,461	3,637,242	5,359,703	3,714,327	(1,645,376)
Local Sources					
Miscellaneous	-	448,414	448,414	214,178	(234,236)
Total Revenues	<u>1,722,461</u>	<u>4,742,482</u>	<u>6,464,943</u>	<u>4,380,029</u>	<u>(2,084,914)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	279,737	725,311	1,005,048	594,494	410,554
Purchased Professional/Educational Services	38,745	170,692	209,437	109,010	100,427
Tuition	100,000	125,660	225,660	225,660	-
Other Purchased Services		214,291	214,291	-	214,291
General Supplies	105,987	421,556	527,543	380,526	147,017
Textbooks		43,255	43,255	35,160	8,095
Other Objects		204,082	204,082	6,066	198,016
Student Activities and Athletics	-	199,875	199,875	172,509	27,366
Total Instruction	<u>524,469</u>	<u>2,104,722</u>	<u>2,629,191</u>	<u>1,523,425</u>	<u>1,105,766</u>
Support Services					
Other Salaries		109,186	109,186	41,553	67,633
Employee Benefits		321,818	321,818	53,153	268,665
Purchased Professional/Educational Services	812,569	455,884	1,268,453	1,071,851	196,602
Other Purchased Services		129,525	129,525	48,143	81,382
Cleaning, Repairs and Maintenance		151,416	151,416	113,439	37,977
Travel		2,408	2,408	1,700	708
Transportation		48,092	48,092	48,092	-
Supplies and Materials	385,423	1,000,748	1,386,171	1,055,852	330,319
Miscellaneous Expenditures - Scholarships	-	16,731	16,731	16,731	-
Total Support Services	<u>1,197,992</u>	<u>2,235,808</u>	<u>3,433,800</u>	<u>2,450,514</u>	<u>983,286</u>
Facilities Acquisition and Construction					
Building Improvements		384,556	384,556	384,556	-
Instructional Equipment	-	17,396	17,396	9,392	8,004
Total Facilities Acquisition	<u>-</u>	<u>401,952</u>	<u>401,952</u>	<u>393,948</u>	<u>8,004</u>
Total Expenditures	<u>1,722,461</u>	<u>4,742,482</u>	<u>6,464,943</u>	<u>4,367,887</u>	<u>2,097,056</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	12,142	(12,142)
Fund Balances, Beginning of Year	<u>1,348,318</u>	<u>-</u>	<u>1,348,318</u>	<u>1,348,318</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 1,348,318</u>	<u>\$ -</u>	<u>\$ 1,348,318</u>	<u>\$ 1,360,460</u>	<u>\$ (12,142)</u>

**NUTLEY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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.

		General Fund		Special Revenue Fund
Sources/Inflows of Resources				
Actual revenues (budgetary basis)	C-1	\$ 89,332,751	C-2	\$ 4,380,029
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, 2021 Encumbrances				21,944
Less: June 30, 2022 Encumbrances				(263,159)
State Aid payments recognized for GAAP Statements, not recognized for budgetary purposes.		3,332,399		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.		<u>(3,745,309)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	B-2	<u>\$ 88,919,841</u>	B-2	<u>\$ 4,138,814</u>
Uses/Outflows of Resources				
Actual expenditures (budgetary basis)	C-1	\$ 88,956,697	C-2	\$ 4,367,887
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, 2021 Encumbrances				21,944
Less: June 30, 2022 Encumbrances		<u>-</u>		<u>(263,159)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2	<u>\$ 88,956,697</u>	B-2	<u>\$ 4,126,672</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 Nine Fiscal Years ***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.09408%	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)	\$ 11,144,983	\$ 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	\$ 6,756,645	\$ 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	164.95%	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	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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 Nine Fiscal Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,101,766	\$ 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>1,101,766</u>	<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>	<u>\$ -</u>
District's Covered- Employee Payroll	\$ 6,708,886	\$ 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	16.42%	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 Nine Fiscal Years ***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.00%	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>128,760,892</u>	<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>
Total	<u>\$ 128,760,892</u>	<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>
District's Covered-Employee Payroll	\$ 31,671,208	\$ 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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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, 2022

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 Five Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 9,124,587	\$ 5,025,548	\$ 4,711,430	\$ 5,145,343	\$ 6,183,524
Interest on Total OPEB Liability	4,085,909	3,954,608	4,857,983	5,209,364	4,504,970
Changes of Benefit Terms	(167,647)				-
Differences Between Expected and Actual Experience	(31,865,186)	31,121,565	(20,910,038)	(12,645,671)	-
Changes of Assumptions	155,393	32,749,842	1,632,111	(14,049,762)	(18,751,543)
Gross Benefit Payments	(3,218,551)	(3,121,265)	(3,360,205)	(3,273,806)	(3,432,841)
Contribution from the Member	<u>104,457</u>	<u>94,605</u>	<u>99,606</u>	<u>113,148</u>	<u>126,406</u>
Net Change in Total OPEB Liability	(21,781,038)	69,824,903	(12,969,113)	(19,501,384)	(11,369,484)
Total OPEB Liability - Beginning of Year	<u>179,288,465</u>	<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>\$ 157,507,427</u>	<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>\$ 157,507,427</u>	<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>\$ 157,507,427</u>	<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>\$ 38,427,853</u>	<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>	<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, 2022**

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, 2022

	Page 2 Subtotal	Page 3 Subtotal	Page 4 Subtotal	Page 5 Subtotal	Total
REVENUES					
State Sources	\$ 194,036	\$ 257,488			\$ 451,524
Federal Sources	-		\$ 1,519,246	\$ 2,195,081	3,714,327
Other	214,178	-	-	-	214,178
Total Revenues	408,214	257,488	1,519,246	2,195,081	4,380,029
EXPENDITURES					
Instruction:					
Salaries of Teachers	304		177,773	416,417	594,494
Purchased Professional Educational Services	-	101,815	7,195		109,010
Tuition			225,660		225,660
General Supplies	32,423		48,524	299,579	380,526
Textbooks		35,160			35,160
Other Objects	6,066				6,066
Student Activities and Athletics	172,509	-	-	-	172,509
Total Instruction	211,302	136,975	459,152	715,996	1,523,425
Support Services					
Other Salaries	-		24,141	17,412	41,553
Employee Benefits			53,153		53,153
Purchased Professional Educational Services		120,513	875,473	75,865	1,071,851
Other Purchased Services			48,143		48,143
Cleaning, Repairs and Maintenance	113,439		-		113,439
Travel			1,700		1,700
Transportation			48,092		48,092
Supplies and Materials	54,600		-	1,001,252	1,055,852
Miscellaneous Expenditures - Scholarships	16,731	-	-	-	16,731
Total Support Services	184,770	120,513	1,050,702	1,094,529	2,450,514
Facilities Acquisition and Construction Services					
Building Improvements	-			384,556	384,556
Instructional Equipment	-	-	9,392	-	9,392
Total Facilities Acquisition	-	-	9,392	384,556	393,948
Total Expenditures	396,072	257,488	1,519,246	2,195,081	4,367,887
Excess (Deficiency) of Revenues Over/(Under) Expenditures	12,142	-	-	-	12,142
Fund Balances, Beginning of Year	1,348,318	-	-	-	1,348,318
Fund Balances, End of Year	1,360,460	-	-	-	1,360,460

Recapitulation of Fund Balance

Student Activity	\$ 203,224
Scholarship Awards	1,157,236
	<u>\$ 1,360,460</u>

NUTLEY BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	SDA						
	Emergent Capital Needs	Nonpublic Technology	Nonpublic Security	Other	Student Activities	Scholarships	Total
REVENUES							
State Sources	\$ 85,600	\$ 25,997	\$ 82,439				\$ 194,036
Federal Sources							-
Other	-	-	-	\$ 12,796	\$ 199,875	\$ 1,507	214,178
Total Revenues	85,600	25,997	82,439	12,796	199,875	1,507	408,214
EXPENDITURES							
Instruction:							
Salaries of Teachers				304			304
General Supplies		25,997		6,426			32,423
Other Objects				6,066			6,066
Student Activities and Athletics	-	-	-	-	172,509	-	172,509
Total Instruction	-	25,997	-	12,796	172,509	-	211,302
Support Services							
Cleaning, Repairs and Maintenance	31,000		82,439				113,439
Supplies and Materials	54,600						54,600
Miscellaneous Expenditures - Scholarships	-	-	-	-	-	16,731	16,731
Total Support Services	85,600	-	82,439	-	-	16,731	184,770
Facilities Acquisition and Construction Services							
Instructional Equipment	-	-	-	-	-	-	-
Total Facilities Acquisition	-	-	-	-	-	-	-
Total Expenditures	85,600	25,997	82,439	12,796	172,509	16,731	396,072
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	27,366	(15,224)	12,142
Fund Balances, Beginning of Year	-	-	-	-	175,858	1,172,460	1,348,318
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ 203,224	\$ 1,157,236	\$ 1,360,460

**NUTLEY BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	N.J. Nonpublic Auxiliary				NJ Nonpublic Handicapped			Nonpublic Nursing	Sub-Total
	Nonpublic Textbooks	Compensatory Education	ESL	Home Instruction	Supplemental Instruction	Examination/Classification	Corrective Speech		
REVENUES									
State Sources	\$ 35,160	\$ 44,073	\$ 6,303	\$ 1,183	\$ 28,745	\$ 51,185	\$ 21,511	\$ 69,328	\$ 257,488
Federal Sources									-
Other	-	-	-	-	-	-	-	-	-
Total Revenues	<u>35,160</u>	<u>44,073</u>	<u>6,303</u>	<u>1,183</u>	<u>28,745</u>	<u>51,185</u>	<u>21,511</u>	<u>69,328</u>	<u>257,488</u>
EXPENDITURES									
Instruction:									
Purchased Professional Educational Services		44,073	6,303	1,183	28,745		21,511		101,815
Textbooks	35,160	-	-	-	-	-	-	-	35,160
Total Instruction	<u>35,160</u>	<u>44,073</u>	<u>6,303</u>	<u>1,183</u>	<u>28,745</u>	<u>-</u>	<u>21,511</u>	<u>-</u>	<u>136,975</u>
Support Services									
Purchased Professional Educational Services	-	-	-	-	-	51,185	-	69,328	120,513
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,185</u>	<u>-</u>	<u>69,328</u>	<u>120,513</u>
Facilities Acquisition and Instructional Equipment	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>35,160</u>	<u>44,073</u>	<u>6,303</u>	<u>1,183</u>	<u>28,745</u>	<u>51,185</u>	<u>21,511</u>	<u>69,328</u>	<u>257,488</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>

NUTLEY BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Title I	Title II A	Title III	Title III Immigrant	Title IV	Perkins Vocational Education	IDEA B Basic	ASCERS	Sub-Total
REVENUES									
State Sources									
Federal Sources	\$ 238,416	\$ 48,980	\$ 22,817	\$ 2,323	\$ 8,855	\$ 20,766	\$ 960,465	\$ 216,624	\$ 1,519,246
Other	-	-	-	-	-	-	-	-	-
Total Revenues	<u>238,416</u>	<u>48,980</u>	<u>22,817</u>	<u>2,323</u>	<u>8,855</u>	<u>20,766</u>	<u>960,465</u>	<u>216,624</u>	<u>1,519,246</u>
EXPENDITURES									
Instruction:									
Salaries of Teachers	151,614		16,925	950	600			7,684	177,773
Purchased Professional Educational Services						7,195			7,195
Tuition							64,812	160,848	225,660
General Supplies	5,634	-	1,336	1,300	7,994	1,979	30,281	-	48,524
Total Instruction	<u>157,248</u>	<u>-</u>	<u>18,261</u>	<u>2,250</u>	<u>8,594</u>	<u>9,174</u>	<u>95,093</u>	<u>168,532</u>	<u>459,152</u>
Support Services									
Salaries of Program Directors									-
Other Salaries	11,326	11,615			200	1,000			24,141
Employee Benefits	50,832	831	1,356	73	61				53,153
Purchased Professional Educational Services		8,901				1,200	865,372		875,473
Other Purchased Services	19,010	27,633	1,500						48,143
Travel			1,700						1,700
Transportation	-	-	-	-	-	-	-	48,092	48,092
Total Support Services	<u>81,168</u>	<u>48,980</u>	<u>4,556</u>	<u>73</u>	<u>261</u>	<u>2,200</u>	<u>865,372</u>	<u>48,092</u>	<u>1,050,702</u>
Facilities Acquisition and Construction Services									
Instructional Equipment	-	-	-	-	-	9,392	-	-	9,392
Total Facilities Acquisition	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,392</u>	<u>-</u>	<u>-</u>	<u>9,392</u>
Total Expenditures	<u>238,416</u>	<u>48,980</u>	<u>22,817</u>	<u>2,323</u>	<u>8,855</u>	<u>20,766</u>	<u>960,465</u>	<u>216,624</u>	<u>1,519,246</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>

NUTLEY BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ESSER II			ARP			Cares ESSER I	Sub-Total
	CRRSA ESSER II	Learning Acceleration	Mental Health	ESSER	Accelerated Learning	Mental Health		
REVENUES								
State Sources								
Federal Sources	\$ 438,615	\$ 46,049	\$ 24,767	\$ 1,438,476	\$ 117,000	\$ 19,850	\$ 110,324	\$ 2,195,081
Other	-	-	-	-	-	-	-	-
Total Revenues	438,615	46,049	24,767	1,438,476	117,000	19,850	110,324	2,195,081
EXPENDITURES								
Instruction:								
Salaries of Teachers	54,059	46,049		199,309	117,000			416,417
Purchased Professional Educational Services								-
Tuition								-
Other Purchased Services								-
General Supplies				299,579				299,579
Textbooks								-
Other Objects	-	-	-	-	-	-	-	-
Total Instruction	54,059	46,049	-	498,888	117,000	-	-	715,996
Support Services								
Salaries of Program Directors								-
Other Salaries			7,922	9,490				17,412
Employee Benefits								-
Purchased Professional Educational Services			16,845	39,170		19,850		75,865
Other Purchased Services								-
Cleaning, Repairs and Maintenance								-
Travel								-
Supplies and Materials				890,928			110,324	1,001,252
Other Objects	-	-	-	-	-	-	-	-
Total Support Services	-	-	24,767	939,588	-	19,850	110,324	1,094,529
Facilities Acquisition and								
Construction Services								
Building Improvements	384,556							384,556
Instructional Equipment								-
Non-Instructional Equipment	-	-	-	-	-	-	-	-
Total Facilities Acquisition	384,556	-	-	-	-	-	-	384,556
Total Expenditures	438,615	46,049	24,767	1,438,476	117,000	19,850	110,324	2,195,081
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 EXPENDITURES - PRESCHOOL EDUCATION AID**

NOT APPLICABLE

**SPECIAL REVENUE FUND
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Balance</u> <u>July 1, 2021</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disburse-</u> <u>ments</u>	<u>Balance</u> <u>June 30, 2022</u>
ELEMENTARY SCHOOLS				
Lincoln	\$ 4,511	\$ 8,030	\$ 4,004	\$ 8,537
Radcliffe	3,575	8,572	8,873	3,274
Spring Garden	6,006	1,508	1,304	6,210
Washington	1,577	4,370	3,691	2,256
Yantacaw	14,936	1,419	436	15,919
	<u>30,605</u>	<u>23,899</u>	<u>18,308</u>	<u>36,196</u>
MIDDLE SCHOOL				
John Walker	14,328	6,813	8,281	12,860
HIGH SCHOOL				
Nutley High School	130,925	169,163	145,920	154,168
TOTAL ALL SCHOOLS	<u>\$ 175,858</u>	<u>\$ 199,875</u>	<u>\$ 172,509</u>	<u>\$ 203,224</u>

CAPITAL PROJECTS FUND

**NUTLEY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Project Description</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2022</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Nutley High School Oval Project	\$ 1,930,000	\$ 1,335,847	\$ 527,633	\$ 66,520
Yantacaw School Secure Entrance	600,000		43,920	556,080
Nutley High School Media Center	200,000		103,569	96,431
John Walker Middle School Parking Lot	550,000	30,820	4,824	514,356
Acquisition of Buses and Maintenance Vehicles and Equipment	<u>397,974</u>	<u>260,194</u>	<u>46,639</u>	<u>91,141</u>
	<u>\$ 3,677,974</u>	<u>\$ 1,626,861</u>	<u>\$ 726,585</u>	<u>\$ 1,324,528</u>
Project Balances, June 30, 2022				\$ 1,324,528
Interest on Capital Financing Agreement				62
Cancelled SDA Grant				<u>(12,804)</u>
Fund Balance, June 30, 2022				<u>\$ 1,311,786</u>
Recapitulation of Fund Balance				
Restricted for Capital Projects				
Encumbrances				\$ 164,877
Restricted for Capital Financing Agreement				91,168
Available for Capital Projects				<u>1,055,741</u>
Total Fund Balance - Restricted for Capital Projects				<u>\$ 1,311,786</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, 2022**

Revenues and Other Financing Sources	
Transfer from Capital Reserve	\$ 550,000
Interest on Capital Financing Agreement	<u>35</u>
 Total Revenues and Other Financing Sources	 <u>550,035</u>
 Expenditures and Other Financing Uses	
Construction Services	675,122
Purchased Professional and Technical Services	4,824
Acquisition of Maintenance Vehicles and Equipment	<u>46,639</u>
 Total Expenditures and Other Financing Uses	 <u>726,585</u>
 Excess of Expenditures and Other Financing Uses Over Revenues and Other Financing Sources	 (176,550)
 Fund Balance, Beginning of Year	 <u>1,488,336</u>
 Fund Balance, End of Year	 <u>\$ 1,311,786</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, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 1,380,000	\$ 550,000	\$ 1,930,000	\$ 1,930,000
Total Revenues and Other Financing Sources	<u>1,380,000</u>	<u>550,000</u>	<u>1,930,000</u>	<u>1,930,000</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	72,427		72,427	80,000
Construction Services	<u>1,263,420</u>	<u>527,633</u>	<u>1,791,053</u>	<u>1,850,000</u>
Total Expenditures and Other Financing Uses	<u>1,335,847</u>	<u>527,633</u>	<u>1,863,480</u>	<u>1,930,000</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 44,153</u>	<u>\$ 22,367</u>	<u>\$ 66,520</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	\$ 1,930,000
Percentage Completion	97%
Original Target Completion Date	6/30/2021
Revised Target Completion Date	12/31/2022

**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, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenues and Other Financing Sources				
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>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services				-
Construction Services	-	43,920	43,920	600,000
Total Expenditures and Other Financing Uses	<u>-</u>	<u>43,920</u>	<u>43,920</u>	<u>600,000</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 600,000</u>	<u>\$ (43,920)</u>	<u>\$ 556,080</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	7%
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, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenues and Other Financing Sources				
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>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services				-
Construction Services	-	103,569	103,569	200,000
Total Expenditures and Other Financing Uses	<u>-</u>	<u>103,569</u>	<u>103,569</u>	<u>200,000</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 200,000</u>	<u>\$ (103,569)</u>	<u>\$ 96,431</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	52%
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, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenues and Other Financing Sources				
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>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	30,820	\$ 4,824	35,644	50,000
Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Total Expenditures and Other Financing Uses	<u>30,820</u>	<u>4,824</u>	<u>35,644</u>	<u>550,000</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 519,180</u>	<u>\$ (4,824)</u>	<u>\$ 514,356</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, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenues and Other Financing Sources				
Lease Purchase Proceeds	\$ 397,974	\$ -	\$ 397,974	\$ 397,974
Total Revenues and Other Financing Sources	<u>397,974</u>	<u>-</u>	<u>397,974</u>	<u>397,974</u>
Expenditures and Other Financing Uses				
Acquisition of School Buses	227,974		227,974	227,974
Acquisition of Maintenance Vehicles and Equipment	<u>32,220</u>	<u>46,639</u>	<u>78,859</u>	<u>170,000</u>
Total Expenditures and Other Financing Uses	<u>260,194</u>	<u>46,639</u>	<u>306,833</u>	<u>397,974</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 137,780</u>	<u>\$ (46,639)</u>	<u>\$ 91,141</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	77%
Original Target Completion Date	June 30, 2021
Revised Target Completion Date	December 31, 2022

PROPRIETARY FUND

**NUTLEY BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2022**

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, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022**

<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, 2021</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance June 30, 2022</u>		
Series 2012 Refunding Bonds	12/27/2012	\$ 10,000,000	8/15/22	\$ 650,000	4.00	% \$ 5,850,000		\$ 5,200,000	\$ 650,000		
Series 2013 Refunding Bonds	1/03/2013	1,860,000	8/15/22	190,000	2.25						
			8/15/23	185,000	2.25	570,000	195,000	375,000			
Series 2015 Refunding Bonds	4/8/2015	30,445,000	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			26,030,000	-	1,435,000	24,595,000
			Series 2022 Refunding Bonds	5/17/2022	4,695,000	8/15/22	70,000	2.24			
8/15/23	690,000	2.24									
8/15/24	670,000	2.24									
8/15/25	675,000	2.24									
8/15/26	670,000	2.24									
8/15/27	655,000	2.24									
8/15/28	640,000	2.24									
8/15/29	625,000	2.24						-	\$ 4,695,000	-	4,695,000
						\$ 32,450,000	\$ 4,695,000	\$ 6,830,000	\$ 30,315,000		
							Refunded	\$ 4,550,000			
							Budget	2,280,000			
								\$ 6,830,000			

**NUTLEY BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Issue</u>	<u>Balance, July 1, 2021</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance, June 30, 2022</u>
<u>Capital Financing Agreements</u>					
School Bus	75,880	\$ 16,240		\$ 16,240	
School Bus	78,419	35,913		17,509	\$ 18,404
School Buses (2)	155,563	118,614		27,941	90,673
School Buses (3) and Maint. Vehicles and Equipment	397,974	<u>316,613</u>	-	<u>77,210</u>	<u>239,403</u>
		<u>487,380</u>	-	<u>138,900</u>	<u>348,480</u>
<u>Other Financing Agreements</u>					
Chromebooks	162,825	54,249		54,249	
Apple MacBooks and IMacs	614,104	<u>614,104</u>	-	<u>153,526</u>	<u>460,578</u>
		<u>668,353</u>	-	<u>207,775</u>	<u>460,578</u>
		<u>\$ 1,155,733</u>	<u>\$ -</u>	<u>\$ 346,675</u>	<u>\$ 809,058</u>

NUTLEY BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 2,650,954		\$ 2,650,954	\$ 2,650,954	
State Sources					
Debt Service Aid	<u>817,777</u>	<u>-</u>	<u>817,777</u>	<u>817,777</u>	<u>-</u>
 Total Revenues	<u>3,468,731</u>	<u>-</u>	<u>3,468,731</u>	<u>3,468,731</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Principal	2,280,000		2,280,000	2,280,000	
Interest	1,188,734		1,188,734	1,188,731	\$ 3
Cost of Issuance of Refunding Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,562</u>	<u>(60,562)</u>
 Total Expenditures	<u>3,468,734</u>	<u>-</u>	<u>3,468,734</u>	<u>3,529,293</u>	<u>(60,559)</u>
Excess (Deficit) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	<u>(3)</u>	<u>-</u>	<u>(3)</u>	<u>(60,562)</u>	<u>(60,559)</u>
Other Financing Sources (Uses)					
Proceeds from Refunding Bonds				4,695,000	4,695,000
Payments to Escrow Agent	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,634,438)</u>	<u>(4,634,438)</u>
 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,562</u>	<u>60,562</u>
Excess (Deficit) of Revenues Over (Under) Expenditures And other Financing Sources (Uses)	<u>(3)</u>	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>3</u>
Fund Balance, Beginning of Year	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ 1</u>	<u>\$ 3</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment In Capital Assets	\$ 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	\$ 26,479,892
Restricted	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	5,353,951
Unrestricted	2,111,252	(15,840,785)	(16,363,514)	(16,909,567)	(20,671,996)	(21,503,149)	(20,654,477)	(19,732,367)	(21,987,483)	(18,679,423)
Total Governmental Activities Net Position	\$ 21,804,497	\$ 5,426,483	\$ 5,669,309	\$ 7,268,879	\$ 5,141,040	\$ 4,264,795	\$ 4,811,028	\$ 8,799,027	\$ 8,563,122	\$ 13,154,420
Business-Type Activities										
Investment In Capital Assets	\$ 114,056	\$ 99,715	\$ 98,186	\$ 90,147	\$ 77,694	\$ 109,349	\$ 97,257	\$ 72,493	\$ 103,023	\$ 395,250
Unrestricted	373,744	587,550	786,662	1,038,986	1,241,168	1,417,498	1,270,929	825,345	936,602	908,272
Total Business-Type Activities Net Position	\$ 487,800	\$ 687,265	\$ 884,848	\$ 1,129,133	\$ 1,318,862	\$ 1,526,847	\$ 1,368,186	\$ 897,838	\$ 1,039,625	\$ 1,303,522
District-Wide										
Net Investment In Capital Assets	\$ 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	\$ 26,875,142
Restricted	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	5,353,951
Unrestricted	2,484,996	(15,253,235)	(15,576,852)	(15,870,581)	(19,430,828)	(20,085,651)	(19,383,548)	(18,907,022)	(21,050,881)	(17,771,151)
Total District Net Position	\$ 22,292,297	\$ 6,113,748	\$ 6,554,157	\$ 8,398,012	\$ 6,459,902	\$ 5,791,642	\$ 6,179,214	\$ 9,696,865	\$ 9,602,747	\$ 14,457,942

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".

Note 2 - Net position at June 30, 2021 is restated to reflect the implementation of GASB Statement No. 87, "Leases".

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 36,431,664
Special Education	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	17,381,210
Other Instruction	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	1,664,833
School Sponsored Activities And Athletics	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	1,942,315
Community Services	14,010	22,149	14,725	8,178	10,053	10,711	5,262	4,543	3,677	308,030
Support Services										
Student And Instruction Related Services	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	11,647,484
General Administration	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	2,177,548
School Administrative Services	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	5,221,639
Plant Operations And Maintenance	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	7,155,029
Pupil Transportation	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	2,862,647
Business Services	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	1,605,939
Interest On Long-Term Debt	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	1,297,457
Total Governmental Activities Expenses	64,851,693	66,491,429	76,237,457	78,660,101	88,975,427	92,417,228	87,363,191	85,664,649	97,756,353	89,695,795
Business-Type Activities:										
Food Service	899,942	918,360	846,273	916,514	988,220	940,782	1,112,733	895,514	764,528	1,486,129
Extended Day	655,239	690,063	836,125	854,554	940,362	899,588	1,057,490	1,102,030	158,591	730,825
Athletic Camps	11,768	15,558	-	-	3,189	590	-	-	-	-
Total Business-Type Activities Expense	1,566,949	1,623,981	1,682,398	1,771,068	1,931,771	1,840,960	2,170,223	1,997,544	923,119	2,216,954
Total District Expenses	\$ 66,418,642	\$ 68,115,410	\$ 77,919,855	\$ 80,431,169	\$ 90,907,198	\$ 94,258,188	\$ 89,533,414	\$ 87,662,193	\$ 98,679,472	\$ 91,912,749
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 167,909	\$ 166,386	\$ 242,148	\$ 153,876	\$ 143,067	\$ 132,071	\$ 148,273	\$ 99,158	\$ 58,890	\$ 71,545
School Sponsored Activities									137,226	199,875
Pupil Transportation	41,220	44,170	44,970	9,100	10,000					
Operating Grants And Contributions	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	24,477,442
Capital Grants And Contributions	567,532						275,552		11,870	393,948
Total Governmental Activities Program Revenues	10,907,563	9,583,129	17,021,899	19,827,200	25,697,231	29,095,033	24,201,941	21,163,347	30,353,744	25,142,810
Business-Type Activities:										
Charges For Services										
Food Service	688,996	785,006	761,257	741,578	788,858	678,410	732,606	632,133	36,766	221,323
Extended Day	818,730	916,906	891,490	1,016,495	1,067,012	1,126,078	1,036,410	629,092		774,635
Athletic Camps	8,825	15,900	1,700							
Operating Grants And Contributions	225,396	236,632	230,530	257,066	265,290	241,031	226,275	272,525	1,030,712	1,483,865
Total Business Type Activities Program Revenues	1,741,947	1,954,444	1,884,977	2,015,139	2,121,160	2,045,519	1,995,291	1,533,750	1,067,478	2,479,823
Total District Program Revenues	\$ 12,649,510	\$ 11,537,573	\$ 18,906,876	\$ 21,842,339	\$ 27,818,391	\$ 31,140,552	\$ 26,197,232	\$ 22,697,097	\$ 31,421,222	\$ 27,622,633

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (64,552,985)
Business-Type Activities	174,998	330,463	202,579	244,071	189,389	204,559	(174,932)	(463,794)	144,359	262,869
Total District-Wide Net Expense	<u>\$ (53,769,132)</u>	<u>\$ (56,577,837)</u>	<u>\$ (59,012,979)</u>	<u>\$ (58,588,830)</u>	<u>\$ (63,088,807)</u>	<u>\$ (63,117,636)</u>	<u>\$ (63,336,182)</u>	<u>\$ (64,965,096)</u>	<u>\$ (67,258,250)</u>	<u>\$ (64,290,116)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 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	\$ 62,451,195
State Aid Unrestricted	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	4,875,860
Restricted Grants And Contributions	824,615	823,700	822,251	821,929	724,855	783,837	792,590	800,920	807,841	817,777
Miscellaneous Income	414,967	435,543	391,327	435,680	400,478	492,651	431,414	482,061	162,785	999,451
Loss on Disposal of Capital Assets	-	-	(22,215)	(27,173)	(52,079)	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	<u>57,604,224</u>	<u>58,523,866</u>	<u>59,480,252</u>	<u>60,432,471</u>	<u>61,441,136</u>	<u>62,761,541</u>	<u>63,707,483</u>	<u>66,572,835</u>	<u>67,715,596</u>	<u>69,144,283</u>
Business-Type Activities:										
Investment Earnings	\$ 104	\$ 122	\$ 140	\$ 214	\$ 340	\$ 5,019	\$ 16,271	\$ 7,821	\$ 1,090	\$ 1,028
Loss on Disposal of Capital Assets	-	-	(5,136)	-	-	(1,593)	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	<u>104</u>	<u>122</u>	<u>(4,996)</u>	<u>214</u>	<u>340</u>	<u>3,426</u>	<u>16,271</u>	<u>7,821</u>	<u>1,090</u>	<u>1,028</u>
Total District-Wide	<u>\$ 57,604,328</u>	<u>\$ 58,523,988</u>	<u>\$ 59,475,256</u>	<u>\$ 60,432,685</u>	<u>\$ 61,441,476</u>	<u>\$ 62,764,967</u>	<u>\$ 63,723,754</u>	<u>\$ 66,580,656</u>	<u>\$ 67,716,686</u>	<u>\$ 69,145,311</u>
Change in Net Position										
Governmental Activities	\$ 3,660,094	\$ 1,615,566	\$ 264,694	\$ 1,599,570	\$ (1,837,060)	\$ (560,654)	\$ 546,233	\$ 2,071,533	\$ 312,987	\$ 4,591,298
Business-Type Activities	175,102	330,585	197,583	244,285	189,729	207,985	(158,661)	(455,973)	145,449	263,897
Total District	<u>\$ 3,835,196</u>	<u>\$ 1,946,151</u>	<u>\$ 462,277</u>	<u>\$ 1,843,855</u>	<u>\$ (1,647,331)</u>	<u>\$ (352,669)</u>	<u>\$ 387,572</u>	<u>\$ 1,615,560</u>	<u>\$ 458,436</u>	<u>\$ 4,855,195</u>

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 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	\$ 2,772,907
Committed	768,085	1,017,859	999,913	1,163,964	273,620		1,023,126			
Assigned	782,558	753,498	405,188	1,351,514	199,860	159,378	200,180	2,703,174	1,181,095	1,257,442
Unassigned	294,743	463,377	394,823	396,003	445,357	287,560	92,768	(188,904)	1,621,390	1,238,876
Total General Fund	\$ 5,408,386	\$ 6,846,254	\$ 7,047,943	\$ 8,796,258	\$ 6,759,044	\$ 6,708,659	\$ 5,922,028	\$ 7,308,655	\$ 5,856,081	\$ 5,269,225
All Other Governmental Funds										
Restricted	\$ 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	\$ 2,672,247
Unassigned							(129,999)			
Total All Other Governmental Funds	\$ 2,793,597	\$ 2,641,984	\$ 1,369,990	\$ 1,209,231	\$ 1,233,573	\$ 587,423	\$ 402,975	\$ 1,534,545	\$ 2,836,655	\$ 2,672,247

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Property Taxes	\$ 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	\$ 62,451,195
Tuition Charges	167,909	166,386	242,148	153,876	143,067	132,071	148,273	99,158	58,890	71,545
Transportation Fees	41,220	44,170	44,970	9,100	10,000					
Miscellaneous	456,955	508,306	413,059	471,012	470,029	581,787	490,797	566,455	457,399	1,217,655
State Sources	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	29,138,775
Federal Sources	<u>1,773,228</u>	<u>1,136,408</u>	<u>1,318,310</u>	<u>1,433,829</u>	<u>1,339,648</u>	<u>1,416,828</u>	<u>1,491,597</u>	<u>1,279,087</u>	<u>2,194,894</u>	<u>3,648,251</u>
Total Revenues	<u>68,511,787</u>	<u>68,106,995</u>	<u>70,074,278</u>	<u>72,159,768</u>	<u>74,254,696</u>	<u>77,091,922</u>	<u>80,128,389</u>	<u>83,574,077</u>	<u>87,923,627</u>	<u>96,527,421</u>
Expenditures										
Instruction										
Regular Instruction	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	38,902,323
Special Education Instruction	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	18,316,885
Other Instruction	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	1,781,768
School Sponsored Activities And Athletics	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	2,057,364
Community Services	14,010	22,149	12,655	6,813	7,729	8,312	4,812	4,189	3,126	308,680
Support Services										
Student & Inst. Related Services	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	11,940,672
General Administration	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	1,749,888
School Administration	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	5,613,501
Plant Operations And Maintenance	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	6,782,208
Pupil Transportation	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	2,853,891
Other Support Services	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	1,738,409
Capital Outlay	542,478	243,975	1,748,011	829,680	2,213,115	941,756	1,330,919	1,312,387	1,683,349	1,314,449
Debt Service:										
Principal	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	2,626,675
Interest And Other Charges	<u>2,286,927</u>	<u>2,096,552</u>	<u>2,242,733</u>	<u>1,442,475</u>	<u>1,636,097</u>	<u>1,565,000</u>	<u>1,493,322</u>	<u>1,421,683</u>	<u>1,357,188</u>	<u>1,352,534</u>
Total Expenditures	<u>65,546,579</u>	<u>66,820,740</u>	<u>71,499,436</u>	<u>70,657,212</u>	<u>76,267,568</u>	<u>77,864,337</u>	<u>81,453,439</u>	<u>83,096,928</u>	<u>88,472,065</u>	<u>97,339,247</u>
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	<u>2,965,208</u>	<u>1,286,255</u>	<u>(1,425,158)</u>	<u>1,502,556</u>	<u>(2,012,872)</u>	<u>(772,415)</u>	<u>(1,325,050)</u>	<u>477,149</u>	<u>(548,438)</u>	<u>(811,826)</u>
Other Financing Sources (Uses)										
Payments to Escrow Agent	(12,688,407)		(32,947,950)							(4,634,438)
Refunding Bond Proceeds	11,860,000		30,445,000							4,695,000
Capital Leases (Non-Budgeted)	-		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	88,284	1,554	1,483	2,108	553,436	7,731	101,906	1,100,048	1,080,000	550,000
Transfers Out	<u>(88,284)</u>	<u>(1,554)</u>	<u>(1,483)</u>	<u>(2,108)</u>	<u>(553,436)</u>	<u>(7,731)</u>	<u>(101,906)</u>	<u>(1,100,048)</u>	<u>(1,080,000)</u>	<u>(550,000)</u>
Total Other Financing Sources (Uses)	<u>29,611</u>	<u>-</u>	<u>354,853</u>	<u>85,000</u>	<u>-</u>	<u>75,880</u>	<u>353,971</u>	<u>155,563</u>	<u>397,974</u>	<u>60,562</u>
Net Change In Fund Balances	<u>\$ 2,994,819</u>	<u>\$ 1,286,255</u>	<u>\$ (1,070,305)</u>	<u>\$ 1,587,556</u>	<u>\$ (2,012,872)</u>	<u>\$ (696,535)</u>	<u>\$ (971,079)</u>	<u>\$ 632,712</u>	<u>\$ (150,464)</u>	<u>\$ (751,264)</u>
Debt Service As A Percentage Of										
Noncapital Expenditures	6.54%	5.74%	5.83%	5.19%	4.87%	4.69%	4.51%	4.44%	4.28%	4.14%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30	<u>Interest</u>	<u>Tuition</u>	<u>Transportation</u>	<u>Rentals</u>	<u>Admissions</u>	<u>Employee Benefit Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2022	15,164	71,545		2,469	6,369	\$ 796,709	178,705	1,070,961

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 ^a
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
2022	31,837,300	2,648,566,000	395,935,500	12,680,300	170,377,200	3,259,396,300	7,460	3,259,403,760	4,389,401,924	1.936

Source: County Abstract of Ratables

^a 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>
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
2022	1.936	1.308	0.600	0.020	3.864

Source: Township of Nutley, Tax Assessor

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

Taxpayer	2022	
	Taxable Assessed Value	% of Total District Net Assessed Value
CF ON3 Lifesciences Urban Renewal LLC	\$ 31,760,000	0.97%
GI TC Nutley LLC	22,532,000	0.69%
PB Nutcliff Master, LLC	19,390,300	0.59%
Public Service Electric & Gas	17,788,600	0.55%
M&M @ E Centre St	17,609,400	0.54%
Village Manor Associates	16,669,000	0.51%
432 Owners Inc.	16,320,000	0.50%
SF Nutley Properties Owner II, LLC	15,192,000	0.47%
HSRE Ideation Property Owner LLC	14,897,300	0.46%
Nutley Shop-Rite	11,293,600	0.35%
Total	<u>\$ 183,452,200</u>	<u>5.63%</u>

	2013	
	Taxable Assessed Value	% of Total District Net Assessed Value
Hoffman-LaRoche, Inc	\$ 313,939,896	9.18%
492 River Road Reckson	22,532,000	0.66%
Nutley Properties	18,616,000	0.54%
Public Service Electric & Gas	17,788,600	0.52%
Village Manor Associates	17,324,300	0.51%
432 Owners Inc.	16,320,000	0.48%
M&M @ E Centre St	12,633,000	0.37%
Nutley Shop-Rite	11,293,600	0.33%
JERC Partners III	8,006,800	0.23%
NSP Management Co.	7,190,300	0.21%
Total	<u>\$ 445,644,496</u>	<u>13.03%</u>

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	
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
2022	62,451,195	62,451,195	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	Financing Agreements			
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
2022	30,315,000	809,058	31,124,058	29,786	1,045

Source: District records

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

General Bonded Debt Outstanding					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
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
2022	30,315,000		30,315,000	0.9%	1,018

Source: District records

NUTLEY BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2022
(Unaudited)

Net Direct Debt of School District as of June 30, 2022		\$ 30,315,000
Net Overlapping Debt of School District		
Township of Nutley	\$ 20,697,688	
Essex County	30,542,365	
Essex County Utilities Authority (A)	373,450	
Passaic Valley Sewerage Commission (B)	10,295,453	
North Jersey District Water Supply Commission (B)	<u>1,172,789</u>	
		<u>63,081,745</u>
Total Direct and Overlapping Debt as of June 30, 2022		<u>\$ 93,396,745</u>

(A) The debt for this entity was apportioned by dividing the Municipality's 2021 equalized value by the total 2021 equalized value for Essex County.

(B) Overlapping debt was computed based upon usage

Sources:

- (1) Township of Nutley 2021 Annual Debt Statement
- (2) Essex County 2021 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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 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	\$ 167,528,266
Total Net Debt Applicable To Limit	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	30,315,000
Legal Debt Margin	<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>	<u>\$ 137,213,266</u>
Total net debt applicable to the limit as a percentage of debt limit	30.21%	30.14%	30.16%	29.38%	28.23%	26.64%	24.65%	22.51%	20.23%	18.10%

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized Valuation Basis

2021	\$ 4,361,348,391
2020	4,200,183,856
2019	4,003,087,687
	<u>\$12,564,619,934</u>

Average Equalized Valuation of Taxable Property

\$ 4,188,206,645

Debt Limit (4 % of Average Equalization Value)

167,528,266

Total Net Debt Applicable to Limit

30,315,000

Legal Debt Margin

\$ 137,213,266

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>
2013	28,414	\$ 53,771	7.1%
2014	28,441	54,544	6.0%
2015	28,481	57,133	5.1%
2016	28,504	59,395	4.5%
2017	28,532	60,735	4.3%
2018	28,542	62,659	3.8%
2019	28,542	63,521	3.2%
2020	28,557	65,927	3.2%
2021	28,457	70,497	9.9%
2022	29,786	N/A	6.1%

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction										
Regular	257	226	225	231	240	240	245	251	252	261
Special Education	50	53	52	56	57	66	67	67	68	63
Support Services										
Student and Instruction Related Services	107	138	147	141	161	140	144	140	141	138
General Administration	3	5	5	5	5	5	5	5	5	4
School Administrative Services	19	19	21	22	22	22	21	21	21	22
Central Services	11	9	9	8	8	10	9	11	11	18
Administrative Information Technology	4	4	4	4	4	4	3	4	4	3
Plant Operations and Maintenance	40	36	38	37	39	41	43	41	40	45
Pupil Transportation	31	31	31	31	31	31	31	47	46	30
Other Support Services	23	23	23	23	23	24	24	24	24	50
Total	<u>545</u>	<u>543</u>	<u>555</u>	<u>558</u>	<u>590</u>	<u>583</u>	<u>592</u>	<u>611</u>	<u>612</u>	<u>634</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	Teacher/Pupil Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff ^b	Elementary	Middle School	Senior High School				
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	14	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	83,073,378	20,946	8.44%	377.0	12	11	12	3,966	3,836	-1.98%	96.72%
2022	4,023	92,045,589	22,880	18.45%	N/A	12.0	11.0	12.0	4,023	3,641	-0.57%	90.50%

Sources: District records

(A) Excludes Debt Service and Capital Outlay Expenditures

N/A - Not Available

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
District Building										
<u>Nutley High School</u>										
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)	909.62	909.62	909.62	909.62	909.62	909.62	909.62	909.62	909.62	909.62
Enrollment	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	1,157.00
<u>John H. Walker Middle School</u>										
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 ^a	647.00	637.00	618.00	612.00	637.00	602.00	551.00	620.00	651.00	613.00
<u>Radcliffe Elementary School</u>										
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	336.00	342.00	338.00	326.00	330.00	357.00	352.00	353.00	340.00	353.00
<u>Yantacaw Elementary School</u>										
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	491.00	470.00	487.00	461.00	481.00	486.00	494.00	476.00	460.00	485.00
<u>Washington Elementary School</u>										
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	423.00	453.00	483.00	546.00	561.00	543.00	556.00	560.00	523.00	480.00
<u>Spring Garden Elementary School</u>										
Square Feet	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	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	384.00	356.00	351.00	359.00	366.00	367.00	397.00	396.00	399.00	440.00
<u>Lincoln Elementary School</u>										
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	482.00	511.00	484.00	490.00	471.00	486.00	497.00	462.00	449.00	452.00
<u>Other</u>										
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, 2022
 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>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>	<u>2022</u>
Nutley High School	\$ 263,863	\$ 279,224	\$ 277,532	\$ 274,644	\$ 293,700	\$ 411,831	\$ 309,880	\$ 328,030	\$ 377,994	\$ 387,589
John H. Walker Middle School	195,781	157,652	167,526	164,414	156,293	196,580	220,633	218,452	251,726	258,116
Lincoln Elementary School	70,451	65,199	85,767	68,938	83,988	136,898	117,322	96,130	110,772	113,583
Radcliffe Elementary School	84,036	85,308	108,058	133,787	90,723	101,274	329,350	77,298	89,072	91,333
Spring Garden Elementary School	72,135	61,936	75,250	89,235	128,955	81,319	92,092	87,280	100,574	103,126
Washington Elementary School	97,322	118,943	87,238	78,377	175,288	89,794	121,051	83,717	96,469	98,917
Yantacaw Elementary School	80,635	78,540	66,747	91,361	81,481	80,076	97,389	84,476	97,343	99,814
Grand Total	<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>	<u>\$ 1,152,478</u>

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2022
(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	Selective	400,000	N/A
Business Administrator	RLI Insurance Company	3,500	N/A

Source: School District's records

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
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
371 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 and each major fund of the Nutley Board of Education as of and for the fiscal year ended June 30, 2022 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 February 16, 2023.

Report on 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.

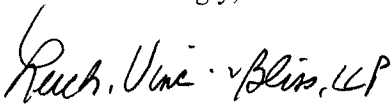
Report on Compliance and Other Matters


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 February 16, 2023.

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 & BLISS, LLP
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 16, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
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ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR’S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Nutley Board of Education’s compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Nutley Board of Education’s major federal and state programs for the fiscal year ended June 30, 2022. 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.

In our opinion, the Nutley Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with 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 2022-01. Our opinion on each major federal and state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Nutley Board of Education's response to the noncompliance finding identified in our compliance audit and described in the accompanying schedule of findings and questioned costs. The Nutley Board of Education's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

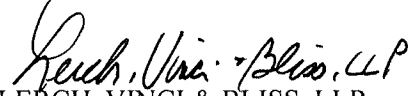
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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


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

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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund, of the Nutley Board of Education as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Nutley Board of Education's basic financial statements. We have issued our report thereon dated February 16, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 16, 2023

NUTLEY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor Program Title	Federal AL Number	Federal FAIN Number	Grant Period	Award Amount	Balance July 1, 2021			Cash Received	Budgetary Expenditures	Adjustment	Prior Year Adjustments	Repayment of Prior Year Balances	Balance June 30, 2022			Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Homeland Security																
Passed Through N.J. Department of Law and Public Safety																
General Fund																
Federal Emergency Management Agency																
Public Assistance Grants																
Coronavirus Pandemic	97.036	NA	NA	\$ 66,061	-	-	-	\$ 66,061	\$ 66,061	-	-	-	-	-	-	\$ (16,335)
Hurricane IDA	97.036	NA	NA	16,335	-	-	-	-	16,335	-	-	-	-	-	-	-
Total - Federal Emergency Management Agency					-	-	-	66,061	82,396	-	-	-	-	-	(16,335)	(16,335)
U.S. Department of Education																
Passed Through State Department of Education																
General Fund																
Covid ARP LEA Testing	93.323		7/1/21-6/30/22	112,713	-	-	-	84,901	112,713	-	-	-	-	-	(27,812)	(27,812)
Medicaid Reimbursement	93.778	2005NJSMAP	7/1/21-6/30/22	106,645	-	-	-	89,611	106,645	-	-	-	-	-	(17,034)	(17,034)
Medicaid Administrative Cost Reimbursement	93.778	2005NJSMAP	7/1/21-6/30/22	12,271	-	-	-	8,112	12,271	-	-	-	-	-	(4,159)	(4,159)
Total - Medicaid Assistance/General Fund					-	-	-	97,723	118,916	-	-	-	-	-	(21,193)	(21,193)
Total General Fund					-	-	-	248,685	314,025	-	-	-	-	-	(65,340)	(65,340)
Special Revenue Funds:																
Title I	84.010	S010A200030	7/1/20-9/30/21	286,938	\$ (168,282)	\$ 141,470	-	\$ (84,963)	83,319	\$ 84,963	-	-	-	-	\$ 56,507	-
Title I	84.010	S010A210030	7/1/21-9/30/22	159,388	-	-	-	84,963	125,895	(84,963)	-	-	-	(118,456)	\$ 5,935	\$ (102,521)
Total Title I					(168,282)	141,470	-	209,214	238,416	-	-	-	-	(118,456)	5,935	(102,521)
Title II	84.367	S367A200029	7/1/20-9/30/21	74,380	(84,695)	26,643	-	(26,643)	58,052	26,643	-	-	-	-	-	-
Title II	84.367	S367A210029	7/1/21-9/30/22	68,776	-	-	-	26,643	43,212	(26,643)	-	-	-	(52,207)	46,439	(693)
Title II	84.367	S367A190029	7/1/19-9/30/20	71,275	-	-	\$ 2,500	-	-	-	\$ 2,500	-	-	-	-	-
Total Title II					(84,695)	26,643	2,500	101,264	48,980	-	-	2,500	-	(52,207)	46,439	(693)
Title III	84.365	S365A200030	7/1/20-9/30/21	18,154	(13,381)	11,434	-	(6,207)	7,174	6,207	-	-	-	-	5,227	-
Title III	84.365	S365A210030	7/1/21-9/30/22	20,181	-	-	-	6,207	19,779	22,817	(6,207)	-	-	(6,609)	3,571	(3,038)
Title III, Immigrant	84.365	S365A200030	7/1/20-9/30/21	7,258	(5,765)	5,765	-	(4,376)	1,389	4,376	-	-	-	-	1,389	-
Title III, Immigrant	84.365	S365A210030	7/1/21-9/30/22	-	-	-	-	4,376	1,600	2,323	(4,376)	-	-	(2,776)	2,053	(723)
Total Title III					(19,146)	17,199	-	29,942	25,140	-	-	-	-	(9,385)	5,624	(3,761)
Title IV	84.424	S424A200031	7/1/20-9/30/21	20,220	(26,669)	11,971	-	(11,971)	14,698	11,971	-	-	-	-	-	-
Title IV	84.424	S424A210031	7/1/21-9/30/22	20,197	-	-	-	11,971	5,109	8,855	(11,971)	-	-	(27,059)	23,313	(2,010)
Total Title IV					(26,669)	11,971	-	19,807	8,855	-	-	-	-	(27,059)	23,313	(2,010)
CARES (ESSER I)	84.425D	S425D210027	3/13/20-9/30/22	267,354	(161,901)	110,584	-	100,999	110,324	-	-	-	-	(60,902)	260	(60,642)
CRRSA - ESSER II	84.425D	S425D210027	3/13/20-9/30/23	906,981	(906,981)	482,556	-	-	438,615	(906,981)	-	-	-	(906,981)	43,941	(863,040)
CR Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	58,205	(58,205)	58,205	-	-	46,049	(58,205)	-	-	-	(58,205)	12,156	(46,049)
CR Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(45,000)	45,000	-	-	24,767	(45,000)	-	-	-	(45,000)	20,233	(24,767)
ARP ESSER	84.425U	S425U210027	3/13/20-9/30/24	2,038,381	-	-	-	-	1,438,476	(2,038,381)	-	-	-	(2,038,381)	599,905	(1,263,714)
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	346,712	-	-	-	-	117,000	(346,712)	-	-	-	(346,712)	229,712	(117,000)
Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	-	-	-	-	(40,000)	(40,000)	-	-	-	(40,000)	40,000	-
Evidence Based Comprehension Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	-	-	-	-	(40,000)	(40,000)	-	-	-	(40,000)	40,000	-
NTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	-	-	-	-	19,850	(45,000)	-	-	-	(45,000)	25,150	(19,850)
Total Education Stabilization					(1,172,087)	696,345	-	100,999	2,195,081	-	-	-	-	(3,581,181)	1,011,357	(2,395,062)

NUTLEY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor Program Title	Federal AL Number	Federal FAIN Number	Grant Period	Award Amount	Balance July 1, 2021			Cash Received	Budgetary Expenditures	Adjustment	Prior Year Adjustments	Repayment of Prior Year Balances	Balance June 30, 2022			Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor	
NonPublic Digital Divide	21.019	NA	7/16/20-10/31/20	24,576	-	-	24,576	-	-	-	-	24,576	-	-	-	
Covid ARP State and Local Fiscal Recovery Fund																
ACRSERS	21.027	SLFRFDOE1SES	7/1/21-6/30/22	216,624	-	-	81,102	216,624	-	-	-	(135,522)	-	-	(135,522)	
IDEA Part B	84.027	H027A200100	7/1/20-9/30/21	980,749	(380,682)	151,315	(58,180)	222,675	58,180	628,021	960,465	(58,180)	31	(6,661)	58,035	(6,661)
IDEA Part B	84.027	H027A210100	7/1/21-9/30/22	960,320	-	-	-	-	-	-	-	-	-	(390,479)	58,035	(327,344)
IDEA Part B	84.027	H027A190100	7/1/19-9/30/20	923,488	-	-	4,131	-	-	-	-	4,131	-	-	-	
IDEA Part B	84.027	H027A170100	7/1/17-6/30/18	902,437	-	-	45	-	-	-	-	45	-	-	-	
ARP IDEA	84.027X	H027X210100	7/1/21-9/30/22	208,018	-	-	-	-	-	-	-	-	208,018	208,018	-	
IDEA Part B Preschool	84.173	H173A200114	7/1/20-9/30/21	41,610	(41,610)	-	-	41,610	-	-	-	-	-	(42,590)	42,590	-
IDEA Part B Preschool	84.173	H173A210114	7/1/21-9/30/22	42,590	-	-	-	-	-	-	-	-	-	(17,740)	17,740	-
ARP IDEA Preschool	84.173X	H173X210114	7/1/21-9/30/22	17,740	-	-	-	-	-	-	-	-	-	-	-	-
Total IDEA					(422,292)	151,315	4,176	892,306	960,465	-	31	4,176	(665,488)	326,383	-	(534,005)
Carl D. Perkins- Secondary	84.048	V048A200030	7/1/20-6/30/21	24,642	(1,234)	-	-	2	-	-	-	-	-	(1,232)	-	(1,232)
Carl D. Perkins- Secondary	84.048	V048A210030	7/1/21-6/30/22	21,368	-	-	1,647	19,734	20,766	-	-	-	-	(1,032)	-	(1,032)
Carl D. Perkins- Secondary	84.048	V048A190030	7/1/19-6/30/20	24,900	-	-	-	-	-	-	-	1,647	-	-	-	-
Total Carl D. Perkins					(1,234)	-	1,647	19,736	20,766	-	-	1,647	(2,264)	-	-	(2,264)
Total Special Revenue Fund					(1,894,405)	1,044,943	32,899	1,454,370	3,714,327	-	31	32,899	(4,591,562)	1,419,051	63,123	(2,975,838)
U.S.D.A. Department of Agriculture Passed Through																
NJ Department of Agriculture																
Enterprise Fund:																
National School Lunch Program																
Non-Cash Assistance (Food Distribution)	10.555	221NJ304N1099	7/1/21-6/30/22	55,441	-	-	-	55,441	55,384	-	-	-	-	57	-	-
Non-Cash Assistance (Food Distribution)		211NJ304N1099	7/1/20-6/30/21	47,398	-	1,665	-	-	1,665	-	-	-	-	-	-	-
Cash Assistance		221NJ304N1099	7/1/21-6/30/22	1,257,134	-	-	-	1,155,181	1,257,134	-	-	-	(101,953)	-	-	(101,953)
Cash Assistance		211NJ304N1099	7/1/20-6/30/21	614,203	(71,310)	-	-	71,310	-	-	-	-	-	-	-	-
School Breakfast Program	10.553	211NJ304N1099	7/1/20-6/30/21	332,057	(38,716)	-	-	38,716	-	-	-	-	-	-	-	-
School Breakfast Program	10.553	221NJ304N1099	7/1/21-6/30/22	57,648	-	-	-	54,027	57,648	-	-	-	-	(3,621)	-	(3,621)
Covid Lunch Breakfast EMOP	10.555	221NJ304N1099	7/1/21-6/30/22	356	-	-	-	356	356	-	-	-	-	-	-	-
Covid Supply Chain Assistance	10.555	221NJ304N1099	7/1/21-6/30/22	80,913	-	-	-	-	80,913	-	-	-	-	(80,913)	-	(80,913)
P-EBT Administrative	10.649	2022225900941	7/1/21-6/30/22	1,242	-	-	-	1,242	1,242	-	-	-	-	-	-	-
Total Enterprise Fund - National School Lunch Program					(110,026)	1,665	-	1,376,273	1,454,342	-	-	-	(186,487)	57	-	(186,487)
Total Federal Financial Awards					\$ (2,004,431)	\$ 1,046,608	\$ 32,899	\$ 3,079,328	\$ 5,482,694	\$ -	\$ 31	\$ 32,899	\$ (4,843,389)	\$ 1,419,108	\$ 63,123	\$ (3,227,665)

a - cancelled payable and encumbrance

NUTLEY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Department of Education	Grant or State Project Number	Grant	Award Amount	Balance July 1, 2021	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Adjustments	Balance June 30, 2022			Memorandum		
										(Accts. Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Budgetary Expenditures	
General Fund:															
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	\$ 4,878,663	\$ (456,169)		\$ 456,169									
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	4,878,663			4,419,691	\$ 4,878,663			\$ (458,972)				\$ 4,878,663	
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	2,513,138	(234,986)		234,986									
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	2,841,511			2,574,189	2,841,511			(267,322)				2,841,511	
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	81,159	(7,589)		7,589									
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	81,159			73,524	81,159			(7,635)				81,159	
Total State Aid Public				(698,744)		7,766,148	7,801,333			(733,929)					7,801,333
TPAF Pension Contribution - NCGI	22-495-034-5094-004	7/1/21-6/30/22	165,507			165,507	165,507								165,507
TPAF Pension Contribution - Normal	22-495-034-5094-002	7/1/21-6/30/22	11,730,933			11,730,933	11,730,933								11,730,933
TPAF Pension Contribution - LTDI	22-495-034-5094-004	7/1/21-6/30/22	5,535			5,535	5,535								5,535
TPAF Pension Contribution- Post Retirement	22-495-034-5094-001	7/1/21-6/30/22	2,779,489			2,779,489	2,779,489								2,779,489
Total On-Behalf TPAF Pension						14,681,464	14,681,464								14,681,464
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	588,055	(54,985)		54,985									
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	588,055			532,732	588,055			(55,323)					588,055
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	2,578,670	(2,578,670)											
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	2,956,057				2,956,057			(2,956,057)					2,956,057
TPAF Social Security Contribution	22-495-034-5094-003	7/1/21-6/30/22	2,315,723			2,196,838	2,315,723			(118,885)			\$ (118,885)	2,315,723	
TPAF Social Security Contribution	21-495-034-5094-003	7/1/20-6/30/21	2,227,123	(221,673)		221,673									
Total General Fund				(3,554,072)		28,032,510	28,342,632			(3,864,194)				(118,885)	28,342,632
Special Revenue Fund:															
SDA Emergent Capital Needs	NA	NA	97,691			97,691	85,600					12,091			\$ 85,600
School Security Grant	22E00092	9/1/21-8/31/22	228,171												
New Jersey Nonpublic Aid:															
Textbooks	22-100-034-5120-064	7/1/21-6/30/22	37,153			37,153	35,160						\$ 1,993		35,160
Textbooks	21-100-034-5120-064	7/1/20-6/30/21	37,754	1,651				\$ 1,651							
Auxiliary Services:															
Compensatory Education	22-100-034-5120-067	7/1/21-6/30/22	126,308			126,308	44,073						82,235		44,073
Compensatory Education	21-100-034-5120-067	7/1/20-6/30/21	106,338	21,084				21,084							
English as a Second Language	22-100-034-5120-067	7/1/21-6/30/22	8,039			8,039	6,303						1,736		6,303
English as a Second Language	21-100-034-5120-067	7/1/20-6/30/21	5,773	1,865				1,865							
Transportation	21-100-034-5120-067	7/1/20-6/30/21	32,567	32,567						32,567					
Transportation	22-100-034-5120-067	7/1/21-6/30/22	34,502			34,502							34,502		
Home Instruction	22-100-034-5120-067	7/1/21-6/30/22	1,183				1,183			(1,183)				(1,183)	1,183
				55,516		168,849	51,559			(1,183)			118,473		51,559
Handicapped Services:															
Supplemental Instruction	22-100-034-5120-066	7/1/21-6/30/22	45,430			45,430	28,745						16,685		28,745
Supplemental Instruction	21-100-034-5120-066	7/1/20-6/30/21	47,031	7,694				7,694							
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	75,630			75,630	51,185						24,445		51,185
Examination and Classification	21-100-034-5120-066	7/1/20-6/30/21	61,691	9,485				9,485							
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	22,320			22,320	21,511						809		21,511
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	22,785	8,020				8,020							
				25,199		143,380	101,441						41,939		101,441
Nonpublic Security Aid:															
Nonpublic Security Aid	22-100-034-5120-509	7/1/21-6/30/22	108,325			108,325	82,439						25,886		82,439
Nonpublic Security Aid	21-100-034-5120-509	7/1/20-6/30/21	108,325	79,802				79,802							
Nonpublic Technology	22-100-034-5120-373	7/1/21-6/30/22	25,998			25,998	25,997						1		25,997
Nonpublic Nursing	22-100-034-5120-070	7/1/21-6/30/22	69,328			69,328	69,328								69,328
Total Special Revenue Fund				162,168		650,724	451,524			(1,183)		12,091	188,292	(1,183)	451,524

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

State Department of Education	Grant or State Project Number	Grant	Award Amount	Balance July 1, 2021	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Adjustments	Balance June 30, 2022			Memorandum	
										(Accts. Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Budgetary Expenditures
Debt Service Fund:														
Debt Service Aid	22-495-034-5120-075	7/1/21-6/30/22	817,777	-	-	\$ 817,777	\$ 817,777	-	-	-	-	-	-	\$ 817,777
State Department of Agriculture Enterprise Fund:														
National School Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	29,523			27,177	29,523			\$ (2,346)			\$ (2,346)	29,523
National School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	33,611	\$ (8,574)	-	8,574	-	-	-	-	-	-	-	-
				(8,574)	-	33,751	29,523	-	-	(2,346)	-	-	(2,346)	29,523
Total State Financial Assistance Subject to Single Audit Determination				\$ (3,400,478)	\$ -	\$ 29,536,762	\$ 29,641,456	\$ 162,168	\$ -	\$ (3,867,723)	\$ 12,091	\$ 188,292	\$ (122,414)	\$ 29,641,456
Less On-Behalf TPAF Pension and Annuity Aid														
NCGI - Contribution	22-495-034-5094-004					165,507	165,507							165,507
Normal Pension	22-495-034-5095-002					11,730,933	11,730,933							11,730,933
LTDI	22-495-034-5094-004					5,535	5,535							5,535
Post Retirement Medical	22-495-034-5094-001					2,779,489	2,779,489							2,779,489
Subject to Single Audit				-	-	14,681,464	14,681,464	-	-	-	-	-	-	14,681,464
Total for State Financial Assistance Subject to Major Program Determination				\$ (3,400,478)	\$ -	\$ 14,855,298	\$ 14,959,992	\$ 162,168	\$ -	\$ (3,867,723)	\$ 12,091	\$ 188,292	\$ (122,414)	\$ 14,959,992

**NUTLEY BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 \$412,910 for the general fund and a decrease of \$241,215 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	\$ 118,917	\$ 27,929,722	\$ 28,048,639
Special Revenue Fund	3,529,334	391,276	3,920,610
Debt Service Fund		817,777	817,777
Food Service Fund	1,454,342	29,524	1,483,866
	<u> </u>	<u> </u>	<u> </u>
Total Financial Assistance	<u>\$ 5,102,593</u>	<u>\$ 29,168,299</u>	<u>\$ 34,270,892</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, 2022**

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 \$2,315,723 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, 2022. The amount reported as TPAF Pension System Contributions in the amount of \$11,896,440, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,779,489 and TPAF Long-Term Disability Insurance in the amount of \$5,535 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2022.

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, 2022**

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>AL 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>84.010</u>	<u>S010A210030</u>	<u>Title I</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>Coronavirus Relief and Economic Security Act (CARES - ESSER I)</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>Coronavirus Response and Relief Supplemental Act (CRRSA-ESSER II)</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>American Rescue Plan - Emergency Relief Fund (ARP-ESSER)</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, 2022**

Part I – Summary of Auditor’s Results

State Awards Section

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

\$750,000

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

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)
22-495-034-5120-078
22-495-034-5120-089
22-495-034-5120-084
22-495-034-5120-014

Name of State Program
Equalization Aid
Special Education Aid
Security Aid
Transportation Aid

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022**

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 2022-001

Time and activity reports were not available for employees charged to ESSER grants.

Information on the Federal Program

84.425D	Coronavirus Response and Relief Supplemental Act (CRRSA-ESSERII)
84.425U	American Rescue Plan – Emergency Relief Fund (ARP-ESSER)

Criteria or Specific Requirement

U.S. Uniform Guidance; Compliance Supplement – Department of Education – Cross-Cutting Section

Condition

The District did not maintain documentation of employee time and effort.

Questioned Costs

None known.

Context

Time and activity reports were not maintained for personnel charged to ESSER grants.

Effect

Salaries charged to ESSER grants may not be in agreement with actual time spent performing duties related to activities allowable under ESSER.

Cause

Unknown.

Recommendation

Time and activity reports be maintained for all personnel charged to ESSER grants and be made available for audit.

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, 2022

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, 2022**

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

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.

Current Status

Corrective action was taken.