

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

Nutley, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
of the
Nutley Board of Education
Nutley, New Jersey
For The Fiscal Year Ended June 30, 2023**

**Prepared by
Business Office**

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INTRODUCTORY SECTION



Nutley Public Schools

David DiPisa
Assistant Superintendent of Business / Board Secretary
371 Franklin Avenue 2nd
Nutley, New Jersey 07110
973-661-8797
ddipisa@nutleyschools.org

February 7, 2024

Honorable President and
Members of the Board of Education
Nutley Board of Education
371 Franklin Avenue
Nutley, New Jersey 07110

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Nutley Board of Education (the “Board” or “District”) for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Nutley Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

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

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District’s organizational chart, and a list of principal officials. The financial section includes the Independent Auditors’ Report, Management’s Discussion and Analysis and basic financial statements including the District-Wide financial statements presented in accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statements. The basic financial statements also include individual fund financial statements, Notes to Financial Statements and Required Supplementary Information (RSI). The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (U.S. Uniform Guidance), and the State OMB Circular 15-08, “Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.” Information related to this single audit, including the auditor’s report on the internal control structure and compliance with applicable laws and regulations and findings and questioned costs, are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES

The Nutley Board of Education is an independent reporting entity within the criteria adopted by the GASB. All funds of the District are included in this report. The Nutley Board of Education constitutes the District's reporting entity. The District has no component units included in this report which meet the criteria of legally separate entities for which the District is financially accountable. In addition, the District is not includable in any other reporting entity as a component unit.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, advanced placement courses, bilingual instruction in Spanish, English as a second language, vocational as well as special education for handicapped youngsters. The District completed the 2022/2023 fiscal year with an enrollment of 4,052 which is 29 students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022/2023	4,052	0.72%
2021/2022	4,023	1.4%
2020/2021	3,966	(2.0%)
2019/2020	4,046	(0.6%)
2018/2019	4,068	0.24%
2017/2018	4,058	(0.42%)
2016/2017	4,075	1.22%
2015/2016	4,026	0.52%
2014/2015	4,005	(0.37%)
2013/2014	4,020	(0.40%)

ECONOMIC CONDITION AND OUTLOOK

The Nutley Board of Education continues to provide a high-quality education while maintaining a fiscally conservative approach. The Board has controlled costs and been mindful of the impact of its decisions on the local taxpayer. The result is that District has consistently ranked near the bottom in per pupil spending in the county, while provided its students with an excellent education. The State of New Jersey continues to add costly mandates while maintaining or reducing state aid with a 2% budget CAP. Despite the challenging environment, the Nutley Board of Education is committed to move forward with the expectation of full compliance to regulations, adherence to the strict budget CAP and understanding of the difficult economic conditions of our taxpayers while continuing to provide high quality instruction to students.

RELEVANT FINANCIAL POLICES

The operations of the Nutley Board of Education are financed primarily through the local property tax levy; however, the District receives additional revenue from state and federal aid along with other miscellaneous local revenues. The school portion of the property tax levy, the largest revenue source for the district, has been held relatively stable over the past five years (under 2%) despite increases and decreases in contractual salaries and benefits, special educational placements and related transportation.

RELEVANT FINANCIAL POLICES (Continued)

The administration continues to operate under the District's Standard Operating Procedures and Internal Controls which are reviewed and updated annually by the School Business Administrator. The policies include internal controls, accounting, budget development and purchasing in addition to other standardized procedures.

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.

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, regulations, contracts and grants.

BUDGETARY CONTROLS

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2023.

OTHER INFORMATION

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Bliss, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U.S. Uniform Guidance and the State OMB Circular 15-08. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's report related specifically to the single audit and Government Auditing Services is included in the single audit section of this report.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Nutley Board of Education for the 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,



Superintendent of Schools

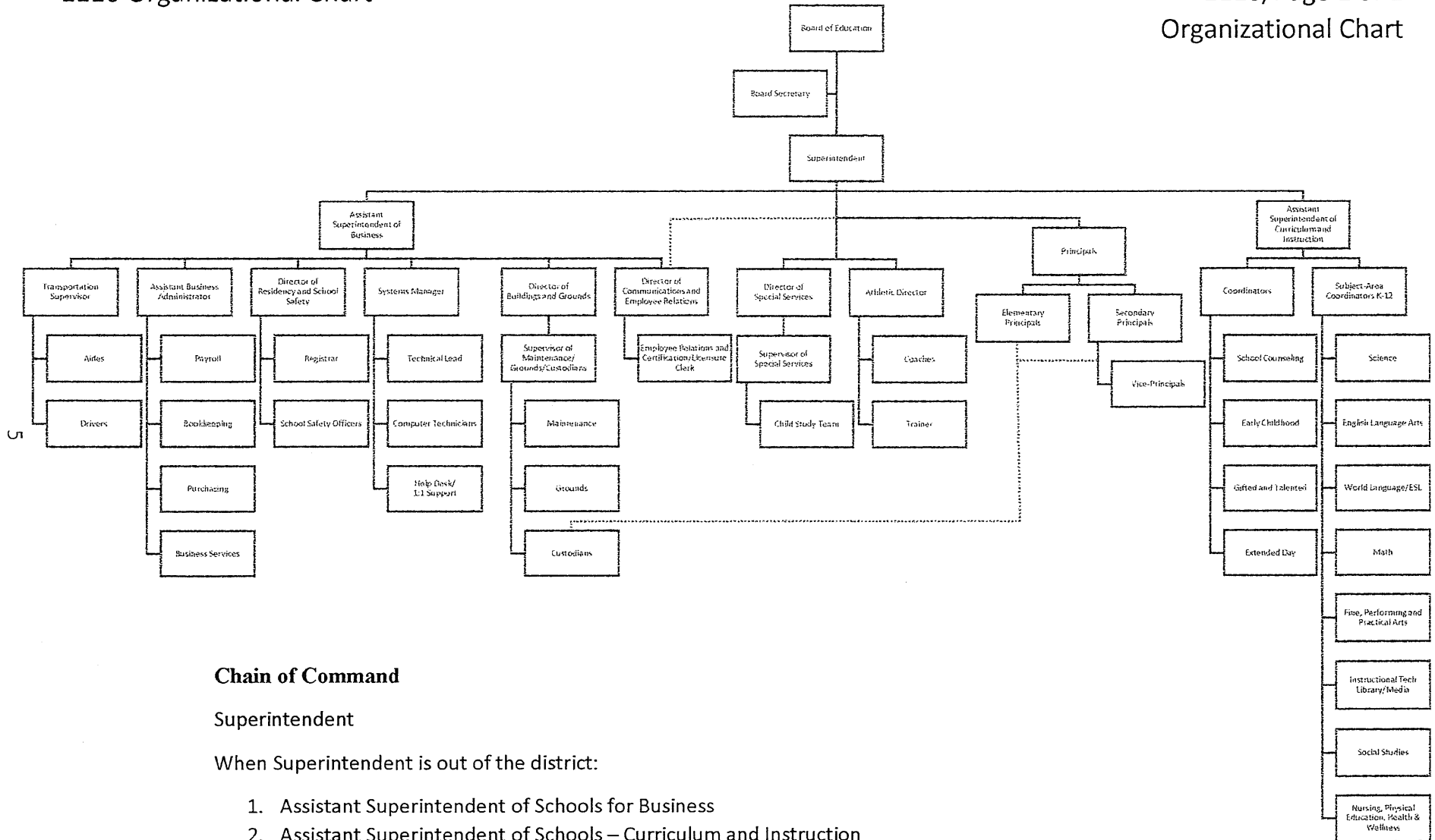


Assistant Superintendent of Business/
Board Secretary

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, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mr. Salvatore Ferraro	2023
Mr. Salvatore Balsamo	2023
Mr. Joe Battaglia	2024
Mrs. Lisa Danchak-Martin	2023
Dr. Thomas D'Elia	2025
Mr. Charles W. Kucinski	2025
Mrs. Theresa Quirk	2025
Mr. Kenneth J. Reilly	2024
Mr. Nicholas Scotti	2024

Other Officials

Kent Bania, Superintendent of Schools

David DiPisa, Assistant Superintendent of Business / Board Secretary

Janine Loconsolo, Assistant Superintendent of Curriculum and Instruction

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

BCB Bank
591-595 Avenue C
Bayonne, NJ 07002

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Nutley Board of Education
371 Franklin Avenue
Nutley, New Jersey 07110

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, 2023 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents..

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

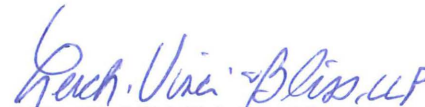
Other Information


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 7, 2024 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 7, 2024

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

This section of 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, 2023. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

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

FINANCIAL HIGHLIGHTS

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

- The assets and deferred outflows of resources of the Nutley Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$11,395,736 (net position).
- Overall District revenues were \$94,871,282. General revenues accounted for \$69,346,891 or 73% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$25,524,391 of total revenues.
- The School District had \$94,691,538 in expenses for governmental activities; only \$23,074,566 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$69,322,462 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 \$1,436,622 a decrease of \$6,504,850 when compared to the ending fund balance at June 30, 2022 of \$7,941,472.
- The General Fund unassigned fund balance (GAAP Basis) at June 30, 2023 was in a deficit position of \$2,930,106, a decrease of \$4,168,982 when compared with the ending fund balance of \$1,238,876 at June 30, 2022. Additionally, the District's total fund balance was in a deficit position of \$1,240,300 at June 30, 2023 which was a decrease of \$6,509,525 from the June 30, 2022 ending fund balance of \$5,269,225.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$550,000 which represents a decrease of \$4,434,185 when compared to the ending unassigned fund balance at June 30, 2022 of \$4,984,185.

NUTLEY BOARD OF EDUCATION

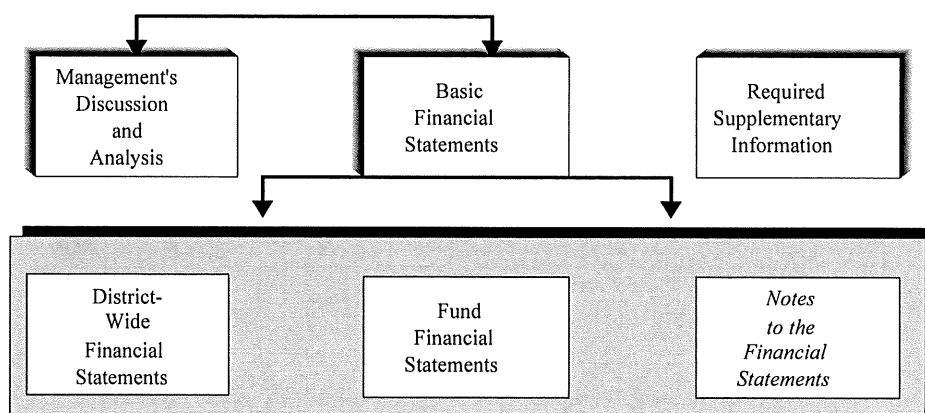
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Major Features of the District-Wide and Fund Financial Statements

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

NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

District-Wide Financial Statements

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

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

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

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

- *Governmental Activities* – Most of the District's basic services are included here, such as regular instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids and property taxes 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 are included here.

Fund Financial Statements

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

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

NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The District has two kinds of funds:

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

Notes to the Financial Statements

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

Other Information

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

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

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

NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$11,395,736 and \$14,457,942 as of June 30, 2023 and 2022, respectively, as shown below.

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

Statement of Net Position
As of June 30, 2023 and 2022

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets						
Current and Other Assets	\$ 6,316,990	\$ 11,018,737	\$ 360,883	\$ 1,043,179	\$ 6,677,873	\$ 12,061,916
Capital Assets	<u>57,526,534</u>	<u>56,848,966</u>	<u>415,662</u>	<u>395,250</u>	<u>57,942,196</u>	<u>57,244,216</u>
Total Assets	<u>63,843,524</u>	<u>67,867,703</u>	<u>776,545</u>	<u>1,438,429</u>	<u>64,620,069</u>	<u>69,306,132</u>
Deferred Outflows of Resources						
Deferred Amounts of Refunding of Debt	1,275,682	1,488,508			1,275,682	1,488,508
Deferred Amount of Net Pension Liability	<u>872,942</u>	<u>548,050</u>	-	-	<u>872,942</u>	<u>548,050</u>
Total Deferred Outflows of Resources	<u>2,148,624</u>	<u>2,036,558</u>	<u>-</u>	<u>-</u>	<u>2,148,624</u>	<u>2,036,558</u>
Total Assets and Deferred Outflows of Resources	<u>65,992,148</u>	<u>69,904,261</u>	<u>776,545</u>	<u>1,438,429</u>	<u>66,768,693</u>	<u>71,342,690</u>
Liabilities						
Long-Term Liabilities	46,813,199	45,760,286			46,813,199	45,760,286
Other Liabilities	<u>5,332,408</u>	<u>3,544,006</u>	<u>240,719</u>	<u>134,850</u>	<u>5,573,127</u>	<u>3,678,856</u>
Total Liabilities	<u>52,145,607</u>	<u>49,304,292</u>	<u>240,719</u>	<u>134,850</u>	<u>52,386,326</u>	<u>49,439,142</u>
Deferred Inflows of Resources						
Deferred Amount of Net Pension Liability	2,986,631	7,445,549	-	-	2,986,631	7,445,549
Deferred Commodities Revenue	-	-	-	<u>57</u>	-	<u>57</u>
Total Deferred Inflows of Resources	<u>2,986,631</u>	<u>7,445,549</u>	<u>-</u>	<u>57</u>	<u>2,986,631</u>	<u>7,445,549</u>
Total Liabilities and Deferred Inflows of Resources	<u>55,132,238</u>	<u>56,749,841</u>	<u>240,719</u>	<u>134,907</u>	<u>55,372,957</u>	<u>56,884,691</u>
Net Position:						
Net Investment in Capital Assets	28,720,886	26,479,892	415,662	395,250	29,136,548	26,875,142
Restricted	3,093,542	5,353,951			3,093,542	5,353,951
Unrestricted	<u>(20,954,518)</u>	<u>(18,679,423)</u>	<u>120,164</u>	<u>908,272</u>	<u>(20,834,354)</u>	<u>(17,771,151)</u>
Total Net Position	<u>\$ 10,859,910</u>	<u>\$ 13,154,420</u>	<u>\$ 535,826</u>	<u>\$ 1,303,522</u>	<u>\$ 11,395,736</u>	<u>\$ 14,457,942</u>

NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

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

Changes in Net Position For the Fiscal Years Ended June 30, 2023 and 2022

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues						
Charges for Services	\$ 237,787	\$ 271,420	\$ 1,986,120	\$ 995,958	\$ 2,223,907	\$ 1,267,378
Operating Grants and Contributions	22,519,332	24,477,442	463,705	1,483,865	22,983,037	25,961,307
Capital Grants and Contributions	317,447	393,948			317,447	393,948
General Revenues						
Property Taxes	63,623,669	62,451,195			63,623,669	62,451,195
State Aid	5,305,639	5,693,637			5,305,639	5,693,637
Other	393,154	999,451	24,429	1,028	417,583	1,000,479
Total Revenues	<u>92,397,028</u>	<u>94,287,093</u>	<u>2,474,254</u>	<u>2,480,851</u>	<u>94,871,282</u>	<u>96,767,944</u>
Expenses						
Instruction						
Regular	38,348,261	36,431,664			38,348,261	36,431,664
Special Education	18,491,397	17,381,210			18,491,397	17,381,210
Other Instruction	1,747,349	1,664,833			1,747,349	1,664,833
School Sponsored Activities and Athletics	1,927,134	1,942,315			1,927,134	1,942,315
Community Services		308,030				308,030
Support Services						
Student and Instruction Related Services	12,288,317	11,647,484			12,288,317	11,647,484
General Administrative Services	2,075,164	2,177,548			2,075,164	2,177,548
School Administrative Services	4,892,923	5,221,639			4,892,923	5,221,639
Plant Operations and Maintenance	8,687,963	7,155,029			8,687,963	7,155,029
Pupil Transportation	3,283,721	2,862,647			3,283,721	2,862,647
Business and Other Support Services	1,790,564	1,605,939			1,790,564	1,605,939
Interest and Other Charges on Long-Term Debt	1,158,745	1,297,457			1,158,745	1,297,457
Food Services Program			1,819,888	1,486,129	1,819,888	1,486,129
Extended Day Program	-	-	1,422,062	730,825	1,422,062	730,825
Total Expenses	<u>94,691,538</u>	<u>89,695,795</u>	<u>3,241,950</u>	<u>2,216,954</u>	<u>97,933,488</u>	<u>91,912,749</u>
Change in Net Position	(2,294,510)	4,591,298	(767,696)	263,897	(3,062,206)	4,855,195
Net Position, Beginning 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>
Net Position, End of Year	<u>\$ 10,859,910</u>	<u>\$ 13,154,420</u>	<u>\$ 535,826</u>	<u>\$ 1,303,522</u>	<u>\$ 11,395,736</u>	<u>\$ 14,457,942</u>

NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities

The financial position of the District declined in 2022-2023. Maintaining existing programs with enrollment changes, the provision of a multitude of special programs/services for disabled pupils, and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

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

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction				
Regular	\$ 38,348,261	\$ 36,431,664	\$ 30,124,532	\$ 27,309,449
Special Education	18,491,397	17,381,210	10,343,037	9,067,996
Other Instruction	1,747,349	1,664,833	1,151,514	1,125,640
School Sponsored Activities and Athletics	1,927,134	1,942,315	1,431,404	1,400,061
Community Services		308,030		306,095
Support Services				
Student and Instruction Related Services	12,288,317	11,647,484	8,913,490	8,177,379
General Administration	2,075,164	2,177,548	1,934,677	1,964,818
School Administration Services	4,892,923	5,221,639	4,368,828	4,363,089
Plant Operation and Maintenance	8,687,963	7,155,029	7,901,743	6,115,135
Pupil Transportation	3,283,721	2,862,647	2,617,455	2,049,920
Business Services	1,790,564	1,605,939	1,671,547	1,375,946
Interest and Other Charges on Long-Term Debt	<u>1,158,745</u>	<u>1,297,457</u>	<u>1,158,745</u>	<u>1,297,457</u>
Total	<u>\$ 94,691,538</u>	<u>\$ 89,695,795</u>	<u>\$ 71,616,972</u>	<u>\$ 64,552,985</u>

NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$1,436,622, a decrease of \$6,504,850 from last year's fund balance of \$7,941,472.

Revenues and other financing sources for the District's governmental funds were \$101,335,370; total expenditures and other financing uses were \$107,840,220.

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

Revenues of the General Fund were \$89,480,418 for the fiscal year ended June 30, 2023. State sources amounted to \$27,922,539, federal sources totaled \$166,473 and local sources were \$61,391,406.

Expenditures of the General Fund were \$95,274,126. Instructional expenditures were \$63,038,475, expenditures for support services were \$30,813,758, capital expenditures totaled \$942,111 and debt service expenditures totaled \$479,782 for the fiscal year ended June 30, 2023.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal and State sources as well as local grants and donations utilized in the operations of the district in providing educational services to students.

Revenues of the Special Revenue Fund were \$5,250,066 for the fiscal year ended June 30, 2023. State sources amounted to \$1,592,215, federal sources totaled \$3,247,579 and local sources were \$410,272.

Expenditures of the Special Revenue Fund were \$5,238,451. Instructional expenditures were \$2,369,521, expenditures for support services were \$2,779,654 and capital expenditures totaled \$89,276 for the fiscal year ended June 30, 2023.

Capital Projects - The capital projects expenditures and other financing uses exceeded revenues and other financing sources by \$33,854 decreasing the fund balance from \$1,311,786 at June 30, 2022 to \$1,277,932 at June 30, 2023.

Proprietary Funds

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

NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2022 encumbrances.
- Appropriation of Capital and Maintenance Reserves 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, 2023 and 2022 amounts to \$57,942,196 and \$57,244,216 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, right-to use buildings, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2022-2023 amounted to \$2,260,425 for governmental activities and \$40,951 for the Business-Type activities.

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

	Governmental		Business- Type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Land	\$ 444,337	\$ 79,932			\$ 444,337	\$ 79,932
Construction in Progress		35,644			-	35,644
Buildings	54,777,383	55,247,013	\$ 75,732	\$ 63,367	54,853,115	55,310,380
Right-To-Use Buildings	835,582				835,582	-
Machinery and Equipment	1,469,232	1,486,377	339,930	331,883	1,809,162	1,818,260
Total	\$ 57,526,534	\$ 56,848,966	\$ 415,662	\$ 395,250	\$ 57,942,196	\$ 57,244,216

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 June 30, 2023, the District's long-term liabilities consisted of compensated absences payable of \$1,463,280, serial bonds of \$29,011,293 (including unamortized premium), capital leases of \$847,505, capital and other financing agreements of \$529,857, accrued liability for insurance claims of \$1,321,000 and net pension liability of \$13,640,264 totaling \$46,813,199. This is in comparison to long-term liabilities at June 30, 2022 of \$45,760,286 or an increase of \$1,052,913.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Nutley Board of Education, 371 Franklin Avenue, Nutley, NJ 07110.

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,215,677	\$ 378,408	\$ 4,594,085
Receivables, net			
Receivables from Other Governments	1,214,511	8,897	1,223,408
Other	327,430	58,290	385,720
Inventory		15,288	15,288
Other Assets	12,523		12,523
Internal Balances	100,000	(100,000)	-
Restricted Assets			
Cash and Cash Equivalents Held by Fiscal Agent	446,849		446,849
Capital Assets			
Not Being Depreciated	444,337		444,337
Being Depreciated, Net	<u>57,082,197</u>	<u>415,662</u>	<u>57,497,859</u>
Total Assets	<u>63,843,524</u>	<u>776,545</u>	<u>64,620,069</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	872,942		872,942
Deferred Amounts on Refundings of Debt	<u>1,275,682</u>	-	<u>1,275,682</u>
Total Deferred Outflows of Resources	<u>2,148,624</u>	-	<u>2,148,624</u>
Total Assets and Deferred Outflows of Resources	<u>65,992,148</u>	<u>776,545</u>	<u>66,768,693</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	3,869,054	190,473	4,059,527
Payable to State and Federal Governments	168,149		168,149
Claims and Judgements Payable	446,849		446,849
Accrued Interest Payable	452,040		452,040
Unearned Revenue	396,316	50,246	446,562
Noncurrent Liabilities			
Due Within One Year	2,960,994		2,960,994
Due Beyond One Year	<u>43,852,205</u>	-	<u>43,852,205</u>
Total Liabilities	<u>52,145,607</u>	<u>240,719</u>	<u>52,386,326</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>2,986,631</u>	-	<u>2,986,631</u>
Total Deferred Inflows of Resources	<u>2,986,631</u>	-	<u>2,986,631</u>
Total Liabilities and Deferred Inflows of Resources	<u>55,132,238</u>	<u>240,719</u>	<u>55,372,957</u>
NET POSITION			
Net Investment in Capital Assets	28,720,886	415,662	29,136,548
Restricted for:			
Capital Projects	1,299,190		1,299,190
Other Purposes	1,794,352		1,794,352
Unrestricted	<u>(20,954,518)</u>	<u>120,164</u>	<u>(20,834,354)</u>
Total Net Position	<u>\$ 10,859,910</u>	<u>\$ 535,826</u>	<u>\$ 11,395,736</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, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities							
Instruction							
Regular	\$ 38,348,261	\$ 7,892	\$ 8,156,551	\$ 59,286	\$ (30,124,532)		\$ (30,124,532)
Special Education	18,491,397		8,148,360		(10,343,037)		(10,343,037)
Other Instruction	1,747,349		595,835		(1,151,514)		(1,151,514)
School Sponsored Activities and Athletics	1,927,134	229,895	265,835		(1,431,404)		(1,431,404)
Support Services							
Student and Instruction Related Services	12,288,317		3,344,837	29,990	(8,913,490)		(8,913,490)
General Administrative Services	2,075,164		140,487		(1,934,677)		(1,934,677)
School Administrative Services	4,892,923		524,095		(4,368,828)		(4,368,828)
Plant Operations and Maintenance	8,687,963		558,049	228,171	(7,901,743)		(7,901,743)
Pupil Transportation	3,283,721		666,266		(2,617,455)		(2,617,455)
Business Services	1,790,564		119,017		(1,671,547)		(1,671,547)
Interest on Long-Term Debt and Other Charges	1,158,745	-	-	-	(1,158,745)	-	(1,158,745)
 Total Governmental Activities	 <u>94,691,538</u>	 <u>237,787</u>	 <u>22,519,332</u>	 <u>317,447</u>	 <u>(71,616,972)</u>	 <u>-</u>	 <u>(71,616,972)</u>
Business-Type Activities							
Food Service	1,819,888	1,017,137	463,705			\$ (339,046)	(339,046)
Extended Day	<u>1,422,062</u>	<u>968,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(453,079)</u>	<u>(453,079)</u>
 Total Business-Type Activities	 <u>3,241,950</u>	 <u>1,986,120</u>	 <u>463,705</u>	 <u>-</u>	 <u>-</u>	 <u>(792,125)</u>	 <u>(792,125)</u>
 Total Primary Government	 <u>\$ 97,933,488</u>	 <u>\$ 2,223,907</u>	 <u>\$ 22,983,037</u>	 <u>\$ 317,447</u>	 <u>(71,616,972)</u>	 <u>(792,125)</u>	 <u>(72,409,097)</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, 2023**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Balance, Carry Forward	\$ (71,616,972)	\$ (792,125)	\$ (72,409,097)
General Revenues			
Property Taxes			
General Purposes	60,996,246		60,996,246
Debt Service	2,627,423		2,627,423
State Aid			
Unrestricted	4,481,786		4,481,786
Restricted for Debt Service	823,853		823,853
Miscellaneous Income	393,154	24,429	417,583
Total General Revenues	69,322,462	24,429	69,346,891
Change in Net Position	(2,294,510)	(767,696)	(3,062,206)
Net Position, Beginning of Year	13,154,420	1,303,522	14,457,942
Net Position, End of Year	\$ 10,859,910	\$ 535,826	\$ 11,395,736

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, 2023**

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 1,538,755	\$ 1,372,075	\$ 1,277,932	\$ 26,915	\$ 4,215,677
Cash Held by Fiscal Agent	446,849		-		446,849
Receivables, Net					
Receivables from Other Governments	131,512	1,082,999			1,214,511
Other	321,657	5,773			327,430
Deposits	12,523				12,523
Due from Other Funds	<u>169,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,210</u>
 Total Assets	 <u>\$ 2,620,506</u>	 <u>\$ 2,460,847</u>	 <u>\$ 1,277,932</u>	 <u>\$ 26,915</u>	 <u>\$ 6,386,200</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 2,515,212	\$ 562,719			\$ 3,077,931
Due to Other Funds		69,210			69,210
Intergovernmental Payable	99,970	68,179			168,149
Payroll Deductions and Withholdings Payable	785,989				785,989
Claims and Judgements Payable	446,849				446,849
Other Liabilities	5,134				5,134
Unearned Revenue	<u>7,652</u>	<u>388,664</u>	<u>-</u>	<u>-</u>	<u>396,316</u>
 Total Liabilities	 <u>3,860,806</u>	 <u>1,088,772</u>	 <u>-</u>	 <u>-</u>	 <u>4,949,578</u>
 Fund Balances					
Restricted					
Capital Reserve	21,258				21,258
Maintenance Reserve	40				40
Unemployment Compensation Reserve	395,322				395,322
Student Activities		210,228			210,228
Scholarship Awards		1,161,847			1,161,847
Capital Projects			\$ 1,277,932		1,277,932
Debt Service				\$ 26,915	26,915
Assigned					
Encumbrances	15,957				15,957
Designated for Subsequent Year's Budget	1,257,229				1,257,229
Unassigned	<u>(2,930,106)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,930,106)</u>
 Total Fund Balances	 <u>(1,240,300)</u>	 <u>1,372,075</u>	 <u>1,277,932</u>	 <u>26,915</u>	 <u>1,436,622</u>
 Total Liabilities and Fund Balances	 <u>\$ 2,620,506</u>	 <u>\$ 2,460,847</u>	 <u>\$ 1,277,932</u>	 <u>\$ 26,915</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 \$94,745,999 and the accumulated depreciation is \$37,219,465. 57,526,534

The District has financed capital assets through the issuance of serial bonds. The interest accrual at year end is: (452,040)

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) (46,813,199)

Deferred Inflows and Outflows related to the debt refundings and net pension liability are not reported in the funds. (See Note 2) (838,007)

\$ 10,859,910

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Taxes	\$ 60,996,246			\$ 2,627,423	\$ 63,623,669
Tuition	7,892				7,892
Interest	165,034		\$ 340		165,374
Miscellaneous	<u>222,234</u>	<u>\$ 410,272</u>	<u>-</u>	<u>5,546</u>	<u>638,052</u>
Total - Local Sources	<u>61,391,406</u>	<u>410,272</u>	<u>340</u>	<u>2,632,969</u>	<u>64,434,987</u>
State Sources	27,922,539	1,592,215	228,171	823,853	30,566,778
Federal Sources	<u>166,473</u>	<u>3,247,579</u>	<u>-</u>	<u>-</u>	<u>3,414,052</u>
Total Revenues	<u>89,480,418</u>	<u>5,250,066</u>	<u>228,511</u>	<u>3,456,822</u>	<u>98,415,817</u>
EXPENDITURES					
Current					
Regular Instruction	40,287,526	1,429,984			41,717,510
Special Education Instruction	19,307,229	399,254			19,706,483
Other Instruction	1,589,390	317,392			1,906,782
School-Sponsored Activities and Athletics	1,854,330	222,891			2,077,221
Support Services					
Student and Instructional Related Services	10,584,110	2,363,359			12,947,469
General Administrative Services	1,625,416				1,625,416
School Administrative Services	5,413,469				5,413,469
Plant Operations and Maintenance	7,913,661	375,602			8,289,263
Pupil Transportation	3,345,370	40,693			3,386,063
Business Services	1,931,732				1,931,732
Debt Service					
Principal	360,120			2,410,000	2,770,120
Interest and Other Charges	119,662			1,019,908	1,139,570
Capital Outlay	<u>942,111</u>	<u>89,276</u>	<u>1,906,606</u>	<u>-</u>	<u>2,937,993</u>
Total Expenditures	<u>95,274,126</u>	<u>5,238,451</u>	<u>1,906,606</u>	<u>3,429,908</u>	<u>105,849,091</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures Before					
Other Financing Sources (Uses)	<u>(5,793,708)</u>	<u>11,615</u>	<u>(1,678,095)</u>	<u>26,914</u>	<u>(7,433,274)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from Capital Lease	928,424				928,424
Transfers In	173,444		1,817,685		1,991,129
Transfers Out	<u>(1,817,685)</u>	<u>-</u>	<u>(173,444)</u>	<u>-</u>	<u>(1,991,129)</u>
Total Other Financing Sources (Uses)	<u>(715,817)</u>	<u>-</u>	<u>1,644,241</u>	<u>-</u>	<u>928,424</u>
Net Change in Fund Balances	(6,509,525)	11,615	(33,854)	26,914	(6,504,850)
Fund Balance, Beginning 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>
Fund Balance, End of Year	<u>\$ (1,240,300)</u>	<u>\$ 1,372,075</u>	<u>\$ 1,277,932</u>	<u>\$ 26,915</u>	<u>\$ 1,436,622</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, 2023**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ (6,504,850)**

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	\$ 2,937,993	
Depreciation Expense	<u>(2,260,425)</u>	677,568

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		(167,422)
Accrued Liability for Insurance Claims		<u>(487,072)</u>

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

Repayment of Debt Principal		
Serial Bonds	2,410,000	
Capital Leases	80,919	
Capital and Other Financing Financing Agreements	279,201	
Proceeds from Capital Lease	<u>(928,424)</u>	1,841,696

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	178,950	
Amortization of Deferred Amount on Refunding of Debt	<u>(212,826)</u>	(33,876)

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		2,351,658
Decrease in Pension Expense - Essex County Pension Fund		<u>13,087</u>

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>14,701</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ (2,294,510)**

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

	<u>Food Service</u>	<u>Extended Day</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
ASSETS			
Cash and Cash Equivalents	\$ 274,078	\$ 104,330	\$ 378,408
Intergovernmental Accounts Receivable			
State	410		410
Federal	8,487		8,487
Other Accounts Receivable	58,290		58,290
Inventory	15,288	-	15,288
Total Current Assets	356,553	104,330	460,883
Capital Assets			
Building Improvements	82,617		82,617
Machinery and Equipment	602,088		602,088
Less: Accumulated Depreciation	(269,043)	-	(269,043)
Total Capital Assets, Net	415,662	-	415,662
Total Assets	772,215	104,330	876,545
LIABILITIES			
Liabilities			
Accounts Payable	190,473		190,473
Due to Other Funds		100,000	100,000
Unearned Revenue	50,246	-	50,246
Total Liabilities	240,719	100,000	340,719
NET POSITION			
Investment in Capital Assets	415,662		415,662
Unrestricted	115,834	4,330	120,164
Total Net Position	\$ 531,496	\$ 4,330	\$ 535,826

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, 2023**

	<u>Food Service</u>	<u>Extended Day</u>	Business-Type Activities Enterprise Fund Totals
OPERATING REVENUES			
Charges for Services			
Daily Sales			
Reimbursable Programs	\$ 151,863		\$ 151,863
Non-Reimbursable Programs	809,103		809,103
Miscellaneous	<u>56,171</u>	<u>\$ 968,983</u>	<u>1,025,154</u>
 Total Operating Revenues	 <u>1,017,137</u>	 <u>968,983</u>	 <u>1,986,120</u>
OPERATING EXPENSES			
Salaries and Wages	834,468	704,356	1,538,824
Employee Benefits	85,214	210,000	295,214
Cost of Sales			-
Reimbursable Programs	372,144		372,144
Non-Reimbursable Programs	267,012		267,012
Supplies	56,453	75,000	131,453
Purchased Services	58,335	432,706	491,041
Other	105,311		105,311
Depreciation	<u>40,951</u>	<u>-</u>	<u>40,951</u>
 Total Operating Expenses	 <u>1,819,888</u>	 <u>1,422,062</u>	 <u>3,241,950</u>
 Operating Income (Loss)	 <u>(802,751)</u>	 <u>(453,079)</u>	 <u>(1,255,830)</u>
NONOPERATING REVENUES (EXPENSES)			
State Sources			
State School Lunch Program	13,200		13,200
State Breakfast	53		53
Federal Sources			
Federal School Lunch Program	268,271		268,271
Food Distribution Program	68,089		68,089
School Breakfast Program	4,273		4,273
Covid Supply Chain Assistance	109,819		109,819
Interest Income	<u>10,120</u>	<u>14,309</u>	<u>24,429</u>
 Total Nonoperating Revenues	 <u>473,825</u>	 <u>14,309</u>	 <u>488,134</u>
 Change in Net Position	 <u>(328,926)</u>	 <u>(438,770)</u>	 <u>(767,696)</u>
 Net Position, Beginning of Year	 <u>860,422</u>	 <u>443,100</u>	 <u>1,303,522</u>
 Net Position, End of Year	 <u>\$ 531,496</u>	 <u>\$ 4,330</u>	 <u>\$ 535,826</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, 2023**

	<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	\$ 975,245	\$ 968,983	\$ 1,944,228
Payments for Employees	(919,682)	(914,356)	(1,834,038)
Payments to Suppliers	<u>(683,098)</u>	<u>(507,706)</u>	<u>(1,190,804)</u>
Net Cash Provided By (Used For) Operating Activities	<u>(627,535)</u>	<u>(453,079)</u>	<u>(1,080,614)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Cash Received from Interfund Transactions		100,000	100,000
State and Federal Sources	<u>575,552</u>	<u>-</u>	<u>575,552</u>
Net Cash Provided By Non-Capital Financing Activities	<u>575,552</u>	<u>100,000</u>	<u>675,552</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Acquisition of Capital Assets	<u>(61,363)</u>	<u>-</u>	<u>(61,363)</u>
Net Cash Provided by (Used for) Financing Activities	<u>(61,363)</u>	<u>-</u>	<u>(61,363)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	<u>10,120</u>	<u>14,309</u>	<u>24,429</u>
Net Cash Provided By Investing Activities	<u>10,120</u>	<u>14,309</u>	<u>24,429</u>
Net Change in Cash and Cash Equivalents	(103,226)	(338,770)	(441,996)
Cash and Cash Equivalents, Beginning of Year	<u>377,304</u>	<u>443,100</u>	<u>820,404</u>
Cash and Cash Equivalents, End of Year	<u>\$ 274,078</u>	<u>\$ 104,330</u>	<u>\$ 378,408</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ (802,751)	\$ (453,079)	\$ (1,255,830)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities			
Depreciation	40,951		40,951
USDA Commodities	68,089		68,089
(Increase) Decrease in Accounts Receivable	(52,393)		(52,393)
(Increase) Decrease in Inventories	12,757		12,757
Increase (Decrease) in Accounts Payable	95,311		95,311
Increase (Decrease) in Unearned Revenue	10,558		10,558
Increase/(Decrease) in Deferred Commodities Revenue	<u>(57)</u>	<u>-</u>	<u>(57)</u>
Total Adjustments	<u>175,216</u>	<u>-</u>	<u>175,216</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ (627,535)</u>	<u>\$ (453,079)</u>	<u>\$ (1,080,614)</u>
Non-Cash Financing Activities			
Fair Value of Food Distribution Program - National School Lunch	<u>\$ 68,032</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, 2023**

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 2023, the District adopted the following GASB statements:

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

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

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

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

Separate fund financial statements are provided for governmental 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, grants and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

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

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 except for intangible right-to-use leased assets and intangible right-to-use IT subscription assets, the measurement of which is discussed in Note 1. E.9. 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
Right-to-use Leased Buildings	5
Building Improvements	20
Heavy Equipment	10-20
Office Equipment and Furniture	7-10
Computer Equipment	5

6. *Deferred Outflows/Inflows of Resources*

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 fund employees do not accrue unused vacation and sick leave. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

8. *Pensions*

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

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

9. *Leases*

Leases Payable

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

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

10. *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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. *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.

12. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

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 3E).

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).

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

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 2023/2024 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.

13. 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

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

4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

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

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

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	\$ 27,905,000
Unamortized Premium	1,106,293
Leases	847,505
Capital Financing Agreements	222,532
Other Financing Agreements	307,325
Compensated Absences Payable	1,463,280
Accrued Liability for Insurance Claims	1,321,000
Net Pension Liability	
Public Employees' Retirement System	13,522,914
Essex County	<u>117,350</u>
	<u>\$ 46,813,199</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	\$ 2,986,631
Deferred Outflows of Resources	
Deferred Amounts on Debt Refundings	(1,275,682)
Deferred Amount on Net Pension Liability	<u>(872,942)</u>
	<u>\$ 838,007</u>

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November 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 2022/2023. Also, during 2022/2023 the Board increased the original budget of the general fund by \$4,776,417 and the special revenue fund by \$5,116,175. The increases were funded by the additional appropriation of unassigned fund balance, capital reserve, maintenance reserve, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances.

During the fiscal year, the Board authorized and approved fund balance withdrawals from unassigned fund balance of \$2,084,737, capital reserve of \$1,817,685 and maintenance reserve of \$716,733 from the General Fund.

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

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

B. Excess Expenditures Over Appropriations

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

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Unfavorable</u> <u>Variance</u>
General Fund			
Current Expenditures			
Undistributed Expenditures			
Custodial Services			
Energy (Electricity)	\$ 232,464	\$ 499,758	\$ 267,294
Unallocated Employee Benefits			
Health Benefits	12,977,069	13,663,360	686,291

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Deficit Fund Equity

The District has an accumulated deficit in fund balance of \$1,240,300 in the General Fund as of June 30, 2023. The District expects to eliminate this deficit through normal operations in succeeding years. As part of this deficit, the District has an unassigned fund balance deficit of \$2,930,106 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2022/2023 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements in the General Fund is less than the delayed state aid payments at June 30, 2023.

D. Capital Reserve

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

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

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

Balance, July 1, 2022	\$ 1,665,499
Increased by:	
Funds Restored to Capital Reserve	<u>173,444</u>
	1,838,943
Decreased by:	
Withdrawals Approved by Board Resolution	
Capital Projects Fund	<u>1,817,685</u>
Balance, June 30, 2023	<u>\$ 21,258</u>

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Maintenance Reserve

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

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

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

Balance, July 1, 2022	\$ 716,773
Decreased By:	
Withdrawals Approved by Board Resolution	<u>716,733</u>
Balance, June 30, 2023	<u>\$ 40</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$3,269,992.

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2023, the book value of the Board's deposits was \$5,040,934 and bank and brokerage firm balances of the Board's deposits amounted to \$7,091,285. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 5,908,605
Uninsured and Collateralized	<u>1,182,680</u>
	<u>\$ 7,091,285</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2023 the Board’s bank balance of \$1,182,680 was exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Fair Value</u>
Uninsured and Collateralized:	
Collateral held by Board's Agent in the Board's name	\$ 446,849
Collateral held by pledging financial institution's trust department but not in the Board's name	<u>735,831</u>
	<u>\$ 1,182,680</u>

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, 2023, 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.

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

NOTE 4 DETAILED NOTES ON ALL FUNDS

B. Receivables

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

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts	\$ 321,657		\$ 58,290	\$ 379,947
Intergovernmental				
Federal	7,052	\$ 1,079,703	8,487	1,095,242
State	<u>124,460</u>	<u>3,296</u>	<u>410</u>	<u>128,166</u>
Gross Receivables	453,169	1,082,999	67,187	1,603,355
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 453,169</u>	<u>\$ 1,082,999</u>	<u>\$ 67,187</u>	<u>\$ 1,603,355</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	\$ 7,652
Special Revenue Fund	
Unencumbered Grant Draw Downs	338,445
Grant Draw Downs Year-End Encumbrances	<u>50,219</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 396,316</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

	<u>Balance</u> <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2023</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 79,932	\$ 364,405		\$ 444,337
Construction in Progress	<u>35,644</u>	<u>-</u>	<u>\$ (35,644)</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	<u>115,576</u>	<u>364,405</u>	<u>(35,644)</u>	<u>444,337</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	85,700,287	1,444,088		87,144,375
Right-to-Use Buildings		928,424		928,424
Machinery and Equipment	<u>5,992,143</u>	<u>236,720</u>	<u>-</u>	<u>6,228,863</u>
Total Capital Assets Being Depreciated	<u>91,692,430</u>	<u>2,609,232</u>	<u>-</u>	<u>94,301,662</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(30,453,274)	(1,913,718)		(32,366,992)
Right-to-Use Buildings		(92,842)		(92,842)
Machinery and Equipment	<u>(4,505,766)</u>	<u>(253,865)</u>	<u>-</u>	<u>(4,759,631)</u>
Total Accumulated Depreciation	<u>(34,959,040)</u>	<u>(2,260,425)</u>	<u>-</u>	<u>(37,219,465)</u>
Total Capital Assets, Being Depreciated, net	<u>56,733,390</u>	<u>348,807</u>	<u>-</u>	<u>57,082,197</u>
Governmental Activities Capital Assets, net	<u>\$ 56,848,966</u>	<u>\$ 713,212</u>	<u>\$ (35,644)</u>	<u>\$ 57,526,534</u>
	<u>Balance</u> <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2023</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Building Improvements	\$ 63,367	\$ 19,250		\$ 82,617
Machinery and Equipment	<u>559,975</u>	<u>42,113</u>	<u>-</u>	<u>602,088</u>
Total Capital Assets Being Depreciated	<u>623,342</u>	<u>61,363</u>	<u>-</u>	<u>684,705</u>
Less Accumulated Depreciation for:				
Building Improvements		(6,885)		(6,885)
Machinery and Equipment	<u>(228,092)</u>	<u>(34,066)</u>	<u>-</u>	<u>(262,158)</u>
Total Accumulated Depreciation	<u>(228,092)</u>	<u>(40,951)</u>	<u>-</u>	<u>(269,043)</u>
Total Capital Assets, Being Depreciated, net	<u>395,250</u>	<u>20,412</u>	<u>-</u>	<u>415,662</u>
Business-Type Activities Capital Assets, net	<u>\$ 395,250</u>	<u>\$ 20,412</u>	<u>\$ -</u>	<u>\$ 415,662</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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		343,364
General Administration		562,410
School Administration		1,924
Operations and Maintenance of Plant		784,419
Student Transportation		107,195
Business Services		<u>27,853</u>
Total Support Services		<u>1,827,165</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 2,260,425</u>
Business-Type Activities:		
Food Service Fund		<u>\$ 40,951</u>
Total Depreciation Expense-Business-Type Activities		<u>\$ 40,951</u>

Construction and Other Significant Commitments

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

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Nutley High School Media Center	<u>\$ 196,546</u>	<u>\$ 1,134,454</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

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

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 69,210
General Fund	Extended Day Enterprise Fund	<u>100,000</u>
		<u>\$ 169,210</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>		
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 1,817,685	\$ 1,817,685
Capital Projects Fund	\$ 173,444	-	<u>173,444</u>
Total	<u>\$ 173,444</u>	<u>\$ 1,817,685</u>	<u>\$ 1,991,129</u>

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

F. Leases

Leases Payable

On October 20, 2022, the District entered into a five year lease agreement as lessee for the use of office space for its Board of Education Offices. An initial lease liability was recorded in the amount of \$928,424. The lease has an interest rate of 5.09%. The District is required to make monthly payments ranging from \$17,235 to \$18,237. At the conclusion of the initial five year lease term the District has the option to renew the lease for additional five year terms. As of June 30, 2023 the value of the lease liability was \$847,505. The building has a five year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$928,424 and had accumulated depreciation of \$92,842.

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Leases Payable (Continued)

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 167,739	\$ 40,586	\$ 208,325
2025	178,915	32,416	211,331
2026	190,697	23,639	214,336
2027	203,120	14,222	217,342
2028	<u>107,034</u>	<u>2,388</u>	<u>109,422</u>
Total	<u>\$ 847,505</u>	<u>\$ 113,251</u>	<u>\$ 960,756</u>

G. 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, 2023 are comprised of the following:

\$155,563, fiscal year 2019 Agreement for the acquisition of school buses for a term of 5 years due in annual principal installments of \$30,209 to \$31,412 through August 1, 2024 interest at 3.90%	\$ 61,620
\$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>160,912</u>
Total	<u>\$ 222,532</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements (Continued)

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, 2023 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 \$153,253 and \$154,072 through July, 2024, interest free	<u>\$ 307,325</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>	
2024	\$ 110,002	\$ 5,124	\$ 153,253	\$ 268,379
2025	<u>112,530</u>	<u>2,596</u>	<u>154,072</u>	<u>269,198</u>
	<u>\$ 222,532</u>	<u>\$ 7,720</u>	<u>\$ 307,325</u>	<u>\$ 537,577</u>

H. 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, 2023 are comprised of the following issues:

\$1,860,000, 2013 Refunding Bonds, due in an annual installment of \$185,000 on August 15, 2023, interest at 2.25%	\$ 185,000
\$30,445,000, 2015 Refunding Bonds, due in annual installments of \$1,580,000 to \$3,380,000 through July 15, 2032, interest at 2.5% to 5.0%	23,095,000
\$4,695,000, 2022 Refunding Bonds, due in annual installments of \$625,000 to \$690,000 through August 15, 2029, interest at 2.24%	<u>4,625,000</u>
	<u>\$ 27,905,000</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt (Continued)

General Obligation Bonds (Continued)

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>	
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	2,790,000	627,172	3,417,172
2029-2033	<u>14,985,000</u>	<u>1,526,968</u>	<u>16,511,968</u>
	<u>\$ 27,905,000</u>	<u>\$ 5,548,271</u>	<u>\$ 33,453,271</u>

Statutory Borrowing Power

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

4% of Equalized Valuation Basis (Municipal)	\$ 176,684,148
Less: Net Debt Issued	<u>27,905,000</u>
Remaining Borrowing Power	<u>\$ 148,779,148</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Long-Term Liabilities

Changes in Long-Term Liabilities

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

	Balance			Balance	Due
	<u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2023</u>	<u>Within</u>
					<u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 30,315,000		\$ 2,410,000	\$ 27,905,000	\$ 2,455,000
Add: Unamortized Premium	<u>1,285,243</u>	-	<u>178,950</u>	<u>1,106,293</u>	-
	31,600,243	-	2,588,950	29,011,293	2,455,000
Capital Lease		\$ 928,424	80,919	847,505	167,739
Capital Financing Agreements	348,480		125,948	222,532	110,002
Other Financing Agreements	460,578		153,253	307,325	153,253
Net Pension Liability					
PERS - State of NJ	11,144,983	3,507,917	1,129,986	13,522,914	
Essex County	76,216	60,565	19,431	117,350	
Accrued Liability for Insurance Claims	833,928	15,782,675	15,295,603	1,321,000	
Compensated Absences Payable	<u>1,295,858</u>	<u>286,319</u>	<u>118,897</u>	<u>1,463,280</u>	<u>75,000</u>
Governmental Activity					
Long-Term Liabilities	<u>\$ 45,760,286</u>	<u>\$ 20,565,900</u>	<u>\$ 19,512,987</u>	<u>\$ 46,813,199</u>	<u>\$ 2,960,994</u>

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

NOTE 5 OTHER INFORMATION

A. Risk Management

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

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

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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, 2023, 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 \$1,767,849 reported at June 30, 2023 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, 2023 and 2022 are as follows:

Governmental Activities:	Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2022
Unpaid Claims, Beginning of Year	\$ 1,273,000	\$ 1,620,000
Incurred Claims	15,790,452	12,583,243
Claim Payments	<u>(15,295,603)</u>	<u>(12,930,243)</u>
Unpaid Claims, End of Year	<u>\$ 1,767,849</u>	<u>\$ 1,273,000</u>
General Fund:		
Claims and Judgements Payable	\$ 446,849	\$ 439,072
Long-Term Liabilities:		
Accrued Liability for Insurance Claims	<u>1,321,000</u>	<u>833,928</u>
	<u>\$ 1,767,849</u>	<u>\$ 1,273,000</u>

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>
2023	\$ 82,689	\$ 17,999	\$ 395,322
2022	200,232	34,819	390,635
2021	101,293	342,847	388,818

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

NOTE 5 OTHER INFORMATION (Continued)

B. Contingent Liabilities

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

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

C. Federal Arbitrage Regulations

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

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

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

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

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

The following represent the membership tiers for TPAF:

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

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

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

Other Pension Funds

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

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

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

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

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

Actuarial Methods and Assumptions

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

Employer and Employee Pension Contributions

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

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

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

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2023	\$ 1,129,986	\$ 11,468,100	\$ 12,340
2022	1,101,766	11,896,440	10,459
2021	1,024,993	7,933,692	7,220

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$5,329, \$5,535 and \$5,609, 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 \$2,501,813 during the fiscal year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

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

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

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

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$13,522,914 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2022. At June 30, 2022, the District's proportionate share was .08961 percent, which was a decrease of .00447 percent from its proportionate share measured as of June 30, 2021 of .09408 percent.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$1,221,672 for PERS. The pension contribution made by the District during the current 2022/2023 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 97,602	\$ 86,071
Changes of Assumptions	41,898	2,024,916
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	559,701	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>157,299</u>	<u>875,644</u>
Total	<u>\$ 856,500</u>	<u>\$ 2,986,631</u>

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

Year Ending <u>June 30,</u>	<u>Total</u>
2023	\$ (1,407,730)
2024	(775,910)
2025	(446,029)
2026	506,885
2027	(7,347)
Thereafter	<u>-</u>
	<u>\$ (2,130,131)</u>

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

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

Mortality Rates

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

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

Sensitivity of Net Pension Liability

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 17,372,983</u>	<u>\$ 13,522,914</u>	<u>\$ 10,246,350</u>

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

Pension Plan Fiduciary Net Position

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

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

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

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$3,956,849 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2023 the State's proportionate share of the net pension liability attributable to the District is \$147,024,817. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the District was .28496 percent, which was an increase of .01713 percent from its proportionate share measured as of June 30, 2021 of .26783 percent.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

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

Mortality Rates

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

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

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

Discount Rate

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

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

	1% Decrease (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>\$ 172,389,722</u>	<u>\$ 147,024,817</u>	<u>\$ 125,658,072</u>

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

Pension Plan Fiduciary Net Position

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

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
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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, 2022 was 74.64% 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 \$19,431 for fiscal year 2023.

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$117,350 for its proportionate share of the ECPF net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the District's proportionate share was .37290 percent, which was an increase of .01916 percent from its proportionate share measured as of June 30, 2021 of .35374.

For the year ended June 30, 2023, the District recognized in the district wide statement of activities (accrual basis) a pension expense of \$6,344 for ECPF. At June 30, 2023, the District reported deferred outflows of resources related to ECPF from the following sources in the amount of \$16,442.

**Deferred
 Outflows
 of Resources**

Net Difference Between Projected and Actual	
On Pension Plan Investments	\$ <u>16,442</u>

Actuarial Assumptions

The District's total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00%
Salary Increases	3.00%
Investment Rate of Return	5.00%
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.

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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, 2022 and 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Real Rate of Return*</u>	
	<u>2022</u>	<u>2021</u>
U.S. Fixed Income	0.70%	0.50%
U.S. Domestic Equity	6.70%	6.65%

* 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>
2023	June 30, 2022	5.00%
2022	June 30, 2021	5.00%

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 <u>(4.0%)</u>	Discount Rate <u>(5.0%)</u>	Increase <u>(6.0%)</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 179,643</u>	<u>\$ 117,350</u>	<u>\$ 63,490</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, 2022. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

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

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

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

Plan Membership

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Measurement Focus and Basis of Accounting

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

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

Collective Net OPEB Liability

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

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

Actuarial Methods and Assumptions

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

Post-Retirement Medical Benefits Contributions

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

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2023, 2022 and 2021 were \$3,012,642, \$2,779,489 and \$2,486,295, 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, 2023**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$4,505,104. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2023 the State’s proportionate share of the OPEB liability attributable to the District is \$133,594,771. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state’s share of the OPEB liability attributable to the District was .26378 percent, which was an increase of .0013 percent from its proportionate share measured as of June 30, 2021 of .26248 percent.

Actuarial Assumptions

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

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

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

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Health Care Trend Assumptions

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

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

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

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2021 Measurement Date	\$ <u>157,507,427</u>
Changes Recognized for the Fiscal Year:	
Service Cost	7,684,217
Interest on the Total OPEB Liability	3,540,409
Differences Between Expected and Actual Experience	4,095,092
Changes of Assumptions	(35,837,996)
Gross Benefit Payments	(3,506,880)
Contributions from the Member	<u>112,502</u>
Net Changes	<u>(23,912,656)</u>
Balance, June 30, 2022 Measurement Date	\$ <u><u>133,594,771</u></u>

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

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

	1% Decrease <u>(2.54%)</u>	Current Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 157,026,600</u>	<u>\$ 133,594,771</u>	<u>\$ 114,815,331</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
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 110,424,244</u>	<u>\$ 133,594,771</u>	<u>\$ 164,030,665</u>

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

F. Subsequent Events

Appropriation of Fund Balance

On September 26, 2023 the Board approved the appropriation of \$274,812 of General Fund unassigned fund balance to support expenditures of the 2023/2024 budget.

Financing Agreement

On September 26, 2023, the Board approved a four year financing agreement for staff devices with Apple Financing. The total lease is \$250,544 at 0% interest with annual payments of \$62,636 commencing on October 1, 2023.

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

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 RECENT HEALTHCARE DEVELOPMENTS

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

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

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

The Board has been awarded more than \$4 million in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION PART II

BUDGETARY COMPARISON SCHEDULES

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

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 60,996,246		\$ 60,996,246	\$ 60,996,246	
Tuition - Individuals	240,299		240,299	7,892	\$ (232,407)
Rents and Royalties	600,000		600,000	14,160	(585,840)
Interest on Unemployment				4,687	4,687
Interest			-	160,347	160,347
Fines and Forfeitures	227,725		227,725		(227,725)
Unrestricted Miscellaneous	775,278	-	775,278	208,074	(567,204)
Total Revenues - Local Sources	<u>62,839,548</u>	<u>-</u>	<u>62,839,548</u>	<u>61,391,406</u>	<u>(1,448,142)</u>
State Sources					
Equalization Aid	4,460,081		4,460,081	4,460,081	
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	1,707,350		1,707,350	2,698,646	991,296
On-Behalf TPAF					
Normal Pension			-	11,311,170	11,311,170
NCGI Contribution			-	156,930	156,930
Long Term Disability Insurance			-	5,329	5,329
Post Retirement Contribution			-	3,012,642	3,012,642
Social Security Contributions	-	-	-	2,501,813	2,501,813
Total State Sources	<u>9,678,156</u>	<u>-</u>	<u>9,678,156</u>	<u>27,657,336</u>	<u>17,979,180</u>
Federal Sources					
Medicaid Reimbursement	94,010	-	94,010	166,473	72,463
Total Federal Sources	<u>94,010</u>	<u>-</u>	<u>94,010</u>	<u>166,473</u>	<u>72,463</u>
Total Revenues	<u>72,611,714</u>	<u>-</u>	<u>72,611,714</u>	<u>89,215,215</u>	<u>16,603,501</u>
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers:					
Kindergarten	1,304,319	\$ 107,437	1,411,756	1,411,756	-
Grades 1 - 5	7,660,147	(105,131)	7,555,016	7,555,016	-
Grades 6 - 8	4,805,247	(63,433)	4,741,814	4,741,814	-
Grades 9 - 12	6,790,594	329,863	7,120,457	7,120,457	-
Home Instruction:					
Salaries of Teachers	30,000	9,127	39,127	39,127	-
Purchased Professional-Educational Services	25,000	76,857	101,857	101,857	-
Other Purchased Services	10,000	(10,000)			-
Regular Programs - Undistributed Instruction:					
Other Purchased Services	80,982	241,554	322,536	314,648	7,888
General Supplies	1,799,376	(172,977)	1,626,399	1,441,552	184,847
Textbooks	138,343	670	139,013	139,013	-
Other Objects	8,800	(6,247)	2,553	2,553	-
Total Regular Programs - Instruction	<u>22,652,808</u>	<u>407,720</u>	<u>23,060,528</u>	<u>22,867,793</u>	<u>192,735</u>
Special Education - Instruction					
Learning and/or Language Disabilities					
Salaries of Teachers	839,365	(230,413)	608,952	608,952	-
Other Salaries for Instruction	665,794	(69,847)	595,947	595,947	-
General Supplies	8,115	3,608	11,723	11,723	-
Textbooks	45	(45)	-	-	-
Other Objects	400	(400)	-	-	-
Total Learning and/or Language Disabilities	<u>1,513,719</u>	<u>(297,097)</u>	<u>1,216,622</u>	<u>1,216,622</u>	<u>-</u>
Resource Room/Resource Center					
Salaries of Teachers	3,510,895	86,069	3,596,964	3,596,964	-
General Supplies	22,955	(1,088)	21,867	21,867	-
Textbooks	-	-	-	-	-
Total Resource Room/Resource Center	<u>3,533,850</u>	<u>84,981</u>	<u>3,618,831</u>	<u>3,618,831</u>	<u>-</u>

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

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Special Education - Instruction (Continued)					
Autism					
Salaries of Teachers	\$ 791,389	\$ (82,840)	\$ 708,549	\$ 708,549	-
Other Salaries for Instruction	711,616	(31,486)	680,130	680,130	-
General Supplies	15,000	(7,642)	7,358	7,358	-
Other Objects	250	(250)	-	-	-
Total Autism	<u>1,518,255</u>	<u>(122,218)</u>	<u>1,396,037</u>	<u>1,396,037</u>	<u>-</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	207,440	(127,962)	79,478	79,478	-
Other Salaries for Instruction	175,398	11,421	186,819	186,819	-
General Supplies	12,500	(2,474)	10,026	10,026	-
Other Objects	100	(100)	-	-	-
Total Preschool Disabilities - Part-Time	<u>395,438</u>	<u>(119,115)</u>	<u>276,323</u>	<u>276,323</u>	<u>-</u>
Preschool Disabilities - Full-Time					
Salaries of Teachers	392,527	(31,502)	361,025	361,025	-
Other Salaries for Instruction	410,886	(79,535)	331,351	331,351	-
General Supplies	8,000	(6,260)	1,740	1,740	-
Total Preschool Disabilities - Full-Time	<u>811,413</u>	<u>(117,297)</u>	<u>694,116</u>	<u>694,116</u>	<u>-</u>
Total Special Education - Instruction	<u>7,772,675</u>	<u>(570,746)</u>	<u>7,201,929</u>	<u>7,201,929</u>	<u>-</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	462,059	19,530	481,589	481,589	-
General Supplies	2,000	(1,624)	376	376	-
Total Basic Skills/Remedial - Instruction	<u>464,059</u>	<u>17,906</u>	<u>481,965</u>	<u>481,965</u>	<u>-</u>
Bilingual Education - Instruction					
Salaries of Teachers	336,454	(18,401)	318,053	304,367	\$ 13,686
General Supplies	1,280	(1,060)	220	220	-
Total Bilingual Education - Instruction	<u>337,734</u>	<u>(19,461)</u>	<u>318,273</u>	<u>304,587</u>	<u>13,686</u>
School Sponsored Co/Extra Curricular Activities - Instruction					
Salaries of Teachers	156,208	103,435	259,643	259,643	-
Purchased Services	1,200	-	1,200	1,200	-
Supplies and Materials	16,500	(5,862)	10,638	10,638	-
Other Objects	14,500	(2,402)	12,098	12,098	-
Total School Sponsored Co/Extra Curricular Activities-Instr.	<u>188,408</u>	<u>95,171</u>	<u>283,579</u>	<u>283,579</u>	<u>-</u>
School Sponsored Athletics - Instruction					
Salaries	600,817	(41,401)	559,416	559,416	-
Purchased Services	93,315	12,166	105,481	105,481	-
Supplies and Materials	53,774	4,705	58,479	58,479	-
Other Objects	158,590	5,215	163,805	163,280	525
Total Athletics - Instruction	<u>906,496</u>	<u>(19,315)</u>	<u>887,181</u>	<u>886,656</u>	<u>525</u>
Before and After School Programs - Instruction					
Salaries	75,000	(54)	74,946	74,946	-
Supplies and Materials	25,000	(11,610)	13,390	220	13,170
Total Before and After School Programs	<u>100,000</u>	<u>(11,664)</u>	<u>88,336</u>	<u>75,166</u>	<u>13,170</u>
Other Instructional Programs - Instruction					
Salaries	-	3,986	3,986	3,986	-
Other Objects	-	600	600	600	-
Total Other Instruction Programs	<u>-</u>	<u>4,586</u>	<u>4,586</u>	<u>4,586</u>	<u>-</u>
Community Services Programs/Operations					
Salaries	-	389	389	389	-
Purchased Services	-	-	-	-	-
Total Community Services Programs/Operations	<u>-</u>	<u>389</u>	<u>389</u>	<u>389</u>	<u>-</u>
Total Instruction	<u>32,422,180</u>	<u>(95,414)</u>	<u>32,326,766</u>	<u>32,106,650</u>	<u>220,116</u>

(Continued)

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

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within State - Special	\$ 141,572	\$ (470)	\$ 141,102	\$ 141,102	-
Tuition to County Vocational School District - Regular	11,822	(11,822)	-	-	-
Tuition to CSSD and Regional Day School	326,520	(145,975)	180,545	180,545	-
Tuition to PSD W/I State	4,927,809	1,489,933	6,417,742	6,412,859	\$ 4,883
Tuition - State Facilities	40,270	-	40,270	40,270	-
Total Instruction (Tuition)	<u>5,447,993</u>	<u>1,331,666</u>	<u>6,779,659</u>	<u>6,774,776</u>	<u>4,883</u>
Health Services					
Salaries	638,677	94,789	733,466	733,466	-
Purchased Professional and Technical Services	60,000	(13,570)	46,430	25,087	21,343
Supplies and Materials	45,000	(15,715)	29,285	29,285	-
Total Health Services	<u>743,677</u>	<u>65,504</u>	<u>809,181</u>	<u>787,838</u>	<u>21,343</u>
Other Supp. Svcs.-					
Speech, OT, PT and Related Services					
Salaries	785,630	(12,617)	773,013	773,013	-
Purchased Professional Educational Services	538,000	(139,261)	398,739	398,589	150
Supplies and Materials	10,500	(502)	9,998	9,998	-
Total Speech, OT, PT and Related Services	<u>1,334,130</u>	<u>(152,380)</u>	<u>1,181,750</u>	<u>1,181,600</u>	<u>150</u>
Other Supp. Svcs.-Extraord. Serv.					
Salaries	659,126	(62,576)	596,550	596,550	-
Purchased Professional-Educational Services	25,000	(25,000)	-	-	-
Total Other Support Svcs.-Extraordinary Services	<u>684,126</u>	<u>(87,576)</u>	<u>596,550</u>	<u>596,550</u>	<u>-</u>
Other Supp. Svcs.-Guidance					
Salaries of Other Professional Staff	1,298,062	45,496	1,343,558	1,343,558	-
Salaries of Secretarial and Clerical Assistants	84,320	23,990	108,310	108,310	-
Other Purchased Services	1,600	(1,350)	250	250	-
Supplies and Materials	24,032	(8,043)	15,989	15,989	-
Other Objects	-	-	-	-	-
Total Other Support Services-Guidance	<u>1,408,014</u>	<u>60,093</u>	<u>1,468,107</u>	<u>1,468,107</u>	<u>-</u>
Other Supp. Svcs.-Child Study Teams					
Salaries of Other Professional Staff	1,724,957	48,072	1,773,029	1,773,029	-
Other Purchased Services	9,193	9,130	18,323	16,963	1,360
Supplies and Materials	16,082	(5,173)	10,909	10,909	-
Other Objects	-	100	100	100	-
Total Other Support Services-Child Study Teams	<u>1,750,232</u>	<u>52,129</u>	<u>1,802,361</u>	<u>1,801,001</u>	<u>1,360</u>
Improvement of Instruction					
Salaries of Other Professional Staff	17,300	13,990	31,290	31,290	-
Salaries of Secretarial and Clerical Assist.	122,434	26,020	148,454	148,454	-
Purchased Professional Educational Services	5,000	(5,000)	-	-	-
Other Purchased Services	2,850	(1,425)	1,425	1,425	-
Supplies and Materials	5,000	445	5,445	5,445	-
Other Objects	500	(300)	200	200	-
Total Improvement of Instruction	<u>153,084</u>	<u>33,730</u>	<u>186,814</u>	<u>186,814</u>	<u>-</u>
Educational Media Services/ School Library					
Salaries	718,826	(113,112)	605,714	605,714	-
Other Purchased Services	15,000	(5,516)	9,484	9,484	-
Supplies and Materials	78,205	(36,423)	41,782	41,782	-
Other Objects	5,000	(5,000)	-	-	-
Total Educational Media Services/ School Library	<u>817,031</u>	<u>(160,051)</u>	<u>656,980</u>	<u>656,980</u>	<u>-</u>
Instructional Staff Training Services					
Salaries of Other Professional Staff	5,000	(3,125)	1,875	1,875	-
Purchased Professional Educational Services	20,521	(14,626)	5,895	5,895	-
Other Purchased Services	12,000	(5,825)	6,175	6,175	-
Total Instructional Staff Training Services	<u>37,521</u>	<u>(23,576)</u>	<u>13,945</u>	<u>13,945</u>	<u>-</u>

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Support Services General Administration					
Salaries	\$ 779,892	\$ (91,955)	\$ 687,937	\$ 687,937	-
Legal Services	150,000	78,702	228,702	228,702	-
Audit Fees	46,000	27,112	73,112	73,112	-
Other Purchased Professional Services	650	(650)			-
Purchased Technical Services		5,878	5,878	5,878	-
Communications/Telephone	87,780	3,757	91,537	91,537	-
BOE Other Purchased Services	11,600	1,321	12,921	12,921	-
Miscellaneous Purchased Services		100	100	100	-
General Supplies	12,500	1,157	13,657	13,657	-
Judgments Against the School Entity		2,881	2,881	2,881	-
Miscellaneous Expenditures	11,750	357	12,107	12,107	-
BOE Membership Dues and Fees	29,150	(1,836)	27,314	27,314	-
Total Support Services General Administration	1,129,322	26,824	1,156,146	1,156,146	-
Support Services School Administration					
Salaries of Principals/Assistant Principals/Prog Dir	1,626,077	(203,258)	1,422,819	1,422,819	-
Salaries of Other Professional Staff	1,466,248	(176,345)	1,289,903	1,289,825	\$ 78
Salaries of Secretarial and Clerical Assistants	506,511	22,820	529,331	529,331	-
Other Purchased Services	62,789	(52,584)	10,205	10,205	-
Supplies and Materials	47,500	(672)	46,828	46,578	250
Other Objects	54,425	2,062	56,487	56,487	-
Total Support Services School Administration	3,763,550	(407,977)	3,355,573	3,355,245	328
Central Services					
Salaries	667,339	(1,468)	665,871	665,871	-
Purchased Professional Services	79,000	57,084	136,084	136,084	-
Miscellaneous Purchased Services	24,245	(2,691)	21,554	21,554	-
Supplies and Materials	9,000	28,284	37,284	37,284	-
Miscellaneous Expenditures	3,000	20	3,020	3,020	-
Total Undistributed Expenditures - Central Services	782,584	81,229	863,813	863,813	-
Admin. Info. Tech.					
Salaries	225,775	187,149	412,924	412,924	-
Other Purchased Services		-			-
Supplies and Materials	10,000	26,643	36,643	36,643	-
Total Undistributed Expenditures - Admin. Info. Technology	235,775	213,792	449,567	449,567	-
Required Maintenance for School Facilities					
Salaries	456,973	53,276	510,249	510,249	-
Cleaning, Repair and Maintenance Services	333,804	122,301	456,105	456,105	-
General Supplies	161,586	984,320	1,145,906	1,145,906	-
Other Objects	4,100	(2,760)	1,340	1,340	-
Total Undistributed Expend.-Required Main for School Facilities	956,463	1,157,137	2,113,600	2,113,600	-
Custodial Services					
Salaries	1,684,784	(3,020)	1,681,764	1,681,764	-
Salaries of Non-Instructional Aides	218,263	79,056	297,319	297,319	-
Cleaning, Repair and Maintenance Services	105,000	(13,183)	91,817	91,817	-
Rental of Land & Bldg. Oth. Than Lease Purch. Agreement	2,136	115,746	117,882	105,359	12,523
Other Purchased Property Services		35,459	35,459	35,459	-
Insurance	350,000	22,842	372,842	372,842	-
Miscellaneous Purchased Services	7,500	2,541	10,041	10,041	-
General Supplies	71,961	(60,672)	11,289	11,289	-
Energy (Natural Gas)	216,000	(62,509)	153,491	153,491	-
Energy (Electricity)	751,500	(519,036)	232,464	499,758	(267,294)
Energy (Gasoline)	20,000	15,733	35,733	35,733	-
Other Objects	1,000	724	1,724	1,724	-
Total Undistributed Expenditures-Custodial Services	3,428,144	(386,319)	3,041,825	3,296,596	(254,771)

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Care & Upkeep of Grounds					
Salaries	\$ 381,313	\$ (2,411)	\$ 378,902	\$ 378,902	-
Cleaning, Repair, and Maintenance Services	45,750	18,601	64,351	62,476	\$ 1,875
General Supplies	25,000	2,192	27,192	27,192	-
Total Undistributed Expend.- Care & Upkeep of Grounds	452,063	18,382	470,445	468,570	1,875
Security					
Salaries	276,903	227,170	504,073	504,073	-
Purchased Professional and Technical Services	70,900	(36,376)	34,524	34,524	-
General Supplies	26,200	(3,146)	23,054	22,648	406
Total Undistributed Expenditures-Security	374,003	187,648	561,651	561,245	406
Student Transportation Services					
Salaries for Non Instructional Aides	17,820	(14,926)	2,894	2,894	-
Salaries for Pupil Trans (Bet Home & Sch)-Reg.	15,024	(188)	14,836	14,836	-
Salaries for Pupil Trans (Bet Home & Sch)-Sp Ed.	1,192,252	202,868	1,395,120	1,395,120	-
Salaries for Pupil Trans (Other Than Bet Home & Sch)	54,587	(51,209)	3,378	3,378	-
Other Purchased Professional and Technical Services	1,500	309	1,809	1,809	-
Cleaning, Repair and Maintenance Services	198,635	(12,889)	185,746	183,273	2,473
Lease Purchase Payments - School Buses	135,000	(37,740)	97,260	97,260	-
Contract. Serv. - Aid in Lieu Pymts-Charter Sch	4,000	(4,000)	-	-	-
Contr Serv(Oth. Than Bet Home & Sch)-Vend	30,000	32,998	62,998	62,998	-
Contr Serv(Special Education Stds.)-Vendors	602,000	307,763	909,763	909,763	-
Contr Serv(Special Education Stds.)-Joint Agreement		1,944	1,944	1,944	-
Miscellaneous Purch. Services- Transportation	35,000	(6,719)	28,281	28,281	-
General Supplies	56,500	(2,840)	53,660	53,496	164
Other Objects	5,000	7,138	12,138	12,138	-
Total Undist. Expend.-Student Transportation Services	2,347,318	422,509	2,769,827	2,767,190	2,637
Unallocated Employee Benefits					
Social Security Contributions	830,000	118,585	948,585	948,585	-
Other Retirement Contributions - PERS	1,153,161	(23,175)	1,129,986	1,129,986	-
Other Retirement Contributions - Regular	34,647	(2,876)	31,771	31,771	-
Workmens Compensation	217,340	3,433	220,773	220,773	-
Health Benefits	12,442,780	534,289	12,977,069	13,663,360	(686,291)
Tuition Reimbursements	40,000	7,012	47,012	47,012	-
Other Employee Benefits	411,000	119,742	530,742	530,742	-
Total Unallocated Employee Benefits	15,128,928	757,010	15,885,938	16,572,229	(686,291)
On-Behalf TPAF - Non Budget					
Pension System Contributions-Normal				11,311,170	(11,311,170)
NCGI Premium				156,930	(156,930)
Long Term Disability Insurance				5,329	(5,329)
Post Retirement Benefits				3,012,642	(3,012,642)
Social Security Contributions	-	-	-	2,501,813	(2,501,813)
Total TPAF Pension and Social Security Contributions	-	-	-	16,987,884	(16,987,884)
Total Undistributed Expenditures	40,973,958	3,189,774	44,163,732	62,059,696	(17,895,964)
Total Current Expenditures	73,396,138	3,094,360	76,490,498	94,166,346	(17,675,848)
CAPITAL OUTLAY					
Equipment					
Operations and Maintenance		13,687	13,687	13,687	-
School Buses	168,815	(168,223)	592	-	592
Facilities Acquisition and Construction Services					
Right-to-Use Asset Acquired Under Capital Lease (Non-Budget)				928,424	(928,424)
Assessment for Debt Service on SDA Funding	88,649	-	88,649	88,649	-
Total - Capital Outlay Expenditures	257,464	(154,536)	102,928	1,030,760	(927,832)
Transfer of Funds to Charter Schools	58,112	18,908	77,020	77,020	-

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
Total Expenditures - General Fund	\$ 73,711,714	\$ 2,958,732	\$ 76,670,446	\$ 95,274,126	\$ (18,603,680)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(1,100,000)	(2,958,732)	(4,058,732)	(6,058,911)	(2,000,179)
Other Financing Sources (Uses)					
Proceeds from Capital Lease				928,424	928,424
Transfers In		-		173,444	173,444
Transfer to Capital Projects	-	(1,817,685)	(1,817,685)	(1,817,685)	-
Total Other Financing Sources	-	(1,817,685)	(1,817,685)	(715,817)	1,101,868
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other					
Financing Uses	(1,100,000)	(4,776,417)	(5,876,417)	(6,774,728)	(898,311)
Fund Balance, Beginning of Year	9,014,534	-	9,014,534	9,014,534	-
Fund Balance, End of Year	\$ 7,914,534	\$ (4,776,417)	\$ 3,138,117	\$ 2,239,806	\$ (898,311)
Recapitulation of Fund Balance					
Restricted					
Capital Reserve				\$ 21,258	
Maintenance Reserve				40	
Unemployment Compensation Reserve				395,322	
Assigned					
Encumbrances				15,957	
Designated for Subsequent Year's Budget				1,257,229	
Unassigned				550,000	
Fund Balance (Budgetary Basis)				2,239,806	
Reconciliation to Governmental Fund Statements (GAAP)					
2022/2023 State Aid Payments Not Recognized on a GAAP Basis				(3,480,106)	
Fund Balance per Governmental Funds (GAAP Basis)				\$ (1,240,300)	

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

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 282,300	\$ 1,716,096	\$ 1,998,396	\$ 1,576,020	\$ (422,376)
Federal	531,286	2,897,325	3,428,611	3,061,104	(367,507)
Local Sources					
Miscellaneous	-	502,754	502,754	410,234	(92,520)
Total Revenues	<u>813,586</u>	<u>5,116,175</u>	<u>5,929,761</u>	<u>5,047,358</u>	<u>(882,403)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	243,335	622,865	866,200	828,775	37,425
Other Salaries for Instruction		113,689	113,689	113,689	-
Purchased Professional/Educational Services	26,712	325,357	352,069	342,366	9,703
Tuition	-	375,873	375,873	303,494	72,379
General Supplies	188,794	80,933	269,727	218,646	51,081
Textbooks	41,976	-	41,976	17,989	23,987
Other Objects		132,030	132,030	59,113	72,917
Student Activities and Athletics	-	229,895	229,895	222,891	7,004
Total Instruction	<u>500,817</u>	<u>1,880,642</u>	<u>2,381,459</u>	<u>2,106,963</u>	<u>274,496</u>
Support Services					
Salaries of Program Directors		9,700	9,700	6,841	2,859
Salaries of Supervisors of Instruction		98,149	98,149	98,149	-
Salaries of Other Professional Staff		35,240	35,240	35,240	-
Other Salaries	68,800	25,320	94,120	57,074	37,046
Salaries of Master Teachers		75,600	75,600	75,600	-
Employee Benefits	84,543	524,546	609,089	506,496	102,593
Purchased Professional/Educational Services	133,736	1,896,839	2,030,575	1,581,586	448,989
Other Purchased Services	23,082	51,138	74,220	59,074	15,146
Transportation		47,515	47,515	40,693	6,822
Supplies and Materials	2,608	213,750	216,358	215,415	943
Other Objects		100,000	100,000	100,000	-
Miscellaneous Expenditures - Scholarships	-	18,368	18,368	13,757	4,611
Total Support Services	<u>312,769</u>	<u>3,096,165</u>	<u>3,408,934</u>	<u>2,789,925</u>	<u>619,009</u>
Facilities Acquisition and Construction					
Building Improvements		-	-	-	-
Instructional Equipment		109,368	109,368	108,865	503
Non-Instructional Equipment	-	30,000	30,000	29,990	10
Total Facilities Acquisition	<u>-</u>	<u>139,368</u>	<u>139,368</u>	<u>138,855</u>	<u>513</u>
Total Expenditures	<u>813,586</u>	<u>5,116,175</u>	<u>5,929,761</u>	<u>5,035,743</u>	<u>894,018</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	-	-	-	11,615	11,615
Fund Balances, Beginning of Year	<u>1,360,460</u>	<u>-</u>	<u>1,360,460</u>	<u>1,360,460</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 1,360,460</u>	<u>\$ -</u>	<u>\$ 1,360,460</u>	<u>\$ 1,372,075</u>	<u>\$ 11,615</u>

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

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

The accounting records of the Special Revenue 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 \$ 89,215,215	C-2	\$ 5,047,358
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, 2022 Encumbrances			253,875
Less: June 30, 2023 Encumbrances			(51,167)
State Aid payments recognized for GAAP Statements, not recognized for budgetary purposes.	3,745,309		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.	<u>(3,480,106)</u>		<u>-</u>
 Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 B-2 \$ <u>89,480,418</u>	B-2	 \$ <u>5,250,066</u>
 Uses/Outflows of Resources			
Actual expenditures (budgetary basis)	C-1 \$ 95,274,126	C-2	\$ 5,035,743
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, 2022 Encumbrances			253,875
Less: June 30, 2023 Encumbrances	<u>-</u>		<u>(51,167)</u>
 Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 B-2 \$ <u>95,274,126</u>	B-2	 \$ <u>5,238,451</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 Ten Fiscal Years *

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.08961%	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)	\$ 13,522,914	\$ 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	\$ 6,708,886	\$ 6,756,645	\$ 6,739,622	\$ 6,647,060	\$ 6,638,316	\$ 6,633,093	\$ 6,498,740	\$ 6,571,992	\$ 6,569,878	\$ 6,550,921
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	201.57%	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	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,129,986	\$ 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>1,129,986</u>	<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>	<u>\$ -</u>
District's Covered- Employee Payroll	\$ 7,292,943	\$ 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	15.49%	16.42%	15.17%	13.48%	14.53%	13.10%	13.07%	12.83%	12.05%	10.80%

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 Ten Fiscal Years *

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.00%	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>147,024,817</u>	<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>\$ 147,024,817</u>	<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	\$ 32,345,435	\$ 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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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, 2023

Change of Benefit Terms: None.

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

**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 Six Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 7,684,217	\$ 9,124,587	\$ 5,025,548	\$ 4,711,430	\$ 5,145,343	\$ 6,183,524
Interest on Total OPEB Liability	3,540,409	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	4,095,092	(31,865,186)	31,121,565	(20,910,038)	(12,645,671)	-
Changes of Assumptions	(35,837,996)	155,393	32,749,842	1,632,111	(14,049,762)	(18,751,543)
Gross Benefit Payments	(3,506,880)	(3,218,551)	(3,121,265)	(3,360,205)	(3,273,806)	(3,432,841)
Contribution from the Member	<u>112,502</u>	<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	(23,912,656)	(21,781,038)	69,824,903	(12,969,113)	(19,501,384)	(11,369,484)
Total OPEB Liability - Beginning 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>	<u>153,303,543</u>
Total OPEB Liability - End of Year	<u>\$ 133,594,771</u>	<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>\$ 133,594,771</u>	<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>\$ 133,594,771</u>	<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>\$ 39,054,321</u>	<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>	<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, 2023**

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, 2023**

	Page 2 Subtotal	Page 3 Subtotal	Page 4 Subtotal	Page 5 Subtotal	Total
REVENUES					
State Sources	\$ 1,092,967	\$ 483,053			\$ 1,576,020
Federal Sources	375,602		\$ 1,850,110	\$ 835,392	3,061,104
Other	410,234	-	-	-	410,234
Total Revenues	1,878,803	483,053	1,850,110	835,392	5,047,358
EXPENDITURES					
Instruction:					
Salaries of Teachers	221,803		225,311	381,661	828,775
Other Salaries for Instruction	113,689				113,689
Purchased Professional Educational Services	31,482	302,327	8,557		342,366
Tuition			303,494		303,494
General Supplies	133,903		71,057	13,686	218,646
Textbooks		17,989			17,989
Other Objects	59,113				59,113
Student Activities and Athletics	222,891	-	-	-	222,891
Total Instruction	782,881	320,316	608,419	395,347	2,106,963
Support Services					
Salaries of Program Directors			6,841		6,841
Salaries of Supervisors of Instruction	98,149				98,149
Salaries of Other Professional Staff	35,240				35,240
Other Salaries			31,002	26,072	57,074
Salaries of Master Teachers	75,600				75,600
Employee Benefits	257,559		78,185	170,752	506,496
Purchased Professional Educational Services	375,602	122,044	1,053,526	30,414	1,581,586
Other Purchased Services			59,074		59,074
Transportation		40,693	-		40,693
Supplies and Materials	-		2,608	212,807	215,415
Other Objects	100,000				100,000
Miscellaneous Expenditures - Scholarships	13,757	-	-	-	13,757
Total Support Services	955,907	162,737	1,231,236	440,045	2,789,925
Facilities Acquisition and					
Instructional Equipment	98,410	-	10,455	-	108,865
Non-Instructional Equipment	29,990	-	-	-	29,990
Total Facilities Acquisition	128,400	-	10,455	-	138,855
Total Expenditures	1,867,188	483,053	1,850,110	835,392	5,035,743
Excess (Deficiency) of Revenues Over/(Under) Expenditures	11,615	-	-	-	11,615
Fund Balances, Beginning of Year	1,360,460	-	-	-	1,360,460
Fund Balances, End of Year	1,372,075	-	-	-	1,372,075

Recapitulation of Fund Balance

Student Activity	\$ 210,228
Scholarship Awards	1,161,847
	<u>\$ 1,372,075</u>

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

	<u>Preschool Education</u>	<u>School Violence Prevention</u>	<u>Nonpublic Technology</u>	<u>Nonpublic Security</u>	<u>Climate Awareness</u>	<u>Other</u>	<u>Student Activities</u>	<u>Scholarships</u>	<u>Sub-Total</u>
REVENUES									
State Sources	\$ 948,633		\$ 25,289	\$ 112,390	\$ 6,655				\$ 1,092,967
Federal Sources		\$ 375,602							375,602
Other	-	-	-	-	-	\$ 161,971	\$ 229,895	\$ 18,368	410,234
Total Revenues	<u>948,633</u>	<u>375,602</u>	<u>25,289</u>	<u>112,390</u>	<u>6,655</u>	<u>161,971</u>	<u>229,895</u>	<u>18,368</u>	<u>1,878,803</u>
EXPENDITURES									
Instruction:									
Salaries of Teachers	221,803								221,803
Other Salaries for Instruction	113,689								113,689
Purchased Professional-Educational Services	6,193		25,289						31,482
General Supplies	12,000	-	-	112,390	6,655	2,858			133,903
Other Objects						59,113			59,113
Student Activities and Athletics	-	-	-	-	-	-	222,891	-	222,891
Total Instruction	<u>353,685</u>	<u>-</u>	<u>25,289</u>	<u>112,390</u>	<u>6,655</u>	<u>61,971</u>	<u>222,891</u>	<u>-</u>	<u>782,881</u>
Support Services									
Salaries of Supervisors of Instruction	98,149								98,149
Salaries of Other Professional Staff	35,240								35,240
Salaries of Master Teachers	75,600								75,600
Personnel Services - Employee Benefits	257,559								257,559
Purchased Education Svcs - Contracted Pre-K	-								-
Purchased Education Services - Head Start	-								-
Purchased Professional Educational Services		375,602							375,602
Cleaning, Repairs and Maintenance									-
Supplies and Materials									-
Other Objects						100,000			100,000
Miscellaneous Expenditures - Scholarships	-	-	-	-	-	-	-	13,757	13,757
Total Support Services	<u>466,548</u>	<u>375,602</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>13,757</u>	<u>955,907</u>
Facilities Acquisition and Construction Services									
Instructional Equipment	98,410	-	-	-	-	-	-	-	98,410
Non-Instructional Equipment	29,990	-	-	-	-	-	-	-	29,990
Total Facilities Acquisition	<u>128,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,400</u>
Total Expenditures	<u>948,633</u>	<u>375,602</u>	<u>25,289</u>	<u>112,390</u>	<u>6,655</u>	<u>161,971</u>	<u>222,891</u>	<u>13,757</u>	<u>1,867,188</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-	7,004	4,611	11,615
Fund Balances, Beginning of Year	-	-	-	-	-	-	203,224	1,157,236	1,360,460
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,228</u>	<u>\$ 1,161,847</u>	<u>\$ 1,372,075</u>

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

	N.J. Nonpublic Auxiliary					NJ Nonpublic Handicapped			Nonpublic Nursing	Sub-Total
	Nonpublic Textbooks	Compensatory Education	ESL	Transportation	Home Instruction	Supplemental Instruction	Examination/ Classification	Corrective Speech		
REVENUES										
State Sources	\$ 17,989	\$ 221,183	\$ 12,227	\$ 40,693	\$ 3,296	\$ 45,347	\$ 50,812	\$ 20,274	\$ 71,232	\$ 483,053
Federal Sources										
Other	-	-	-	-	-	-	-	-	-	-
Total Revenues	<u>17,989</u>	<u>221,183</u>	<u>12,227</u>	<u>40,693</u>	<u>3,296</u>	<u>45,347</u>	<u>50,812</u>	<u>20,274</u>	<u>71,232</u>	<u>483,053</u>
EXPENDITURES										
Instruction:										
Purchased Professional Educational Services		221,183	12,227		3,296	45,347		20,274		302,327
Textbooks	17,989	-	-	-	-	-	-	-	-	17,989
Total Instruction	<u>17,989</u>	<u>221,183</u>	<u>12,227</u>	<u>-</u>	<u>3,296</u>	<u>45,347</u>	<u>-</u>	<u>20,274</u>	<u>-</u>	<u>320,316</u>
Support Services										
Purchased Professional Educational Services	-	-	-	-	-	-	50,812	-	71,232	122,044
Transportation				40,693						40,693
Supplies and Materials	-	-	-	-	-	-	-	-	-	-
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,693</u>	<u>-</u>	<u>-</u>	<u>50,812</u>	<u>-</u>	<u>71,232</u>	<u>162,737</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>	<u>-</u>
Total Expenditures	<u>17,989</u>	<u>221,183</u>	<u>12,227</u>	<u>40,693</u>	<u>3,296</u>	<u>45,347</u>	<u>50,812</u>	<u>20,274</u>	<u>71,232</u>	<u>483,053</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Title I	Title II A	Title III	Title III Immigrant	Title IV	Perkins Vocational Education	IDEA B Basic	ARP IDEA Basic	IDEA Preschool	Sub-Total
REVENUES										
State Sources										
Federal Sources	\$ 384,233	\$ 96,973	\$ 21,796	\$ 10,191	\$ 18,407	\$ 23,773	\$ 1,056,055	\$ 189,246	\$ 49,436	\$ 1,850,110
Other	-	-	-	-	-	-	-	-	-	-
Total Revenues	384,233	96,973	21,796	10,191	18,407	23,773	1,056,055	189,246	49,436	1,850,110
EXPENDITURES										
Instruction:										
Salaries of Teachers	208,662		14,649	-	-	2,000			-	225,311
Purchased Professional Educational Services						8,557				8,557
Tuition							64,812	189,246	49,436	303,494
General Supplies	34,660	-	4,152	-	-	1,708	30,537	-	-	71,057
Total Instruction	243,322	-	18,801	-	-	12,265	95,349	189,246	49,436	608,419
Support Services										
Salaries of Program Directors				6,841						6,841
Other Salaries	15,000	8,198	800		7,004	-				31,002
Employee Benefits	74,070	2,378	-	742	842	153				78,185
Purchased Professional Educational Services	45,906	46,014				900	960,706	-		1,053,526
Other Purchased Services	5,935	40,383	2,195		10,561					59,074
Travel			-							-
Transportation	-	-	-							-
Supplies and Materials				2,608						2,608
Other Objects	-	-	-	-	-	-	-	-	-	-
Total Support Services	140,911	96,973	2,995	10,191	18,407	1,053	960,706	-	-	1,231,236
Facilities Acquisition and Construction Services										
Instructional Equipment	-	-	-	-	-	10,455	-	-	-	10,455
Total Facilities Acquisition	-	-	-	-	-	10,455	-	-	-	10,455
Total Expenditures	384,233	96,973	21,796	10,191	18,407	23,773	1,056,055	189,246	49,436	1,850,110
Excess (Deficiency) of Revenues										
Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	ESSER II			ARP					Sub-Total
	CRRSA ESSER II	Learning Acceleration	Mental Health	ESSER	Accelerated Learning	Evidence Based Summer Learning	Beyond the School Day	Mental Health	
REVENUES									
State Sources									
Federal Sources	\$ 22,318	\$ 2,060	\$ 11,801	\$ 523,216	\$ 180,457	\$ 35,399	\$ 37,157	\$ 22,984	\$ 835,392
Other	-	-	-	-	-	-	-	-	-
Total Revenues	22,318	2,060	11,801	523,216	180,457	35,399	37,157	22,984	835,392
EXPENDITURES									
Instruction:									
Salaries of Teachers	15,941	-	78	188,661	118,000	21,824	37,157	-	381,661
Purchased Professional Educational Services									-
Tuition									-
Other Purchased Services									-
General Supplies				9,207		4,479			13,686
Textbooks									-
Other Objects	-	-	-	-	-	-	-	-	-
Total Instruction	15,941	-	78	197,868	118,000	26,303	37,157	-	395,347
Support Services									
Salaries of Program Directors									-
Other Salaries			-	12,683		9,096		4,293	26,072
Employee Benefits	6,377	2,060		99,858	62,457				170,752
Purchased Professional Educational Services			11,723	-				18,691	30,414
Other Purchased Services									-
Cleaning, Repairs and Maintenance									-
Travel									-
Supplies and Materials				212,807					212,807
Other Objects	-	-	-	-	-	-	-	-	-
Total Support Services	6,377	2,060	11,723	325,348	62,457	9,096	-	22,984	440,045
Facilities Acquisition and Construction Services									
Building Improvements	-								-
Instructional Equipment									-
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition	-	-	-	-	-	-	-	-	-
Total Expenditures	22,318	2,060	11,801	523,216	180,457	35,399	37,157	22,984	835,392
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
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXPENDITURES	<u>Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Instruction					
Salaries of Teachers		\$ 221,803	\$ 221,803	\$ 221,803	
Other Salaries for Instruction		113,689	113,689	113,689	
Purchased Professional-Educational Services		7,249	7,249	6,193	\$ 1,056
General Supplies	-	12,000	12,000	12,000	-
Total Instruction	-	354,741	354,741	353,685	1,056
Support Services					
Salaries of Supervisors of Instruction		98,149	98,149	98,149	-
Salaries of Other Professional Staff		35,240	35,240	35,240	-
Salaries of Master Teachers		75,600	75,600	75,600	-
Personnel Services - Employee Benefits		257,559	257,559	257,559	-
Purchased Education Services - Contracted Pre-K		225,285	225,285		225,285
Purchased Education Services - Head Start	-	132,765	132,765	-	132,765
Total Support Services	-	824,598	824,598	466,548	358,050
Facilities Acquisition and Construction					
Instructional Equipment		98,913	98,913	98,410	503
Non-Instructional Equipment	-	30,000	30,000	29,990	10
Total Facilities Acquisition and Construction	-	128,913	128,913	128,400	513
Total Expenditures	\$ -	\$ 1,308,252	\$ 1,308,252	\$ 948,633	\$ 359,619

Calculation of Budget Carryover

Total 2022-2023 Preschool Education Aid Allocation	\$ 1,308,252
Total Preschool Education Aid Funds Available for 2022-2023 Budget	1,308,252
Less: 2022-2023 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>1,308,252</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2023	-
Add: June 30, 2023 Unexpended Preschool Education Aid	<u>359,619</u>
2022-2023 Carryover - Preschool Education Aid /Preschool Programs	\$ 359,619
2022-2023 Preschool Education Aid Carryover Budgeted in 2023-2024	<u>\$ -</u>

CAPITAL PROJECTS FUND

NUTLEY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Project Description</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2023</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Nutley High School Oval Project	\$ 1,930,000	\$ 1,863,480	\$ 42,616	\$ 23,904
Yantacaw School Secure Entrance	1,225,271	43,920	1,127,791	53,560
Nutley High School Media Center	1,397,265	103,569	92,977	1,200,719
John Walker Middle School Parking Lot	376,556	35,644	328,761	12,151
Maintenance Garage	223,320		223,320	
Acquisition of Buses, Maintenance Vehicles and Equipment	<u>397,974</u>	<u>306,833</u>	<u>91,141</u>	<u>-</u>
	<u>\$ 5,550,386</u>	<u>\$ 2,353,446</u>	<u>\$ 1,906,606</u>	<u>\$ 1,290,334</u>
Project Balances, June 30, 2023				\$ 1,290,334
Interest on Capital Financing Agreement				402
Cancelled SDA Grant				<u>(12,804)</u>
Fund Balance, June 30, 2023				<u>\$ 1,277,932</u>
Recapitulation of Fund Balance				
Restricted for Capital Projects				
Encumbrances				\$ 1,134,697
Restricted for Capital Financing Agreement				402
Available for Capital Projects				<u>142,833</u>
Total Fund Balance - Restricted for Capital Projects				<u>\$ 1,277,932</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, 2023**

Revenues and Other Financing Sources

Transfer from Capital Reserve	\$ 1,817,685
School Security Grant	228,171
Interest on Capital Financing Agreement	<u>340</u>
 Total Revenues and Other Financing Sources	 <u>2,046,196</u>

Expenditures and Other Financing Uses

Acquisition of Property	328,761
Construction Services	1,444,088
Acquisition of Equipment	42,616
Acquisition of Maintenance Vehicles and Equipment	91,141
Cancelled Balances Restored to General Fund Capital Reserve	<u>173,444</u>
 Total Expenditures and Other Financing Uses	 <u>2,080,050</u>

Excess of Expenditures and Other Financing Uses Over Revenues and Other Financing Sources	 (33,854)
 Fund Balance, Beginning of Year	 <u>1,311,786</u>
 Fund Balance, End of Year	 <u>\$ 1,277,932</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, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 1,930,000	-	\$ 1,930,000	\$ 1,930,000
Total Revenues and Other Financing Sources	<u>1,930,000</u>	<u>-</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
Acquisition of Equipment		\$ 42,616	42,616	42,616
Construction Services	<u>1,791,053</u>	<u>-</u>	<u>1,791,053</u>	<u>1,807,384</u>
Total Expenditures and Other Financing Uses	<u>1,863,480</u>	<u>42,616</u>	<u>1,906,096</u>	<u>1,930,000</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 66,520</u>	<u>\$ (42,616)</u>	<u>\$ 23,904</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	99%
Original Target Completion Date	6/30/2021
Revised Target Completion Date	12/31/2023

**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, 2023**

	<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	\$ 625,271	\$ 1,225,271	\$ 1,225,271
Total Revenues and Other Financing Sources	<u>600,000</u>	<u>625,271</u>	<u>1,225,271</u>	<u>1,225,271</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services				-
Construction Services	<u>43,920</u>	<u>1,127,791</u>	<u>1,171,711</u>	<u>1,225,271</u>
Total Expenditures and Other Financing Uses	<u>43,920</u>	<u>1,127,791</u>	<u>1,171,711</u>	<u>1,225,271</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 556,080</u>	<u>\$ (502,520)</u>	<u>\$ 53,560</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	96%
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, 2023**

	<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	\$ 1,197,265	\$ 1,397,265	\$ 1,397,265
Total Revenues and Other Financing Sources	<u>200,000</u>	<u>1,197,265</u>	<u>1,397,265</u>	<u>1,397,265</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services				-
Construction Services	<u>103,569</u>	<u>92,977</u>	<u>196,546</u>	<u>1,397,265</u>
Total Expenditures and Other Financing Uses	<u>103,569</u>	<u>92,977</u>	<u>196,546</u>	<u>1,397,265</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 96,431</u>	<u>\$ 1,104,288</u>	<u>\$ 1,200,719</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	\$ 1,397,265

Percentage Completion	14%
Original Target Completion Date	6/30/2021
Revised Target Completion Date	6/30/2024

**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, 2023**

	<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	\$ (173,444)	\$ 376,556	\$ 376,556
Total Revenues and Other Financing Sources	<u>550,000</u>	<u>(173,444)</u>	<u>376,556</u>	<u>376,556</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	35,644		35,644	47,795
Acquisition of Property	<u>-</u>	<u>328,761</u>	<u>328,761</u>	<u>328,761</u>
Total Expenditures and Other Financing Uses	<u>35,644</u>	<u>328,761</u>	<u>364,405</u>	<u>376,556</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 514,356</u>	<u>\$ (502,205)</u>	<u>\$ 12,151</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	\$ 376,556

Percentage Completion	97%
Original Target Completion Date	June 30, 2017
Revised Target Completion Date	June 30, 2023

**NUTLEY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
MAINTENANCE GARAGE
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ -	\$ 223,320	\$ 223,320	\$ 223,320
Total Revenues and Other Financing Sources	-	223,320	223,320	223,320
Expenditures and Other Financing Uses				
Construction Services	-	223,320	223,320	223,320
Total Expenditures and Other Financing Uses	-	223,320	223,320	223,320
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	N/A
Original Authorized Cost	\$ 223,320
Revised Authorized Cost	\$ 223,320

Percentage Completion	100%
Original Target Completion Date	June 30, 2023
Revised Target Completion Date	June 30, 2023

**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, 2023**

	<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>78,859</u>	<u>\$ 91,141</u>	<u>170,000</u>	<u>170,000</u>
Total Expenditures and Other Financing Uses	<u>306,833</u>	<u>91,141</u>	<u>397,974</u>	<u>397,974</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 91,141</u>	<u>\$ (91,141)</u>	<u>\$ -</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	100%
Original Target Completion Date	June 30, 2021
Revised Target Completion Date	December 31, 2022

PROPRIETARY FUND

EXHIBIT G-1

**NUTLEY BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

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

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, 2023**

<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, 2022</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance June 30, 2023</u>
Series 2012 Refunding Bonds	12/27/2012	\$ 10,000,000				\$ 650,000		\$ 650,000	
Series 2013 Refunding Bonds	1/03/2013	1,860,000	8/15/23	\$ 185,000	2.25 %	375,000		190,000	\$ 185,000
Series 2015 Refunding Bonds	4/8/2015	30,445,000	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	24,595,000	-	1,500,000	23,095,000
Series 2022 Refunding Bonds	5/17/2022	4,695,000	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	\$ -	70,000	4,625,000
						<u>\$ 30,315,000</u>	<u>\$ -</u>	<u>\$ 2,410,000</u>	<u>\$ 27,905,000</u>

**NUTLEY BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Issue</u>	<u>Balance, July 1, 2022</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance, June 30, 2023</u>
<u>Capital Financing Agreements</u>					
School Bus	78,419	\$ 18,404		\$ 18,404	
School Buses (2)	155,563	90,673		29,053	\$ 61,620
School Buses (3) and Maint. Vehicles and Equipment	397,974	<u>239,403</u>	<u>-</u>	<u>78,491</u>	<u>160,912</u>
		<u>348,480</u>	<u>-</u>	<u>125,948</u>	<u>222,532</u>
<u>Other Financing Agreements</u>					
Apple MacBooks and IMacs	614,104	<u>460,578</u>	<u>-</u>	<u>153,253</u>	<u>307,325</u>
		<u>460,578</u>	<u>-</u>	<u>153,253</u>	<u>307,325</u>
		<u>\$ 809,058</u>	<u>\$ -</u>	<u>\$ 279,201</u>	<u>\$ 529,857</u>

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

	<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	\$ 2,627,423		\$ 2,627,423	\$ 2,627,423	
Miscellaneous				5,546	\$ 5,546
State Sources					
Debt Service Aid	<u>823,853</u>	<u>-</u>	<u>823,853</u>	<u>823,853</u>	<u>-</u>
 Total Revenues	<u>3,451,276</u>	<u>-</u>	<u>3,451,276</u>	<u>3,456,822</u>	<u>5,546</u>
EXPENDITURES					
Debt Service					
Principal	2,340,000	\$ 70,000	2,410,000	2,410,000	
Interest	<u>1,111,276</u>	<u>(70,000)</u>	<u>1,041,276</u>	<u>1,019,908</u>	<u>21,368</u>
 Total Expenditures	<u>3,451,276</u>	<u>-</u>	<u>3,451,276</u>	<u>3,429,908</u>	<u>21,368</u>
 Excess (Deficit) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,914</u>	<u>26,914</u>
 Excess (Deficit) of Revenues Over (Under) Expenditures And other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,914</u>	<u>26,914</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>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 26,915</u>	<u>\$ 26,914</u>

**NUTLEY BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED
INFORMATION TECHNOLOGY ARRANGEMENTS
FOR THE FISCAL YEAR JUNE 30, 2023**

NOT APPLICABLE

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

<u>Description</u>	<u>Date of Lease</u>	<u>Amount of Issue</u>	<u>Annual Payments</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2023</u>
			<u>Year</u>	<u>Amount</u>					
Lease - 371 Franklin Avenue	10/20/2022	\$ 928,424	2023/2024	\$ 167,739	5.09 %				
			2024/2025	178,915					
			2025/2026	190,697					
			2026/2027	203,119					
			2027/2028	107,035					
						<u>\$ -</u>	<u>\$ 928,424</u>	<u>\$ 80,919</u>	<u>\$ 847,505</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)

	As of June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment In Capital Assets	\$ 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	\$ 28,720,886
Restricted	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	3,093,542
Unrestricted	(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)	(20,954,518)
Total Governmental Activities Net Position	\$ 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	\$ 10,859,910
Business-Type Activities										
Investment In Capital Assets	\$ 99,715	\$ 98,186	\$ 90,147	\$ 77,694	\$ 109,349	\$ 97,257	\$ 72,493	\$ 103,023	\$ 395,250	\$ 415,662
Unrestricted	587,550	786,662	1,038,986	1,241,168	1,417,498	1,270,929	825,345	936,602	908,272	120,164
Total Business-Type Activities Net Position	\$ 687,265	\$ 884,848	\$ 1,129,133	\$ 1,318,862	\$ 1,526,847	\$ 1,368,186	\$ 897,838	\$ 1,039,625	\$ 1,303,522	\$ 535,826
District-Wide										
Net Investment In Capital Assets	\$ 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	\$ 29,136,548
Restricted	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	3,093,542
Unrestricted	(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)	(20,834,354)
Total District Net Position	\$ 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	\$ 11,395,736

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 38,348,261
Special Education	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	18,491,397
Other Instruction	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	1,747,349
School Sponsored Activities And Athletics	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	1,927,134
Community Services	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	7,553,144	8,502,186	9,071,293	10,525,535	10,983,302	10,760,509	11,057,920	12,146,861	11,647,484	12,288,317
General Administration	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	2,075,164
School Administrative Services	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	4,892,923
Plant Operations And Maintenance	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	8,687,963
Pupil Transportation	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	3,283,721
Business Services	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	1,790,564
Interest On Long-Term Debt	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	1,158,745
Total Governmental Activities Expenses	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	94,691,538
Business-Type Activities:										
Food Service	918,360	846,273	916,514	988,220	940,782	1,112,733	895,514	764,528	1,486,129	1,819,888
Extended Day	690,063	836,125	854,554	940,362	899,588	1,057,490	1,102,030	158,591	730,825	1,422,062
Athletic Camps	15,558	-	-	3,189	590	-	-	-	-	-
Total Business-Type Activities Expense	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	3,241,950
Total District Expenses	\$ 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	\$ 97,933,488
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 166,386	\$ 242,148	\$ 153,876	\$ 143,067	\$ 132,071	\$ 148,273	\$ 99,158	\$ 58,890	\$ 71,545	\$ 7,892
School Sponsored Activities								137,226	199,875	229,895
Pupil Transportation	44,170	44,970	9,100	10,000						
Operating Grants And Contributions	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	22,519,332
Capital Grants And Contributions						275,552		11,870	393,948	317,447
Total Governmental Activities Program Revenues	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	23,074,566
Business-Type Activities:										
Charges For Services										
Food Service	785,006	761,257	741,578	788,858	678,410	732,606	632,133	36,766	221,323	1,017,137
Extended Day	916,906	891,490	1,016,495	1,067,012	1,126,078	1,036,410	629,092		774,635	968,983
Athletic Camps	15,900	1,700								
Operating Grants And Contributions	236,632	230,530	257,066	265,290	241,031	226,275	272,525	1,030,712	1,483,865	463,705
Total Business Type Activities Program Revenues	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	2,449,825
Total District Program Revenues	\$ 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	\$ 25,524,391

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (71,616,972)
Business-Type Activities	330,463	202,579	244,071	189,389	204,559	(174,932)	(463,794)	144,359	262,869	(792,125)
Total District-Wide Net Expense	<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>	<u>\$ (72,409,097)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 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	\$ 63,623,669
State Aid Unrestricted	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	4,481,786
Restricted Grants And Contributions	823,700	822,251	821,929	724,855	783,837	792,590	800,920	807,841	817,777	823,853
Miscellaneous Income	435,543	391,327	435,680	400,478	492,651	431,414	482,061	162,785	999,451	393,154
Loss on Disposal of Capital Assets	-	(22,215)	(27,173)	(52,079)	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	<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>	<u>69,322,462</u>
Business-Type Activities:										
Investment Earnings	\$ 122	\$ 140	\$ 214	\$ 340	\$ 5,019	\$ 16,271	\$ 7,821	\$ 1,090	\$ 1,028	\$ 24,429
Loss on Disposal of Capital Assets	-	(5,136)	-	-	(1,593)	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	<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>	<u>24,429</u>
Total District-Wide	<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>	<u>\$ 69,346,891</u>
Change in Net Position										
Governmental Activities	\$ 1,615,566	\$ 264,694	\$ 1,599,570	\$ (1,837,060)	\$ (560,654)	\$ 546,233	\$ 2,071,533	\$ 312,987	\$ 4,591,298	\$ (2,294,510)
Business-Type Activities	330,585	197,583	244,285	189,729	207,985	(158,661)	(455,973)	145,449	263,897	(767,696)
Total District	<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>	<u>\$ (3,062,206)</u>

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

	As Of June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 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	\$ 416,620
Committed	1,017,859	999,913	1,163,964	273,620		1,023,126				
Assigned	753,498	405,188	1,351,514	199,860	159,378	200,180	2,703,174	1,181,095	1,257,442	1,273,186
Unassigned	463,377	394,823	396,003	445,357	287,560	92,768	(188,904)	1,621,390	1,238,876	(2,930,106)
Total General Fund	<u>\$ 6,846,254</u>	<u>\$ 7,047,943</u>	<u>\$ 8,796,258</u>	<u>\$ 6,759,044</u>	<u>\$ 6,708,659</u>	<u>\$ 5,922,028</u>	<u>\$ 7,308,655</u>	<u>\$ 5,856,081</u>	<u>\$ 5,269,225</u>	<u>\$ (1,240,300)</u>
All Other Governmental Funds										
Restricted	\$ 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	\$ 2,676,922
Unassigned						(129,999)				
Total All Other Governmental Funds	<u>\$ 2,641,984</u>	<u>\$ 1,369,990</u>	<u>\$ 1,209,231</u>	<u>\$ 1,233,573</u>	<u>\$ 587,423</u>	<u>\$ 402,975</u>	<u>\$ 1,534,545</u>	<u>\$ 2,836,655</u>	<u>\$ 2,672,247</u>	<u>\$ 2,676,922</u>

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

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property Taxes	\$ 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	\$ 63,623,669
Tuition Charges	166,386	242,148	153,876	143,067	132,071	148,273	99,158	58,890	71,545	7,892
Transportation Fees	44,170	44,970	9,100	10,000						
Miscellaneous	508,306	413,059	471,012	470,029	581,787	490,797	566,455	457,399	1,217,655	803,426
State Sources	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	30,566,778
Federal Sources	1,136,408	1,318,310	1,433,829	1,339,648	1,416,828	1,491,597	1,279,087	2,194,894	3,648,251	3,414,052
Total Revenues	68,106,995	70,074,278	72,159,768	74,254,696	77,091,922	80,128,389	83,574,077	87,923,627	96,527,421	98,415,817
Expenditures										
Instruction										
Regular Instruction	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	41,717,510
Special Education Instruction	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	19,706,483
Other Instruction	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	1,906,782
School Sponsored Activities And Athletics	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	2,077,221
Community Services	22,149	12,655	6,813	7,729	8,312	4,812	4,189	3,126	308,680	
Support Services										
Student & Inst. Related Services	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	12,947,469
General Administration	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	1,625,416
School Administration	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	5,413,469
Plant Operations And Maintenance	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	8,289,263
Pupil Transportation	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	3,386,063
Other Support Services	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	1,931,732
Capital Outlay	243,975	1,748,011	829,680	2,213,115	941,756	1,330,919	1,312,387	1,683,349	1,314,449	2,937,993
Debt Service:										
Principal	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	2,770,120
Interest And Other Charges	2,096,552	2,242,733	1,442,475	1,636,097	1,565,000	1,493,322	1,421,683	1,357,188	1,352,534	1,139,570
Total Expenditures	66,820,740	71,499,436	70,657,212	76,267,568	77,864,337	81,453,439	83,096,928	88,472,065	97,339,247	105,849,091
Excess (Deficiency) Of Revenues Over (Under) Expenditures	1,286,255	(1,425,158)	1,502,556	(2,012,872)	(772,415)	(1,325,050)	477,149	(548,438)	(811,826)	(7,433,274)
Other Financing Sources (Uses)										
Payments to Escrow Agent		(32,947,950)							(4,634,438)	-
Refunding Bond Proceeds		30,445,000							4,695,000	-
Capital Leases (Non-Budgeted)		135,761	85,000		75,880	78,419	155,563	397,974		928,424
Proceeds from Insurance Recoveries						275,552				
Premium On Bonds		2,722,042								
Transfers In	1,554	1,483	2,108	553,436	7,731	101,906	1,100,048	1,080,000	550,000	1,991,129
Transfers Out	(1,554)	(1,483)	(2,108)	(553,436)	(7,731)	(101,906)	(1,100,048)	(1,080,000)	(550,000)	(1,991,129)
Total Other Financing Sources (Uses)	-	354,853	85,000	-	75,880	353,971	155,563	397,974	60,562	928,424
Net Change In Fund Balances	\$ 1,286,255	\$ (1,070,305)	\$ 1,587,556	\$ (2,012,872)	\$ (696,535)	\$ (971,079)	\$ 632,712	\$ (150,464)	\$ (751,264)	\$ (6,504,850)
Debt Service As A Percentage Of Noncapital Expenditures	5.74%	5.83%	5.19%	4.87%	4.69%	4.51%	4.44%	4.28%	4.14%	3.80%

* 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>
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
2023	165,034	7,892		14,160	13,884		194,190	395,160

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
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
2023	51,174,000	4,039,084,100	547,013,200	20,364,400	310,379,600	4,968,015,300	10,000	4,968,025,300	4,695,291,109	1.293

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>
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
2023	1.293	0.878	0.391	0.014	2.576

Source: Township of Nutley, Tax Assessor

* Revaluation effective for 2023

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

Taxpayer	2023	
	Taxable Assessed Value	% of Total District Net Assessed Value
HSRE Ideation Property Owner LLC	\$ 35,509,100	0.007147528
PB Nutcliff Master, LLC	32,388,500	0.006519391
GI TC Nutley LLC	31,589,000	0.006358462
M&M @ E Centre St	29,979,400	0.00603447
SF Nutley Properties Owner II, LLC	28,325,800	0.005701622
432 Owners Inc.	28,050,000	0.005646107
Village Manor Associates	28,029,100	0.0056419
Public Service Electric & Gas	18,678,200	0.003759683
SSEF, LLC	17,715,600	0.003565924
Nutley Senior Citizen Housing Corp	16,183,400	0.003257512
Total	<u>\$ 266,448,100</u>	<u>5.36%</u>

	2014	
	Taxable Assessed Value	% of Total District Net Assessed Value
Hoffman-LaRoche, Inc	\$ 227,682,104	6.84%
492 River Road Reckson	22,532,000	0.68%
Nutley Properties	18,616,000	0.56%
Public Service Electric & Gas	17,788,600	0.53%
Village Manor Associates	17,324,300	0.52%
432 Owners Inc.	16,320,000	0.49%
M&M @ E Centre St	13,458,800	0.40%
Nutley Shop-Rite	11,293,600	0.34%
JERC Partners III	8,006,800	0.24%
NSP Management Co.	7,190,300	0.22%
Total	<u>\$ 360,212,504</u>	<u>10.82%</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	
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
2023	63,623,669	63,623,669	100.00%	N/A

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

Fiscal Year Ended <u>June 30,</u>	Governmental Activities			Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases	Financing Agreements			
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
2023	27,905,000	\$ 847,505	529,857	29,282,362	29,565	990

Source: District records

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
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
2023	27,905,000		27,905,000	0.6%	944

Source: District records

NUTLEY BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2023
(Unaudited)

Net Direct Debt of School District as of June 30, 2023		\$ 27,905,000
Net Overlapping Debt of School District		
Township of Nutley	\$ 15,754,995	
Essex County	42,868,044	
Passaic Valley Sewerage Commission (B)	9,678,608	
North Jersey District Water Supply Commission (B)	<u>1,113,257</u>	
		<u>69,414,904</u>
 Total Direct and Overlapping Debt as of June 30, 2023		 <u>\$ 97,319,904</u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2022 equalized value by the total 2022 equalized value for Essex County.
- (B) Overlapping debt was computed based upon usage

Sources:

- (1) Township of Nutley 2022 Annual Debt Statement
- (2) Essex County 2022 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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 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	\$ 176,684,148
Total Net Debt Applicable To Limit	<u>46,225,000</u>	<u>44,930,000</u>	<u>42,805,000</u>	<u>40,865,000</u>	<u>38,865,000</u>	<u>36,795,000</u>	<u>34,655,000</u>	<u>32,450,000</u>	<u>30,315,000</u>	<u>27,905,000</u>
Legal Debt Margin	<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>	<u>\$ 148,779,148</u>
Total net debt applicable to the limit as a percentage of debt limit	30.14%	30.16%	29.38%	28.23%	26.64%	24.65%	22.51%	20.23%	18.10%	15.79%

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized Valuation Basis

2022	\$ 4,689,778,849
2021	4,361,348,391
2020	<u>4,200,183,856</u>
	<u>\$13,251,311,096</u>

Average Equalized Valuation of Taxable Property	\$ 4,417,103,699
Debt Limit (4 % of Average Equalization Value)	176,684,148
Total Net Debt Applicable to Limit	<u>27,905,000</u>
Legal Debt Margin	<u>\$ 148,779,148</u>

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

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
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	74,310	6.1%
2023	29,565	N/A	3.4%

Source: New Jersey State Department of Education

N/A - Information Not Available

**NUTLEY BOARD OF EDUCATION
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND TEN 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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	225	231	240	240	239	245	251	252	261	259
Special Education	52	56	57	66	64	67	67	68	63	80
Support Services										
Student and Instruction Related Services	147	141	161	140	147	144	140	141	138	134
General Administration	5	5	5	5	5	5	5	5	4	5
School Administrative Services	21	22	22	22	10	21	21	21	22	23
Central Services	9	8	8	10	10	9	11	11	18	11
Administrative Information Technology	4	4	4	4	3	3	4	4	3	5
Plant Operations and Maintenance	38	37	39	41	42	43	41	40	45	42
Pupil Transportation	31	31	31	31	31	31	47	46	30	34
Other Support Services	23	23	23	24	22	24	24	24	50	34
Total	<u>555</u>	<u>558</u>	<u>590</u>	<u>583</u>	<u>573</u>	<u>592</u>	<u>611</u>	<u>612</u>	<u>634</u>	<u>627</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures (A)	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Teacher/Pupil Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2014	4,015	\$ 62,755,532	\$ 15,630	4.07%	311.4	15	15	15	4,020	3,820	-0.40%	95.02%
2015	4,003	65,687,586	16,410	4.99%	305.0	13	13	15	4,005	3,807	-0.37%	95.06%
2016	4,038	66,203,318	16,395	-0.09%	334.0	14	13	15	4,026	3,826	0.52%	95.03%
2017	4,076	70,451,224	17,284	5.42%	319.0	12	13	14	4,075	3,856	1.22%	94.63%
2018	4,051	73,315,231	18,098	4.71%	316.0	10	12	13	4,058	3,832	-0.42%	94.43%
2019	4,063	76,506,596	18,830	4.04%	312.0	13	11	13	4,068	3,849	0.25%	94.62%
2020	4,046	78,153,051	19,316	2.58%	362.0	12	11	12	4,046	3,886	-0.54%	96.05%
2021	3,966	83,073,378	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	11	12	4,023	3,641	-0.57%	90.50%
2023	4,052	99,001,408	24,433	16.64%	339.0	12	11	12	4,024	3,736	1.46%	92.84%

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)**

District Building	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<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	1,246.00	1,242.00	1,244.00	1,230.00	1,210.00	1,216.00	1,179.00	1,144.00	1,157.00	1,132.00
<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	637.00	618.00	612.00	637.00	602.00	551.00	620.00	651.00	613.00	605.00
<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	342.00	338.00	326.00	330.00	357.00	352.00	353.00	340.00	353.00	363.00
<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	470.00	487.00	461.00	481.00	486.00	494.00	476.00	460.00	485.00	506.00
<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	453.00	483.00	546.00	561.00	543.00	556.00	560.00	523.00	480.00	516.00
<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	356.00	351.00	359.00	366.00	367.00	397.00	396.00	399.00	440.00	429.00
<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	511.00	484.00	490.00	471.00	486.00	497.00	462.00	449.00	452.00	436.00
<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, 2023										
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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Nutley High School	\$ 279,224	\$ 277,532	\$ 274,644	\$ 293,700	\$ 411,831	\$ 309,880	\$ 328,030	\$ 377,994	\$ 387,589	\$ 710,822
John H. Walker Middle School	157,652	167,526	164,414	156,293	196,580	220,633	218,452	251,726	258,116	473,374
Lincoln Elementary School	65,199	85,767	68,938	83,988	136,898	117,322	96,130	110,772	113,583	208,307
Radcliffe Elementary School	85,308	108,058	133,787	90,723	101,274	329,350	77,298	89,072	91,333	167,501
Spring Garden Elementary School	61,936	75,250	89,235	128,955	81,319	92,092	87,280	100,574	103,126	189,130
Washington Elementary School	118,943	87,238	78,377	175,288	89,794	121,051	83,717	96,469	98,917	181,410
Yantacaw Elementary School	78,540	66,747	91,361	81,481	80,076	97,389	84,476	97,343	99,814	183,056
Grand Total	<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>	<u>\$ 2,113,600</u>

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2023
(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
Board Secretary	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, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Nutley Board of Education
371 Franklin Avenue
Nutley, New Jersey 07110

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, 2023 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 7, 2024.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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 an instance of noncompliance or other matter that is 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 and which is described in the accompanying schedule of findings and questioned costs as 2023-001.

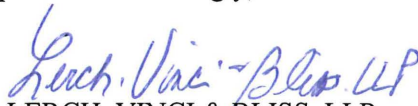
We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Nutley Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated February 7, 2024.

Nutley Board of Education's Responses to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Nutley Board of Education's response to the finding identified in our 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 the financial statements and, accordingly, we express no opinion on the response.

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 7, 2024



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Nutley Board of Education
371 Franklin Avenue
Nutley, New Jersey 07110

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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal and State Program

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

We are required to be independent of the 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 2023-002. 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.

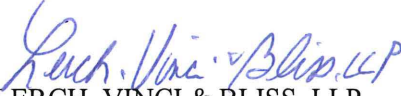
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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, 2023, 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 7, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 7, 2024

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

Federal Grantor/Pass-Through Grantor Program Title	Federal A.L. Number	Federal FAIN Number	Grant Period	Award Amount	Balance July 1, 2022			Cash Received	Budgetary Expenditures	Adjustment	Prior Year Adjustments	Repayment of Prior Year Balances	Balance June 30, 2023			Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor	
General Fund																
U.S. Department of Homeland Security Passed Through N.J. Department of Law and Public Safety Federal Emergency Management Agency Public Assistance Grants Hurricane IDA																
	97.036	NA	NA	\$ 16,335	\$ (16,335)	-	-	\$ 16,335	-	-	-	-	-	-	-	\$ -
Total - Federal Emergency Management Agency																
					(16,335)	-	-	16,335	-	-	-	-	-	-	-	-
U.S. Department of Treasury Covid ARP LEA Testing																
	93.323		7/1/21-6/30/22	112,713	(27,812)	-	-	27,812	-	-	-	-	-	-	-	-
U.S. Department of Health and Human Services																
Medicaid Reimbursement	93.778	2005NJSMAP	7/1/21-6/30/22	106,645	(17,034)	-	-	17,034	-	-	-	-	-	-	-	-
Medicaid Reimbursement	93.778	2005NJSMAP	7/1/22-6/30/23	131,874	-	-	-	124,822	131,874	-	-	-	(7,052)	-	-	(7,052)
Medicaid Reimbursement FCRA	93.778	2005NJSMAP	1/1/21-12/31/21	11,039	-	-	-	11,039	11,039	-	-	-	-	-	-	-
Medicaid Administrative Cost Reimbursement	93.778	2005NJSMAP	7/1/22-6/30/23	23,559	-	-	-	23,559	23,559	-	-	-	-	-	-	-
Medicaid Administrative Cost Reimbursement	93.778	2005NJSMAP	7/1/21-6/30/22	12,271	(4,159)	-	-	4,159	-	-	-	-	-	-	-	-
Total - Medicaid Assistance/General Fund																
					(21,193)	-	-	180,613	166,472	-	-	-	(7,052)	-	-	(7,052)
Total General Fund																
					(65,340)	-	-	224,760	166,472	-	-	-	(7,052)	-	-	(7,052)
U.S. Department of Education Passed Through State Department of Education Special Revenue Fund:																
Title I	84.010	S010A200030	7/1/20-9/30/21	286,938	-	\$ 56,507	-	-	-	-	\$ (49,650)	\$ 6,857	-	-	-	-
Title I	84.010	S010A210030	7/1/21-9/30/22	159,388	(118,456)	\$ 5,935	\$ (5,935)	112,521	\$ 5,935	-	-	-	\$ (168,227)	\$ 21,629	-	\$ (146,598)
Title I	84.010	S010A220030	7/1/22-9/30/23	399,927	-	-	5,935	237,635	384,233	(5,935)	-	-	-	-	-	-
Total Title I																
					(118,456)	5,935	56,507	350,156	384,233	-	(49,650)	6,857	(168,227)	21,629	-	(146,598)
Title II	84.367	S367A200029	7/1/20-9/30/21	74,380	-	-	-	-	-	-	-	-	-	-	-	-
Title II	84.367	S367A210029	7/1/21-9/30/22	68,776	(52,207)	46,439	(45,640)	6,567	45,640	-	-	-	-	\$ 799	-	-
Title II	84.367	S367A220029	7/1/22-9/30/23	81,987	-	-	45,640	76,170	96,973	(45,640)	-	-	(51,457)	30,654	-	(20,803)
Total Title II																
					(52,207)	46,439	-	82,737	96,973	-	-	-	(51,457)	30,654	799	(20,803)
Title III	84.365	S365A200030	7/1/22-9/30/23	22,144	-	-	3,571	20,942	21,796	(3,571)	-	-	(4,773)	3,919	-	(304)
Title III	84.365	S365A210030	7/1/21-9/30/22	20,181	(6,609)	3,571	(3,571)	3,038	3,571	-	-	-	-	-	-	-
Title III	84.365	S365A210030	7/1/20-9/30/21	18,154	-	-	5,227	-	-	-	(5,227)	-	-	-	-	-
Title III, Immigrant	84.365	S365A220030	7/1/22-9/30/23	13,050	-	-	-	6,393	10,191	-	-	-	(6,657)	2,859	-	(3,798)
Title III, Immigrant	84.365	S365A210030	7/1/21-9/30/22	-	(2,776)	2,053	-	723	-	-	-	-	-	-	-	-
Title III, Immigrant	84.365	S365A210030	7/1/20-9/30/21	7,258	-	-	1,389	-	-	-	-	1,389	-	-	-	-
Total Title III																
					(9,385)	5,624	6,616	31,096	31,987	-	(5,227)	1,389	(11,430)	6,778	-	(4,102)
Title IV	84.424	S424A220031	7/1/22-9/30/23	14,178	-	-	-	16,063	18,407	(20,197)	-	-	(18,312)	15,968	-	(2,344)
Title IV	84.424	S424A210031	7/1/21-9/30/22	20,197	(27,059)	23,313	(20,197)	3,746	-	20,197	-	-	-	-	-	-
Total Title IV																
					(27,059)	23,313	-	19,809	18,407	-	-	-	(18,312)	15,968	-	(2,344)
CARES (ESSER I)	84.425D	S425D210027	3/13/20-9/30/22	267,354	(60,902)	260	-	60,902	-	-	-	-	-	260	-	-
CRRSA - ESSER II	84.425D	S425D210027	3/13/20-9/30/23	906,981	(906,981)	43,941	-	884,663	22,318	-	-	-	(22,318)	21,623	-	(695)
CR Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	58,205	(58,205)	12,156	-	46,049	2,060	-	-	-	(12,156)	10,096	-	(2,060)
CR Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(45,000)	20,233	-	32,689	11,801	-	-	-	(12,311)	8,432	-	(3,879)
ARP ESSER	84.425U	S425U210027	3/13/20-9/30/24	2,038,381	(2,038,381)	599,905	-	1,754,248	523,216	-	9,250	-	(284,133)	85,939	-	(198,194)
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	346,712	(346,712)	229,712	-	264,050	180,457	-	-	-	(82,662)	49,255	-	(33,407)
Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000	-	15,790	35,399	-	-	-	(24,210)	4,601	-	(19,609)
Evidence Based Comprehension Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000	-	37,157	37,157	-	-	-	(40,000)	2,843	-	(37,157)
NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	(45,000)	25,150	-	25,063	22,984	-	-	-	(19,937)	2,166	-	(17,771)
ARP Homeless	84.425W			7,006	-	-	-	-	-	-	-	-	(7,006)	-	-	-
Total Education Stabilization																
					(3,581,181)	1,011,357	-	3,083,454	835,392	-	9,250	-	(504,733)	192,221	-	(312,772)

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

Federal Grantor/Pass-Through Grantor Program Title	Federal AL Number	Federal FAIN Number	Grant Period	Award Amount	Balance July 1, 2022			Cash Received	Budgetary Expenditures	Adjustment	Prior Year Adjustments	Repayment of Prior Year Balances	Balance June 30, 2023			Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor	
Covid ARP State and Local Fiscal Recovery Fund																
ACSERS	21.027	SLFRFDOEISES	7/1/21-6/30/22	216,624	(135,522)	-	-	135,522	-	-	-	-	-	-	-	-
U.S. Department of Justice School Violence Prevention Program	16.710	15JCOPS-22-GG	1/1/22-12/31/22	375,602	-	-	-	375,602	375,602	-	-	-	-	-	-	-
IDEA Part B	84.027	H027A200100	7/1/20-9/30/21	980,749	\$ (6,661)							\$ (6,661)			\$ (6,661)	
IDEA Part B	84.027	H027A210100	7/1/21-9/30/22	960,320	(390,479)	\$ 58,035	\$ (135,821)	\$ 333,742		\$ 135,821				\$ 1,298		
IDEA Part B	84.027	H027A220100	7/1/22-9/30/23	994,767			135,821	625,096	\$ 1,056,055	(135,821)			\$ (505,492)	\$ 74,533	(430,561)	
ARP IDEA	84.027X	H027X210100	7/1/21-9/30/22	205,811	(208,018)	208,018		101,363	189,246				(104,448)	16,565	(87,883)	
IDEA Part B Preschool	84.173	H173A220114	7/1/22-9/30/23	47,174			42,590	6,462	49,436	(42,590)			(83,302)	40,328	(42,974)	
IDEA Part B Preschool	84.173	H173A210114	7/1/21-9/30/22	42,590	(42,590)	42,590	(42,590)			42,590			-	-	-	
ARP IDEA Preschool	84.173X	H173X210114	7/1/21-9/30/22	17,740	(17,740)	17,740	-	-	-	-			(17,740)	17,740	-	
Total IDEA					(665,488)	326,383	-	1,066,663	1,294,737	-	-	-	(717,643)	149,166	1,298	(568,079)
Carl D. Perkins- Secondary	84.048	V048A200030	7/1/20-6/30/21	24,642	(1,232)								(1,232)		(1,232)	
Carl D. Perkins- Secondary	84.048	V048A210030	7/1/21-6/30/22	21,368	(1,032)			1,032							-	
Carl D. Perkins- Secondary	84.048	V048A220030	7/1/22-9/30/23	23,774	-	-	-	-	23,773	-	-	-	(23,773)	-	(23,773)	
Total Carl D. Perkins					(2,264)	-	-	1,032	23,773	-	-	-	(25,005)	-	(25,005)	
Total Special Revenue Fund					(4,591,562)	1,419,051	63,123	5,146,071	3,061,104	-	(45,627)	8,246	(1,496,807)	416,416	2,097	(1,079,703)
U.S.D.A. Department of Agriculture Passed Through NJ Department of Agriculture Enterprise Fund:																
National School Lunch Program	10.555															
Non-Cash Assistance (Food Distribution)		221NJ304N1099	7/1/21-6/30/22	55,441		57			57							
Non-Cash Assistance (Food Distribution)		231NJ304N1099	7/1/22-6/30/23	68,032				68,032	68,032							
Cash Assistance		221NJ304N1099	7/1/21-6/30/22	1,257,134	(101,953)			101,953								
Cash Assistance		231NJ304N1099	7/1/22-6/30/23	268,271				260,020	268,271				(8,251)		(8,251)	
School Breakfast Program	10.553	231NJ304N1099	7/1/22-6/30/23	4,273				4,037	4,273				(236)		(236)	
School Breakfast Program	10.553	221NJ304N1099	7/1/21-6/30/22	57,648	(3,621)			3,621							-	
Covid Supply Chain Assistance	10.555	231NJ304N1099	7/1/22-6/30/23	109,819				109,819	109,819							
Covid Supply Chain Assistance	10.555	221NJ304N1099	7/1/21-6/30/22	80,913	(80,913)			80,913								
Total Enterprise Fund - National School Lunch Program					(186,487)	57	-	628,395	450,452	-	-	-	(8,487)	-	-	(8,487)
Total Federal Financial Awards					\$ (4,843,389)	\$ 1,419,108	\$ 63,123	\$ 5,999,226	\$ 3,678,028	\$ -	\$ (45,627)	\$ 8,246	\$ (1,512,346)	\$ 416,416	\$ 2,097	\$ (1,095,242)

a - cancelled payable and encumbrance

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

State Department of Education	Grant or State Project Number	Grant	Award Amount	Balance July 1, 2022	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Adjustments	Balance June 30, 2023			Memorandum	
										(Accts. Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Budgetary Expenditures
General Fund:														
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	\$ 4,460,081			\$ 4,022,814	\$ 4,460,081			\$ (437,267)			*	\$ 4,460,081
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	4,878,663	(458,972)		458,972							*	-
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	2,841,511			2,562,928	2,841,511			(278,583)			*	2,841,511
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	2,841,511	(267,322)		267,322							*	-
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	81,159			73,202	81,159			(7,957)			*	81,159
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	81,159	(7,635)		7,635							*	-
Total State Aid Public				(733,929)		7,392,873	7,382,751			(723,807)			*	7,382,751
TPAF On-Behalf Pension Contrib.														
NCGI	23-495-034-5094-004	7/1/22-6/30/23	156,930			156,930	156,930						*	156,930
Normal	23-495-034-5094-002	7/1/22-6/30/23	11,311,170			11,311,170	11,311,170						*	11,311,170
LTDI	23-495-034-5094-004	7/1/22-6/30/23	5,329			5,329	5,329						*	5,329
Post Retirement Medical	23-495-034-5094-001	7/1/22-6/30/23	3,012,642			3,012,642	3,012,642						*	3,012,642
Total On-Behalf TPAF Pension						14,486,071	14,486,071						*	14,486,071
Transportation Aid														
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	588,055			530,402	588,055			(57,653)			*	588,055
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	588,055	(55,323)		55,323							*	-
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	2,698,646				2,698,646			(2,698,646)			*	2,698,646
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	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	(118,885)		118,885							*	-
TPAF Social Security Contribution	23-495-034-5094-003	7/1/22-6/30/23	2,501,813			2,377,353	2,501,813			(124,460)			*	2,501,813
Total General Fund				(3,864,194)		27,916,964	27,657,336			(3,604,566)			*	27,657,336
Special Revenue Fund:														
SDA Emergent Capital Needs	NA	NA	97,691	12,091									*	-
Preschool Education Aid	23-495-034-5120-086	7/1/22-6/30/23	1,308,252			1,177,427	948,633			(130,825)	12,091	359,619	*	948,633
Climate Change Awareness	NA	4/1/23-6/30/23	6,660			6,655	6,655						*	6,655
New Jersey Nonpublic Aid:														
Textbooks	22-100-034-5120-064	7/1/21-6/30/22	37,153	1,993				\$ 1,993					*	-
Textbooks	23-100-034-5120-064	7/1/22-6/30/23	41,976			41,976	17,989				23,987		*	17,989
Auxiliary Services														
Compensatory Education	22-100-034-5120-067	7/1/21-6/30/22	126,308	82,235				82,235					*	-
Compensatory Education	23-100-034-5120-067	7/1/22-6/30/23	221,183			221,183	221,183						*	221,183
English as a Second Language	22-100-034-5120-067	7/1/21-6/30/22	8,039	1,736				1,736					*	-
English as a Second Language	23-100-034-5120-067	7/1/22-6/30/23	13,330			13,330	12,227				1,103		*	12,227
Transportation	22-100-034-5120-067	7/1/21-6/30/22	34,502	34,502				34,502					*	-
Transportation	23-100-034-5120-067	7/1/22-6/30/23	47,515			47,515	40,693				6,822		*	40,693
Home Instruction	22-100-034-5120-067	7/1/21-6/30/22	1,183	(1,183)		1,183							*	-
Home Instruction	23-100-034-5120-067	7/1/22-6/30/23	3,296				3,296			(3,296)			*	3,296
				117,290		283,211	277,399	118,473		(3,296)		7,925	*	277,399
Handicapped Services														
Supplemental Instruction	22-100-034-5120-066	7/1/21-6/30/22	45,430	16,685				16,685					*	-
Supplemental Instruction	23-100-034-5120-066	7/1/22-6/30/23	54,764			54,764	45,347				9,417		*	45,347
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	75,630	24,445				24,445					*	-
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	56,118			56,118	50,812				5,306		*	50,812
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	22,320	809				809					*	-
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	20,274			20,274	20,274						*	20,274
				41,939		131,156	116,433	41,939				14,723	*	116,433
Nonpublic Security Aid														
Nonpublic Security Aid	22-100-034-5120-509	7/1/21-6/30/22	108,325	25,886				25,886	34			34	*	-
Nonpublic Security Aid	23-100-034-5120-509	7/1/22-6/30/23	130,380			130,380	112,390				17,990		*	112,390
Nonpublic Technology	22-100-034-5120-373	7/1/21-6/30/22	25,998	1				1					*	-
Nonpublic Technology	23-100-034-5120-373	7/1/22-6/30/23	26,712			26,712	25,289				1,423		*	25,289
Nonpublic Nursing	23-100-034-5120-070	7/1/22-6/30/23	71,232			71,232	71,232						*	71,232
Total Special Revenue Fund				199,200		1,868,749	1,576,020	188,292	34	(134,121)	371,710	66,082	#	(3,296)

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

NOTE 1 REPORTING ENTITY

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

NOTE 2 BASIS OF PRESENTATION

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

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$265,203 for the general fund and an increase of \$202,708 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	\$ 166,473	\$ 27,922,539	\$ 28,089,012
Special Revenue Fund	3,247,579	1,592,215	4,839,794
Capital Projects Fund		228,171	228,171
Debt Service Fund		823,853	823,853
Food Service Fund	<u>450,452</u>	<u>13,253</u>	<u>463,705</u>
Total Financial Assistance	<u>\$ 3,864,504</u>	<u>\$ 30,580,031</u>	<u>\$ 34,444,535</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, 2023**

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$2,501,813 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$11,468,100, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$3,012,642 and TPAF Long-Term Disability Insurance in the amount of \$5,329 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

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

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions 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 8 DE MINIMIS INDIRECT COST RATE

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

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

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiencies identified? yes X none reported

Noncompliance material to the basic financial statements noted? X yes 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? yes X 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, 84.027X</u>	<u>H027A200100</u>	<u>IDEA Basic and ARP IDEA</u>
<u>84.173, 84.173X</u>	<u> </u>	<u>IDEA Preschool and ARP IDEA Preschool</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>Coronavirus Relief and Economic</u>
<u> </u>	<u> </u>	<u>Security Act (CARES - ESSER I)</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>Coronavirus Response and Relief</u>
<u> </u>	<u> </u>	<u>Supplemental Act (CRRSA-ESSER II)</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>American Rescue Plan - Emergency</u>
<u> </u>	<u> </u>	<u>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, 2023**

Part 2 – Schedule of Financial Statement Findings

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

Finding 2023-001

We noted that two (2) budgetary line items (Energy-Electricity and Health Benefits) exceeded available appropriations at June 30, 2023. This also resulted in the District's operating budget being overexpended at year-end.

Criteria or Specific Requirement

GAAP Technical Systems Manual; NJAC 6A:23A-13.3

Condition

Budgetary expenditures exceeded available appropriations resulting the District's operating budget being overexpended by \$687,372 at June 30, 2023.

Context

See Finding 2023-001.

Effect

The District incurred expenditures in excess of available appropriations resulting in overexpenditures of certain budget line items and the District's General Fund operating budget.

Cause

Unknown.

Recommendation

The District continue to monitor their budgeted revenues and appropriations to ensure that sufficient funds are available to meet the operating needs of the District.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated that corrective action will be taken.

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

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

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

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

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

CURRENT YEAR STATE AWARDS

Finding 2023-002

We noted that two (2) budgetary line items (Energy-Electricity and Health Benefits) exceeded available appropriations at June 30, 2023. This also resulted in the District’s operating budget being overexpended at year-end.

State Program Informations

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084

Criteria or Specific Requirement

State Grant Compliance Supplement – State Aid Public – Special Tests and Provisions

Condition

Budgetary expenditures exceeded available appropriations resulting the District’s operating budget being overexpended by \$687,372 at June 30, 2023.

Context

See Finding 2023-002.

Effect

The District incurred expenditures in excess of available appropriations resulting in overexpenditures of line items and the District’s operating budget.

Cause

Unknown.

Recommendation

The District continue to monitor their budgeted revenues and appropriations to ensure that sufficient funds are available to meet the operating needs of the District.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated that corrective action will be taken.

**NUTLEY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. 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 2022-001

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

Current Status

See Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance – Finding 2023-5.