

VERONA BOARD OF EDUCATION

VERONA BOARD OF EDUCATION
Verona, New Jersey

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

**Annual Comprehensive
Financial Report**

of the

VERONA BOARD OF EDUCATION

Verona, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

**Verona Board of Education
Business Office**

VERONA BOARD OF EDUCATION
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2023

INTRODUCTORY SECTION (UNAUDITED)

Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	8
Consultants and Advisors.....	9
FINANCIAL SECTION.....	10
Independent Auditors' Report.....	11
Required Supplementary Information	14
Management's Discussion and Analysis	15
Basic Financial Statements (Sections A. and B.).....	23
A. District-Wide Financial Statements.....	24
A-1 Statement of Net Position	25
A-2 Statement of Activities.....	26
B. Fund Financial Statements.....	28
B-1 Balance Sheet – Governmental Funds	29
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds.....	30
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
B-4 Statement of Net Position – Proprietary Funds.....	32
B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds.....	33
B-6 Statement of Cash Flows – Proprietary Funds.....	34
Notes to the Basic Financial Statements.....	35
Required Supplementary Information	74
L. Schedules Related to Accounting and Reporting for Pensions and Post-Employment Benefits Other Than Pensions.....	75
L-1 Schedule of District's Proportionate Share of the Net Pension Liability – Public Employees Retirement System	75
L-2 Schedule of District Contributions – Public Employees Retirement System	76
L-3 Schedule of State's Proportionate Share of the Net Pension Liability Attributable to the District – Teachers' Pension and Annuity Fund.....	77
L-4 Schedule of State Contributions – Teachers' Pension and Annuity Fund	78
L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Attributable to the District and Related Ratios	79
Notes to Required Supplementary Information	80

VERONA BOARD OF EDUCATION
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

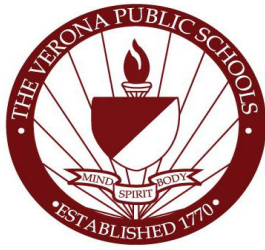
FINANCIAL SECTION (Cont'd)

C.	Budgetary Comparison Schedules.....	82
C-1	Budgetary Comparison Schedule – General Fund.....	83
C-2	Budgetary Comparison Schedule - Special Revenue Fund.....	95
C-3	Budgetary Comparison Schedule – Note to RSI.....	96
Other Supplementary Schedules (D.-I.)		
D.	School Level Schedules (Not Applicable)	97
E.	Special Revenue Fund	98
E-1	Combining Schedule of Program Revenue and Expenditures - Special Revenue Fund – Budgetary Basis.....	99
E-2	Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F.	Capital Projects Fund.....	103
F-1	Summary schedule of Revenue, Expenditures and Changes in Fund Balance	104
F-1a	Schedule of Project Revenues, Expenditures, Project Balance and Project Status Budgetary Basis –Acquisition of Bus, Workstations and Chrome Books.....	105
F-1b	Schedule of Project Revenues, Expenditures, Project Balance and Project Status Budgetary Basis –2020 Referendum	106
F-1c	Schedule of Project Revenues, Expenditures, Project Balance and Project Status Budgetary Basis –District-Wide Improvements	107
G.	Proprietary Funds.....	108
	Enterprise Funds:	
G-1	Combining Statement of Net Position	109
G-2	Combining Statement of Revenue, Expenses and Changes in Fund Net Position	110
G-3	Combining Statement of Cash Flows.....	111
H.	Fiduciary Activities (Not Applicable)	112
I.	Long-Term Liabilities.....	113
I-1	Schedule of Serial Bonds	114
I-2	Schedule of Obligations Under Financed Purchases	116
I-3	Schedule of Obligations Under Leases (Not Applicable).....	117
I-4	Schedule of Obligations Under Subscription-Based Information Technology Arrangements (Not Applicable)	118
I-5	Debt Service Fund Budgetary Comparison Schedule.....	119
J.	STATISTICAL SECTION (Unaudited)	120
J-1	Net Position by Component.....	121
J-2	Changes in Net Position.....	122
J-3	Fund Balances - Governmental Funds.....	124
J-4	Changes in Fund Balances - Governmental Funds	125

VERONA BOARD OF EDUCATION
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

J. STATISTICAL SECTION (Unaudited) (Cont'd)	
J-5 General Fund Other Local Revenue by Source	127
J-6 Assessed Value and Actual Value of Taxable Property	128
J-7 Direct and Overlapping Property Tax Rates	129
J-8 Principal Property Taxpayers, Current and Nine Years Ago	130
J-9 Property Tax Levies and Collections	131
J-10 Ratios of Net Outstanding Debt by Type	132
J-11 Ratios of Net General Bonded Debt Outstanding	133
J-12 Ratios of Overlapping Governmental Activities Debt	134
J-13 Legal Debt Margin Information	135
J-14 Demographic and Economic Statistics	136
J-15 Principal Employers, Current and Nine Years Ago	137
J-16 Full-time Equivalent District Employees by Function/Program	138
J-17 Operating Statistics	139
J-18 General Fund - School Building Information	140
J-19 Schedule of Allowable Maintenance Expenditures by School Facility	141
J-20 Insurance Schedule	142
K. SINGLE AUDIT SECTION	143
K-1 Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government</i> <i>Auditing Standards</i>	144
K-2 Independent Auditors' Report on Compliance for Each Major Federal and State Program: Report on Internal Control over Compliance Required by the Uniform Guidance and NJOMB 15-08	146
K-3 Schedule of Expenditures of Federal Awards	149
K-4 Schedule of Expenditures of State Awards	151
K-5 Notes to the Schedules of Expenditures of Federal and State Awards	153
K-6 Schedule of Findings and Questioned Costs	155
K-7 Summary Schedule of Prior Audit Findings	157

INTRODUCTORY SECTION
UNAUDITED



VERONA BOARD OF EDUCATION

LISA FRESCHI
BOARD PRESIDENT

PAMELA PRISCOE
BOARD VICE PRESIDENT

JIM DAY
SARA DRAPPI
CHRISTOPHER WACHA

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DIANE DIGIUSEPPE
SUPERINTENDENT

JORGE CRUZ,
BUSINESS ADMINISTRATOR/BOARD
SECRETARY

MATTHEW LARACY,
TREASURER

November 22, 2023

The Honorable President and Members
Of the Board of Education
Verona Public Schools
Verona, New Jersey 07044

Dear Honorable President and Board Members:

The annual comprehensive financial report of the Verona Public Schools (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 Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The 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, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected 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 provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

Verona Public Schools is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (“GASB”) in codification section 2100. All funds of the District are included in this report. The Verona Board of Education and all its schools constitute the District’s reporting entity.

The District provides a full range of education services appropriate to grades pre-K through 12. These services include regular, vocational, and special education for handicapped students.

2) ECONOMIC CONDITION AND OUTLOOK:

The community is primarily residential but does have intensive commercial use on Bloomfield Avenue and Pompton Avenue, which provides the Township of Verona with an urban, downtown shopping district. Industrial use is limited in nature. In the past 10 years, the Township of Verona has approved development of over 300 units inclusive of Highlands at Hilltop on White Rock Road and Annin on Bloomfield Avenue. As of 2023, the Township is in the process of significant development with additional housing units between Cameco on Bloomfield Avenue and Spectrum on Sunset Avenue. It is possible that future development will continue to increase in the future. All of this development is expected to have an impact on student enrollment in the Verona Public Schools impacting class size and utilization of space.

3) MAJOR INITIATIVES:

District Goals 2022-23

1. District-wide, educationally focused professional development:
 - a. World Language Acquisition and Instruction K-12 with Dr. Joseph Goebel from TCNJ (Focus: Comprehensive Input)
 - b. Balanced Literacy K-4 with Ms. Dana Clark from Gravity Goldberg (Foci: Mini-lessons & Small Group Instruction)
 - c. Mathematics K-12 with Mr. Bill Jackson (Foci: Lesson Study, Rich Math Tasks, Implementing Dimensions Mathematics program in grades 1, 2, and 5)
 - d. Social Studies/History Education Professional Development 5-12 (Focus: document-based, inquiry driven learning)
 - e. NGSS Science K-12 with STEM Supervisor (Focus: Exploring Phenomenon)
2. Continue to write, revise, and update curriculum K-12
3. Staff book club monthly meetings with elementary/middle/high school mathematics teachers with STEM supervisor and Director of Curriculum, Instruction & Assessment
4. Conflict Resolution/Peer Mediation at the elementary schools
5. Social Emotional Learning Curriculum K-4 (Peek-a-Pak)
6. Facilitating Critical Conversations working with Teaching Tolerance
7. Diversity Council - Working with selected trainers, stakeholders will embark on a journey toward discussions and changes that will occur in the district practices around the issues of diversity, equity and inclusion.
8. Conduct Education Council, Curriculum and Faculty Advisory Councils
9. Continue to expand Verona High School Capstone Program
10. Continue to implement VPS Strategic Plan for 2018-2023
11. Continue to develop partnerships for global connections for student learning
12. Elementary Academic Success and Engagement Program ASE Counselor increased from part-time to full-time provides one School Social Worker per two elementary schools

4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. 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 cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, assignments or commitments of fund balance at June 30, 2023.

6) ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles (GAAP), as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", No. 1.

7) CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the

Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Government Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, contents and fidelity bonds. The Morris Essex Insurance Group oversees risk management for the District. A schedule of insurance coverage is found on Exhibit J-20.

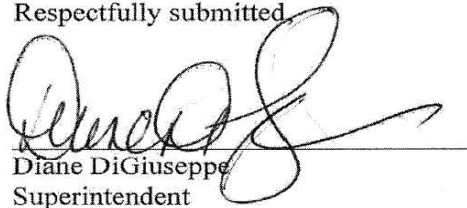
9) OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors’ report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The auditors’ reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGEMENTS:

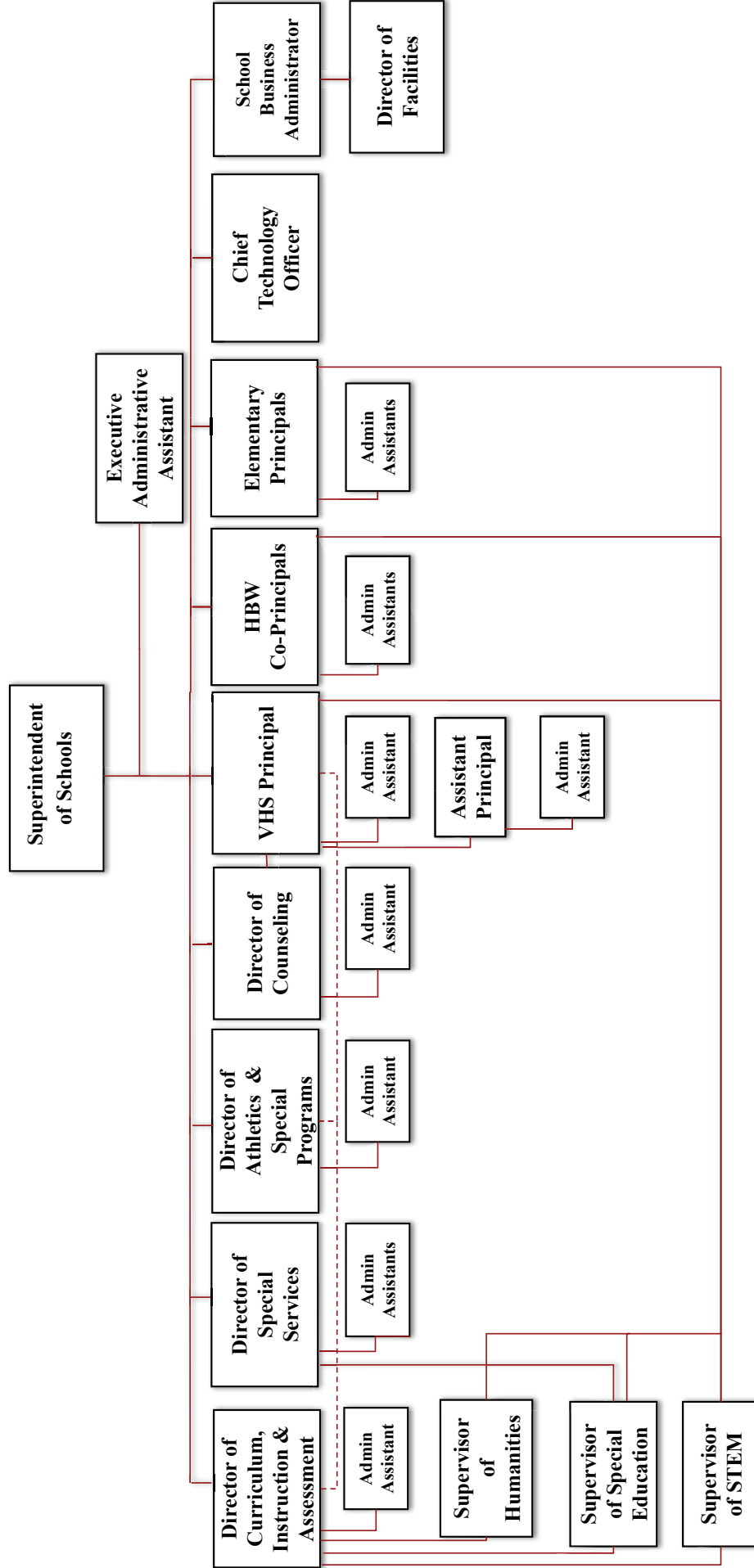
We would like to express our appreciation to the members of the Verona Public Schools Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,

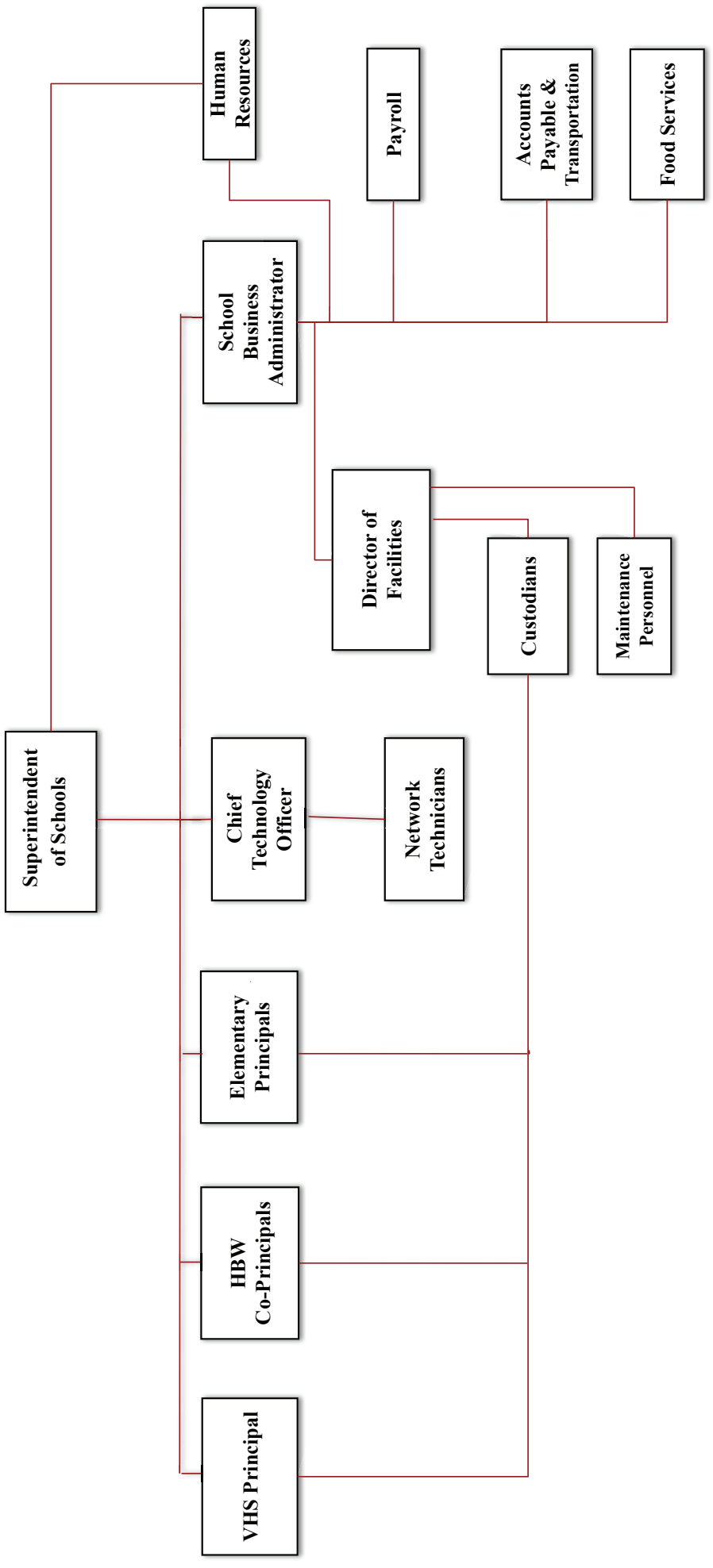

Diane DiGiuseppe
Superintendent


Jorge Cruz
Board Administrator/Board Secretary

VERONA PUBLIC SCHOOLS ORGANIZATIONAL CHART

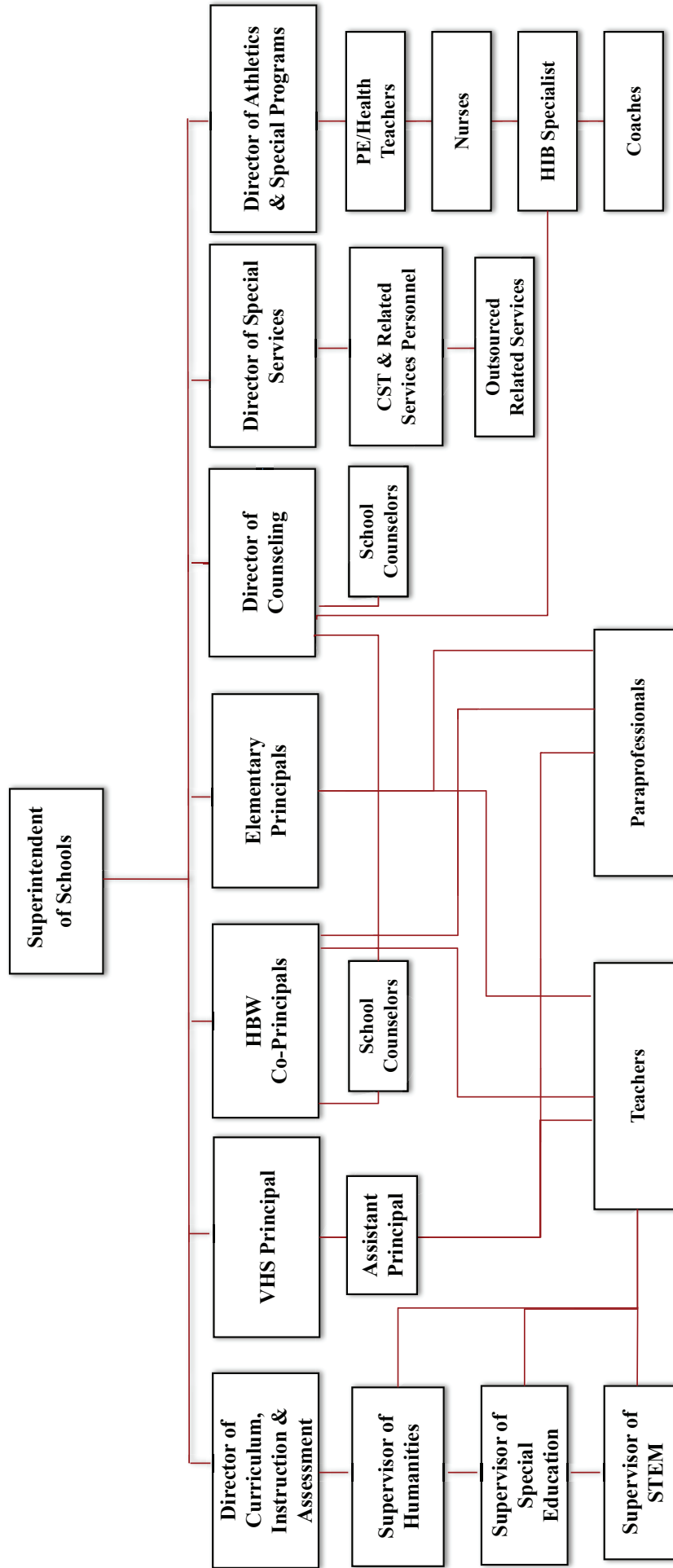


VERONA PUBLIC SCHOOLS ORGANIZATIONAL CHART



BOE Approved Date: 6/21/22

VERONA PUBLIC SCHOOLS ORGANIZATIONAL CHART



**VERONA BOARD OF EDUCATION
VERONA, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2023**

Members of the Board of Education

**Term
Expires**

Pamela Priscoe, President

2025

Diana Fererra, Vice President

2026

Lisa Freschi

2024

Denise Verzella

2026

Christopher Wacha

2025

Other Officers

Title

Diane DiGiuseppe

Superintendent of Schools

Jorge Cruz

Business Administrator

Matthew Laracy, CPA

Treasurer of School Monies

TOWNSHIP OF VERONA
BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

Architect of Record

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Insurance Agent

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C/O Burton Agency
Westwood, NJ 07675

Official Depositories

Citizens Bank
NJ ARM

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Verona Public Schools
County of Essex, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Verona Board of Education (the “District”), in the County of Essex, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, 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 (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the “Office”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 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, are 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.

The Honorable President and Members
of the Board of Education
Verona Public Schools
County of Essex, New Jersey
Page 3

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state 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*; and New Jersey's 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards 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 and statistical sections 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.

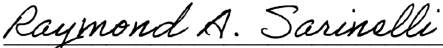
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

November 22, 2023
Mount Arlington, New Jersey

NISIVOCCIA LLP



Raymond A. Sarinelli
Licensed Public School Accountant #2549
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Verona Board of Education
Management’s Discussion and Analysis**

This section of Verona Board of Education’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

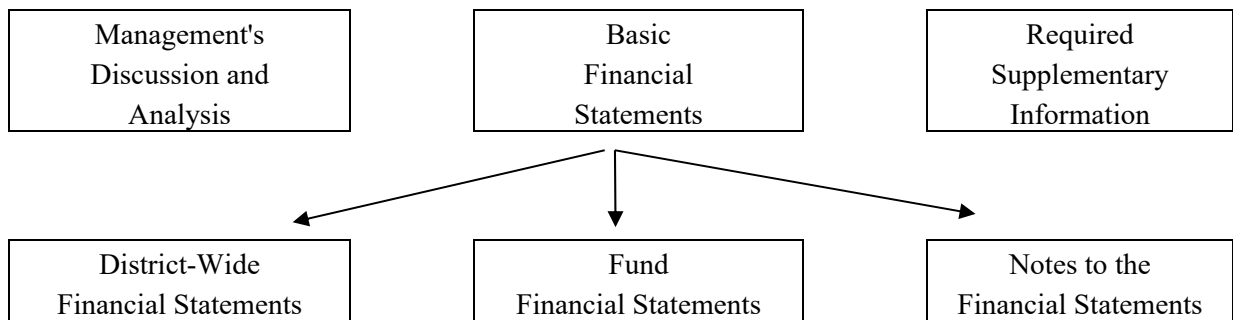
Overview of the Financial Statements

This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary 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 such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services and summer enrichment academy.
- *Notes to the Basic Financial Statements*: Provide additional information essential to a full understanding of the district-wide and fund financial statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1
Organization of Verona Board of Education’s Financial Report**



**Verona Board of Education
Management’s Discussion and Analysis**

Figure A-2 summarizes 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. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

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 such as special education and building maintenance	Activities the District operates similar to private businesses: food services, and summer enrichment academy
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, 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 resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, 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, lease assets, subscription assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue 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 revenue and expenses during the year, regardless of when cash is received or paid

Verona Board of Education Management's Discussion and Analysis

District-wide 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 inflows and outflows and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial 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 divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service and summer enrichment academy 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 by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term liabilities) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you 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, additional information at the bottom of the governmental funds statements explains the relationship (or difference) 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 funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The District uses *internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.

**Verona Board of Education
Management's Discussion and Analysis**

Notes to Basic Financial Statements: Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased by \$2,224,194. Net position from governmental activities increased by \$2,221,305 and net position from business-type activities increased by \$2,889.

Figure A-3

Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	
Current and Other Assets	\$ 7,583,174	\$ 7,090,380	\$ 141,096	\$ 104,560	\$ 7,724,270	\$ 7,194,940	
Capital Assets, Net	66,482,144	69,466,793	46,888	53,345	66,529,032	69,520,138	
Total Assets	<u>74,065,318</u>	<u>76,557,173</u>	<u>187,984</u>	<u>157,905</u>	<u>74,253,302</u>	<u>76,715,078</u>	-3.21%
Deferred Outflows of Resources	<u>1,445,978</u>	<u>1,265,784</u>			<u>1,445,978</u>	<u>1,265,784</u>	14.24%
Other Liabilities	2,193,681	2,211,383	60,205	33,015	2,253,886	2,244,398	
Long-Term Liabilities	<u>57,808,173</u>	<u>60,283,463</u>			<u>57,808,173</u>	<u>60,283,463</u>	
Total Liabilities	<u>60,001,854</u>	<u>62,494,846</u>	<u>60,205</u>	<u>33,015</u>	<u>60,062,059</u>	<u>62,527,861</u>	-3.94%
Deferred Inflows of Resources	<u>1,202,693</u>	<u>3,242,667</u>			<u>1,202,693</u>	<u>3,242,667</u>	-62.91%
Net Position:							
Net Investment in Capital Assets	17,632,557	17,300,982	46,888	53,345	17,679,445	17,354,327	
Restricted	4,970,036	3,612,104			4,970,036	3,612,104	
Unrestricted/(Deficit)	<u>(8,295,844)</u>	<u>(8,827,642)</u>	<u>80,891</u>	<u>71,545</u>	<u>(8,214,953)</u>	<u>(8,756,097)</u>	
Total Net Position	<u>\$ 14,306,749</u>	<u>\$ 12,085,444</u>	<u>\$ 127,779</u>	<u>\$ 124,890</u>	<u>\$ 14,434,528</u>	<u>\$ 12,210,334</u>	18.22%

Changes in Net Position. The District's combined net position was \$14,434,528 at June 30, 2023, or \$2,224,194 more than it was the year before. (See Figure A-3). The increase in the District's combined net position is primarily due to the increase in Capital Reserve, Maintenance Reserve, excess surplus and an increase in capital assets. Additionally, there was an increase in net position of \$2,889 in business-type activities.

**Verona Board of Education
Management's Discussion and Analysis**

**Figure A-4
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	
Revenue:							
Program Revenue:							
Charges for Services	\$ 448,460	\$ 326,844	\$ 663,437	\$ 541,016	\$ 1,111,897	\$ 867,860	
Operating Grants & Contributions	11,075,870	12,333,808			11,075,870	12,333,808	
General Revenue:							
Property Taxes	40,418,677	39,469,631			40,418,677	39,469,631	
Unrestricted Federal & State Aid	1,263,684	1,676,989			1,263,684	1,676,989	
Other	402,727	478,320	287		403,014	478,320	
Transfers		(5,235)		5,235			
Total Revenue	<u>53,609,418</u>	<u>54,280,357</u>	<u>663,724</u>	<u>546,251</u>	<u>54,273,142</u>	<u>54,826,608</u>	-1.01%
Expenses:							
Instruction	28,359,365	26,924,804			28,359,365	26,924,804	
Pupil and Instruction Services	9,204,669	9,486,819			9,204,669	9,486,819	
Administrative and Business	4,080,194	4,554,515			4,080,194	4,554,515	
Maintenance and Operations	3,845,867	3,815,039			3,845,867	3,815,039	
Transportation	1,073,408	964,744			1,073,408	964,744	
Other	4,824,610	4,892,426	660,835	561,250	5,485,445	5,453,676	
Total Expenses	<u>51,388,113</u>	<u>50,638,347</u>	<u>660,835</u>	<u>561,250</u>	<u>52,048,948</u>	<u>51,199,597</u>	1.66%
Increase/(Decrease) in Net Position	<u>\$ 2,221,305</u>	<u>\$ 3,642,010</u>	<u>\$ 2,889</u>	<u>\$ (14,999)</u>	<u>\$ 2,224,194</u>	<u>\$ 3,627,011</u>	-38.68%

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved significantly. However, maintaining and upgrading existing programs and the provision of a multitude of special programs and services for disabled pupils place great demands on the District's resources.

Careful management of expenses remains essential for the District to sustain its financial health.

Figure A-5 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial obligation placed on the District's taxpayers by each of these functions on the following page:

**Verona Board of Education
Management's Discussion and Analysis**

**Figure A-5
Net Cost of Governmental Activities**

	<u>Total Costs of Services</u>		<u>Net Cost of Services</u>	
	<u>2022/2023</u>	<u>2021/2022</u>	<u>2022/2023</u>	<u>2021/2022</u>
Instruction	\$ 28,359,365	\$ 26,924,804	\$ 18,811,661	\$ 17,918,291
Pupil and Instruction Services	9,204,669	9,486,819	7,965,277	7,387,265
Administrative and Business	4,080,194	4,554,515	3,608,245	3,668,392
Maintenance and Operations	3,845,867	3,815,039	3,758,928	3,305,669
Transportation	1,073,408	964,744	960,337	805,652
Other	4,824,610	4,892,426	4,824,610	4,892,426
	<u>\$ 51,388,113</u>	<u>\$ 50,638,347</u>	<u>\$ 39,929,058</u>	<u>\$ 37,977,695</u>

Business-Type Activities

Net position from the District's business-type activity increased by \$2,889, (Refer to Figure A-4). Factors contributing to these results included:

- Increase in business-type activity was primarily a result of increased sales in the food service program.

Financial Analysis of the District's Funds

The District's financial position has been increasing over the past several years. The District is in the completion phase of its \$27.7 million referendum that includes upgrades to facilities district-wide. To maintain a stable financial position, the District must continue to practice sound fiscal management.

General Fund Budgetary Highlights

The District continues to look for ways to improve budget accuracy, and improve efficiency. In the 2023 fiscal year the District saw a slight increase in state aid Special Education funding.

**Verona Board of Education
Management's Discussion and Analysis**

Capital Asset and Long- Term Liabilities Administration

Figure A-6

Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	
Land	\$ 1,679,937	\$ 1,679,937			\$ 1,679,937	\$ 1,679,937	
Building and Building Improvements	52,877,931	55,806,604			52,877,931	55,806,604	
Site Improvements	6,513,670	6,974,441			6,513,670	6,974,441	
Machinery and Equipment	679,118	534,135	\$ 46,888	\$ 53,345	726,006	587,480	
Construction in Progress	4,731,488	4,471,676			4,731,488	4,471,676	
Total Capital Assets (Net)	\$ 66,482,144	\$ 69,466,793	\$ 46,888	\$ 53,345	\$ 66,529,032	\$ 69,520,138	-4.30%

- The change in Capital Assets is a result of the acquisition of assets net of deletions and related accumulated depreciation in the amount of \$500,886 and \$2,599 related to governmental and business-type activities capital assets, respectively, offset by depreciation expense of \$3,485,535 and \$9,056 related to governmental and business-type activities capital assets, respectively.
- The construction in progress represents Capital Project Fund expenditures as of June 30, 2023.

Long-term Liabilities

At year-end, the District had \$47,540,000 in general obligation bonds outstanding as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 6 to the financial statements.)

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Percentage Change
	2022/2023	2021/2022	
School Bonds	\$ 47,540,000	\$ 50,865,000	
Unamortized Bond Premium	1,248,783	1,427,181	
Financed Purchases	1,818,500	2,126,531	
Net Pension Liability	5,558,968	4,281,826	
Compensated Absences Payable	1,641,922	1,582,925	
	\$ 57,808,173	\$ 60,283,463	-4.11%

Verona Board of Education Management's Discussion and Analysis

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstance that could significantly affect its financial health in the future:

- A5 – known as School District Accountability. This new law, approved by the Governor on March 15, 2007 provides for various school district accountability measures.
- A1 – known as Tax Levy CAP. This new law, approved by the Governor on April 3, 2007 originally established a 4% cap on tax levy increases and is currently at an allowable 2% increase, changes the accounting/transfers for and expands the number of permitted fund balance reserves.
- A4 – known as CORE. This new law, approved by the Governor on April 3, 2007 implements CORE proposals and the primary focus of this new law is to establish uniform shared services and consolidation through the use of new “Executive County Superintendent”.
- The continued impact of S1701 legislation. S1701, adopted by the State of New Jersey on June 17, 2004, places limits on the School's ability to transfer funds into capital reserve for the construction and maintenance of school facilities, the ability to transfer available balance as needed and the ability to transfer available funds between appropriation accounts. Taking away the option of transferring available funds during the budget year will severely impact our ability to maintain and improve our facilities.
- Chapter 44 - the law was intended to generate health care savings for employees, school districts and taxpayers. Unfortunately, the health cost for the Board of Education is on an upward trend under this law and will continue. This is a financial burden to be managed by the Board going forward with every new budget.

Contacting the District's Financial Management

This financial report is designed to provide the District's 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 financial information, contact the Board of Education Office at 121 Fairview Avenue, Verona, NJ 07044.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

VERONA BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 2,393,666	\$ 131,484	\$ 2,525,150
Internal Balances	(7,129)	7,129	
Receivables from Federal Government	751,332		751,332
Receivables from State Government	1,239,353		1,239,353
Other Accounts Receivable	19,837		19,837
Inventory		2,483	2,483
Restricted Assets:			
Cash and Cash Equivalents	3,186,115		3,186,115
Capital Assets:			
Sites (Land)	1,679,937		1,679,937
Construction in Progress	4,731,488		4,731,488
Depreciable Site Improvements, Building and Building Improvements and Machinery and Equipment	60,070,719	46,888	60,117,607
Total Assets	<u>74,065,318</u>	<u>187,984</u>	<u>74,253,302</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Amount on Refunding	398,965		398,965
Deferred Outflows Related to Pensions	1,047,013		1,047,013
Total Deferred Outflows of Resources	<u>1,445,978</u>		<u>1,445,978</u>
<u>LIABILITIES:</u>			
Accounts Payable	1,535,663	43,550	1,579,213
Payable to State Government	5,854		5,854
Accrued Interest Payable	431,850		431,850
Unearned Revenue	220,314	16,655	236,969
Noncurrent Liabilities:			
Due Within One Year	3,991,529		3,991,529
Due Beyond One Year	53,816,644		53,816,644
Total Liabilities	<u>60,001,854</u>	<u>60,205</u>	<u>60,062,059</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Inflows Related to Pensions	1,202,693		1,202,693
Total Deferred Inflows of Resources	<u>1,202,693</u>		<u>1,202,693</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	17,632,557	46,888	17,679,445
Restricted for:			
Debt Service	6,345		6,345
Capital Projects	2,305,086		2,305,086
Maintenance	650,000		650,000
Excess Surplus	1,777,576		1,777,576
Unemployment Compensation	24,020		24,020
Student Activities	207,009		207,009
Unrestricted/(Deficit)	(8,295,844)	80,891	(8,214,953)
Total Net Position	<u>\$ 14,306,749</u>	<u>\$ 127,779</u>	<u>\$ 14,434,528</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

VERONA BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenue		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 21,171,104	\$ 75,721	\$ 4,878,585	\$ (16,292,519)		\$ (16,292,519)
Special Education	5,894,624		4,528,666	(1,290,237)		(1,290,237)
Other Instruction	71,703		14,936	(56,767)		(56,767)
School -Sponsored Instruction	1,221,934		49,796	(1,172,138)		(1,172,138)
Support Services:						
Tuition	2,649,453			(2,649,453)		(2,649,453)
Student and Instruction Related Services	6,555,216	307,464	931,928	(5,315,824)		(5,315,824)
General Administration Services	664,051		16,209	(647,842)		(647,842)
School Administration Services	2,655,100		425,638	(2,229,462)		(2,229,462)
Central Services	476,257		19,355	(456,902)		(456,902)
Administrative Information Technology	284,786		10,747	(274,039)		(274,039)
Plant Operations and Maintenance	3,845,867		86,939	(3,758,928)		(3,758,928)
Pupil Transportation	1,073,408	65,275	113,071	(895,062)		(895,062)
Interest on Long-Term Debt	1,394,330			(1,394,330)		(1,394,330)
Unallocated Depreciation	3,430,280			(3,430,280)		(3,430,280)
Total Governmental Activities	51,388,113	448,460	11,075,870	(39,863,783)		(39,863,783)
Business-Type Activities:						
Food Service Program	599,826	605,827			\$ 6,001	6,001
Verona Summer Enrichment Program	61,009	57,610			(3,399)	(3,399)
Total Business-Type Activities	660,835	663,437			2,602	2,602
Total Primary Government	\$ 52,048,948	\$ 1,111,897	\$ 11,075,870	(39,863,783)	2,602	(39,861,181)

VERONA 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
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 36,641,387		\$ 36,641,387
Taxes Levied for Debt Service	3,777,290		3,777,290
Federal and State Aid not Restricted	1,263,684		1,263,684
Investment Earnings	4,688		4,688
Miscellaneous Income	398,039	\$ 287	398,326
Total General Revenue	42,085,088	287	42,085,375
Change in Net Position	2,221,305	2,889	2,224,194
Net Position - Beginning	12,085,444	124,890	12,210,334
Net Position - Ending	\$ 14,306,749	\$ 127,779	\$ 14,434,528

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

VERONA BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 2,244,913		\$ 148,753		\$ 2,393,666
Interfund Receivable	360,189			\$ 33,719	393,908
Receivables From Federal Government		\$ 751,332			751,332
Receivables From State Government	1,187,146	52,207			1,239,353
Other Accounts Receivables	4,593	15,244			19,837
Restricted Cash and Cash Equivalents	2,979,106	207,009			3,186,115
Total Assets	<u>\$ 6,775,947</u>	<u>\$ 1,025,792</u>	<u>\$ 148,753</u>	<u>\$ 33,719</u>	<u>\$ 7,984,211</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Interfund Payable	\$ 7,129	\$ 327,729	\$ 38,805	\$ 27,374	\$ 401,037
Accounts Payable	785,873	264,886			1,050,759
Payable to State Government		5,854			5,854
Unearned Revenue		220,314			220,314
Total Liabilities	<u>793,002</u>	<u>818,783</u>	<u>38,805</u>	<u>27,374</u>	<u>1,677,964</u>
Fund Balances:					
Restricted for:					
Excess Surplus - 2024-2025	1,010,978				1,010,978
Excess Surplus - 2023-2024	766,598				766,598
Capital Reserve Account	2,305,086				2,305,086
Maintenance Reserve Account	650,000				650,000
Capital Projects			109,948		109,948
Debt Service				6,345	6,345
Unemployment Compensation	24,020				24,020
Student Activities		207,009			207,009
Assigned for:					
Designated for Subsequent Year's Expenditures	136,736				136,736
Unassigned	1,089,527				1,089,527
Total Fund Balances	<u>5,982,945</u>	<u>207,009</u>	<u>109,948</u>	<u>6,345</u>	<u>6,306,247</u>
Total Liabilities and Fund Balances	<u>\$ 6,775,947</u>	<u>\$ 1,025,792</u>	<u>\$ 148,753</u>	<u>\$ 33,719</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.	\$ 66,482,144
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(431,850)
Bond Issuance Premiums are reported as revenue in the Governmental Funds in the year the bonds are sold.	(1,248,783)
The Deferred amount on the refunding is not reported as an expenditure in the governmental funds in the year of the expenditure.	398,965
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(5,558,968)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds.	
Deferred Outflows	562,109
Deferred Inflows	(1,202,693)
Long-Term Liabilities, Including Bonds Payable, Are Not Due and Payable in the Current Period and Therefore are Not Reported as Liabilities in the Funds (see Note 6)	(51,000,422)
Net Position of Governmental Activities	<u>\$ 14,306,749</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 36,641,387			\$ 3,777,290	\$ 40,418,677
Tuition	75,721				75,721
Interest on Investments			\$ 4,688		4,688
Miscellaneous	463,314	\$ 330,000			793,314
Total - Local Sources	37,180,422	330,000	4,688	3,777,290	41,292,400
State Sources	13,122,351	196,270		1,079,125	14,397,746
Federal Sources		1,700,055			1,700,055
Total Revenues	50,302,773	2,226,325	4,688	4,856,415	57,390,201
EXPENDITURES:					
Current:					
Regular Instruction	13,444,392	639,137			14,083,529
Special Education Instruction	3,676,952	570,160			4,247,112
Other Special Instruction	45,547				45,547
School-Sponsored/Other Instruction	1,165,684				1,165,684
Support Services and Undistributed Costs:					
Tuition	2,649,453				2,649,453
Student and Other Instruction Related Services	4,880,408	732,622			5,613,030
General Administration Services	747,764				747,764
School Administration Services	1,781,415				1,781,415
Central Services	395,384				395,384
Administrative Information Technology	235,169				235,169
Plant Operations and Maintenance	3,545,325				3,545,325
Student Transportation	999,536				999,536
Unallocated Benefits	15,669,221				15,669,221
Debt Service:					
Principal				3,325,000	3,325,000
Interest and Other Charges				1,551,225	1,551,225
Capital Outlay	292,117	289,844	259,812		841,773
Total Expenditures	49,528,367	2,231,763	259,812	4,876,225	56,896,167
Excess/(Deficit) of Revenue Over/(Under) Expenditures	774,406	(5,438)	(255,124)	(19,810)	494,034
OTHER FINANCING SOURCES/(USES):					
Transfer In	5,086			4,688	9,774
Transfer Out			(9,774)		(9,774)
Total Other Financing Sources/(Uses)	5,086		(9,774)	4,688	
Net Change in Fund Balances	779,492	(5,438)	(264,898)	(15,122)	494,034
Fund Balance - July 1	5,203,453	212,447	374,846	21,467	5,812,213
Fund Balance - June 30	\$ 5,982,945	\$ 207,009	\$ 109,948	\$ 6,345	\$ 6,306,247

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

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

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)	\$	494,034
Amounts Reported for Governmental Activities in the Statement of Activities (Exhibit A-2) are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differs from capital outlays and deletions in the period.		
	Depreciation Expense	\$ (3,485,535)
	Capital outlays, net of deletions	<u>500,886</u>
		(2,984,649)
In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		(58,997)
Repayment of serial bonds is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.		
		3,325,000
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)		
		36,854
The governmental funds report the effect of bond premium when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. (+)		
		178,398
Repayment of financed purchases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.		
		308,031
The governmental funds report the effect of the deferred amount on the refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
		(56,995)
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
	Changes in Net Pension Liability	(1,277,142)
	Changes in Deferred Outflows	216,797
	Changes in Deferred Inflows	<u>2,039,974</u>
Change in Net Position - Governmental Activities (From Exhibit A-2)	\$	<u><u>2,221,305</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

VERONA BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	<u>Business-type Activities - Enterprise Funds Non-Major Funds</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 131,484
Intefund Receivable	7,129
Inventories	2,483
	141,096
Total Current Assets	141,096
Non-Current Assets:	
Capital Assets	397,990
Less: Accumulated Depreciation	(351,102)
	46,888
Total Non-Current Assets	46,888
Total Assets	187,984
<u>LIABILITIES:</u>	
Accounts Payable - Vendors	43,550
Unearned Revenue	16,655
	60,205
Total Liabilities	60,205
<u>NET POSITION:</u>	
Investment in Capital Assets	46,888
Unrestricted	80,891
	127,779
Total Net Position	\$ 127,779

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

VERONA BOARD OF EDUCATION
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-type Activities - <u>Enterprise Funds</u> <u>Non-Major Funds</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Non-Reimbursable Programs	\$ 605,827
Program Fees	<u>57,610</u>
Total Operating Revenue	<u>663,437</u>
Operating Expenses:	
Cost of Sales - Non-Reimbursable Programs	283,155
Salaries, Benefits & Payroll Taxes	259,153
Supplies, Insurance & Other Costs	64,761
Management Fee	44,710
Depreciation Expense	<u>9,056</u>
Total Operating Expenses	<u>660,835</u>
Operating Income	2,602
Non-Operating Revenue:	
Local Sources:	
Interest Earnings	<u>287</u>
Total Non-Operating Revenue	<u>287</u>
Change in Net Position	2,889
Net Position - Beginning of Year	<u>124,890</u>
Net Position - End of Year	<u>\$ 127,779</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

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

	Business-type Activities - <u>Enterprise Funds</u> <u>Non-Major Funds</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 663,437
Payments to Food Service Contractor	<u>(623,456)</u>
Net Cash Provided by Operating Activities	<u>39,981</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	<u>(2,599)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(2,599)</u>
Cash Flows from Investing Activities:	
Interest Income	<u>287</u>
Net Cash Provided by Investing Activities	<u>287</u>
Net Increase in Cash and Cash Equivalents	37,669
Cash and Cash Equivalents, July 1	<u>93,815</u>
Cash and Cash Equivalents, June 30	<u>\$ 131,484</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 2,602
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	9,056
Changes in Assets and Liabilities:	
Decrease in Inventory	1,133
Increase in Accounts Payable	25,540
Increase in Unearned Revenue	<u>1,650</u>
Net Cash Provided by Operating Activities	<u>\$ 39,981</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other non-exchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds. Separate statements for each fund category – governmental and proprietary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred to and from current expense by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

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

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of principal and interest.

The District reports the following proprietary fund:

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

Enterprise (VESA) Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the activities of the District's summer enrichment academy which provides a continuum that bridges essential skills from one grade level to the next.

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset, lease asset or subscription asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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 generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in 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 except for student activities. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 50,339,665	\$ 2,226,325
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements	186,063	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(222,955)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 50,302,773	\$ 2,226,325

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 49,528,367	\$ 2,231,763
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 49,528,367	\$ 2,231,763

E. Cash and Cash Equivalents:

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

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to the type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has a pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. Interfund Transactions: (Cont'd)

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. Encumbrances:

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 restricted, 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.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets: (Cont'd)

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line.

The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50 years
Site Improvements	20 years
Machinery and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

L. Lease Assets:

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Long Term Liabilities:

In the government-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premiums and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, 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.

O. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2023.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy or negotiated contracts. Upon termination, employees are paid for accrued vacation. The District's policy or negotiated contracts permit employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions or the District's personnel policy.

In the district-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

Q. Lease Payable:

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

R. Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

T. Fund Balance Appropriated:

General Fund: Of the \$5,982,945 General Fund fund balance at June 30, 2023, \$2,305,086 is restricted in the capital reserve account; \$650,000 is restricted in the maintenance reserve account; \$1,777,576 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) (\$766,598 of prior year excess surplus has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2024; \$1,010,978 of current year excess surplus will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2025); \$24,020 is restricted for unemployment compensation; \$136,736 has been appropriated and included as anticipated revenue for the year ending June 30, 2024 and \$1,089,527 is unassigned fund balance which is \$222,955 less than the budgetary unassigned fund balance, on a GAAP Basis, due to the final two state aid payments, that are not recognized on a GAAP basis.

Special Revenue: The Special Revenue Fund fund balance at June 30, 2022 is \$207,009 and is restricted for student activities.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Fund Balance Appropriated: (Cont'd)

Capital Projects Fund: The Capital Projects Fund has \$109,948 of fund balance at June 30, 2023, all of which is restricted.

Debt Service Fund: The Debt Service Fund has \$6,345 of fund balance at June 30, 2023 all of which is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701) the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus as detailed above.

Unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$222,955, as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the last state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the last two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments noted above.

U. Deficit Net Position

The District has a deficit in unrestricted net position from governmental activities in the amount of \$8,295,844. The deficit in governmental activities is primarily due to the accrual of compensated absences payable, net pension liability and the deferred inflows related to pensions. This deficit does not mean that the district is facing financial difficulties and is a permitted practice by generally accepted accounting principles.

V. Net Position

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had a deferred outflow of resources at June 30, 2023 for the deferred amount on refunding of debt related to the District's 2015 refunding bonds, and related to pensions.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

V. Net Position (Cont'd)

The District had deferred inflows of resources at June 30, 2023 related to pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated amortization and subscription assets, net of accumulated amortization reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

W. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for debt service, the capital projects fund, excess surplus, a capital reserve, a maintenance reserve, student activities and unemployment compensation at June 30, 2023.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2023.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources in the General Fund at June 30, 2023 for the amount designated for subsequent year's expenditures.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

X. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes, interest and tuition.

Y. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of each Enterprise Fund. For the School District, these revenues are sales for food service and fees for the summer enrichment academy. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the respective Enterprise Fund.

Z. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

AA. Pensions

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 State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the section of this note on investments.

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School Districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

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

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

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits: (Cont'd)

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) 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 obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) 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.
- (5) Bonds or other obligations, having a maturity date 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", P.L. 1983, c.313 (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 local units;
- (6) Local government investment pools;
- (7) 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); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are 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 requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.) ;
 - (b) the custody of collateral is transferred to a third party;

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (c) the maturity of the agreement is not more than 30 days;
- (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2023, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents				Total
		Capital Reserve Account	Maintenance Reserve Account	Unemployment	Student Activities	
Checking Accounts	\$ 2,525,150	\$ 2,305,086	\$ 650,000	\$ 24,020	\$ 207,009	\$ 5,711,265
	<u>\$ 2,525,150</u>	<u>\$ 2,305,086</u>	<u>\$ 650,000</u>	<u>\$ 24,020</u>	<u>\$ 207,009</u>	<u>\$ 5,711,265</u>

During the period ended June 30, 2023, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$5,711,265 and the bank balance was \$7,233,253.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 4. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 1,679,937			\$ 1,679,937
Construction in Progress	4,471,676	\$ 259,812		4,731,488
Total Capital Assets Not Being Depreciated	<u>6,151,613</u>	<u>259,812</u>		<u>6,411,425</u>
Capital Assets Being Depreciated:				
Buildings and Building Improvements	82,448,105			82,448,105
Site Improvements	10,735,731			10,735,731
Machinery and Equipment	2,402,241	241,074	\$ (104,869)	2,538,446
Total Capital Assets Being Depreciated	<u>95,586,077</u>	<u>241,074</u>	<u>(104,869)</u>	<u>95,722,282</u>
Governmental Activities Capital Assets	<u>101,737,690</u>	<u>500,886</u>	<u>(104,869)</u>	<u>102,133,707</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(26,641,501)	(2,928,673)		(29,570,174)
Site Improvements	(3,761,290)	(460,771)		(4,222,061)
Machinery and Equipment	(1,868,106)	(96,091)	104,869	(1,859,328)
	<u>(32,270,897)</u>	<u>(3,485,535)</u>	<u>104,869</u>	<u>(35,651,563)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 69,466,793</u>	<u>\$ (2,984,649)</u>	<u>\$ -0-</u>	<u>\$ 66,482,144</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 395,391	\$ 2,599		\$ 397,990
Less Accumulated Depreciation	<u>(342,046)</u>	<u>(9,056)</u>		<u>(351,102)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 53,345</u>	<u>\$ (6,457)</u>	<u>\$ -0-</u>	<u>\$ 46,888</u>

The District expended \$259,812 on various capital projects during the fiscal year, all of which was for construction projects in progress. The district has \$28,400,351 in active construction projects, with an unexpended balance of \$109,948, of which \$12,008 represents open encumbrances as of June 30, 2023.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 38,306
School Sponsored/Other Instruction	4,876
Student and Instruction Related Services	4,288
School Administration	4,812
Operations and Maintenance of Plant	2,973
Unallocated	<u>3,430,280</u>
	<u>\$ 3,485,535</u>

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 5. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end 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-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 1,200,000
Add:	
Unexpended Funds Returned from Capital Projects Fund	5,086
Transfer from Unassigned Fund Balance as per Board Resolution June 2023	1,100,000
Ending Balance, June 30, 2023	\$ 2,305,086

The June 30, 2023 LRFP balance of local support costs of uncompleted capital projects at June 30, 2023 exceeds the balance in the capital reserve account as of June 30, 2023.

NOTE 6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the District-wide financial statements:

	Beginning Balance	Accrued	Retired	Ending Balance	Due Within One Year
Serial Bonds Payable	\$ 50,865,000		\$ 3,325,000	\$ 47,540,000	\$ 3,495,000
Unamortized Bond Premium	1,427,181		178,398	1,248,783	178,398
Financed Purchases	2,126,531		308,031	1,818,500	318,131
Net Pension Liability					
PERS	4,281,826	\$ 1,277,142		5,558,968	
Compensated Absences Payable	1,582,925	58,997		1,641,922	
	\$ 60,283,463	\$ 1,336,139	\$ 3,811,429	\$ 57,808,173	\$ 3,991,529

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 6. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

On April 29, 2014, the District issued debt in the amount of \$13,845,000 with interest rates ranging from 2.000% to 3.500% with consent of the taxpayers through a referendum which includes facility upgrades to all of the school in the district. The bonds mature on May 1, 2015 through 2034.

On March 13, 2015, the District issued refunding bonds in the amount of \$24,635,000 with interest rates ranging from 2.000% to 5.000%. The bonds mature on March 1, 2016 through 2031. The advance refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the School's government-wide financial statements. As a result of the advance refunding, the School reduced its total debt service requirement by \$2,374,635, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$2,377,513.

On February 19, 2020, the District issued debt in the amount of \$27,771,000 with interest rates ranging from 2.000% to 2.375% with consent of the taxpayers through a referendum which includes facility upgrades to all of the school in the district. The bonds mature on March 1, 2022 through 2040.

The Debt Service Fund will be used to liquidate the Serial Bonds and Refunding Bonds.

The District had serial bonds outstanding as of June 30, 2023 as follows:

	<u>Issue Dates</u>	<u>Interest Rates</u>	<u>Final Date of Maturity</u>	<u>Balance 6/30/2023</u>
2014 School Bonds	04/29/14	2.75%-3.50%	05/01/34	\$ 8,715,000
2015 School Refunding Bonds	03/13/15	4.00%-5.00%	03/01/31	13,180,000
2020 School Bonds	02/19/20	2.00%-2.375%	03/01/40	25,645,000
				<u>\$ 47,540,000</u>

Principal and interest due on bonds outstanding are as follows:

<u>Year</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 3,495,000	\$ 1,430,350	\$ 4,925,350
2025	3,655,000	1,305,813	4,960,813
2026	3,860,000	1,178,000	5,038,000
2027	3,920,000	1,060,350	4,980,350
2028	3,925,000	925,350	4,850,350
2029-2033	16,720,000	2,692,800	19,412,800
2034-2038	8,765,000	923,300	9,688,300
2039-2040	3,200,000	112,000	3,312,000
	<u>\$ 47,540,000</u>	<u>\$ 9,627,963</u>	<u>\$ 57,167,963</u>

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 6. LONG-TERM LIABILITIES (Cont'd)

B. Bonds Authorized But Not Issued:

As of June 30, 2023, the Board had no bonds authorized but not issued.

C. Financed Purchase Payable:

The District has financed purchases agreements for a buses, energy savings equipment, chromebooks and computers valued at \$3,843,685 of which \$2,025,185 has been liquidated. The financed purchase agreements are for terms of fifteen and five years. The following is a schedule of the future minimum financed purchases payments.

<u>Year</u>	<u>Amount</u>
2024	\$ 357,410
2025	362,646
2026	218,112
2027	223,588
2028	229,190
2029-2030	<u>584,502</u>
Total Minimum Financed Purchase Payments	1,975,448
Less: Amount Representing Interest	<u>(156,948)</u>
Present Value Net of Minimum Lease Payments	<u>\$ 1,818,500</u>

The current portion of the financed purchases payable at June 30, 2023 is \$318,131 and the long term portion is \$1,500,369. The General Fund will be used to liquidate the financed purchases payable.

D. Compensated Absences

The liability for compensated absences of the governmental fund types is recorded in the long-term liabilities. The long-term liability portion of compensated absences is \$1,641,922. There is no current portion.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, no liability existed for compensated absences in the Food Service Fund.

The General Fund will be used to liquidate Compensated Absences Payable.

E. Unamortized Bond Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$178,398 and is separated from the long-term portion of \$1,070,385.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 6. LONG-TERM LIABILITIES (Cont'd)

F. Net Pension Liability

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2023 is \$-0- and the long-term portion is \$5,558,968. See Note 7 for further information on the PERS.

NOTE 7. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP). a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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. 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 Tiers 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 reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 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 10 years of service credit and have not reached the service retirement age for the respective tier.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSIONS PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. 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. Funding for noncontributory group insurance benefits is based on actual claims paid.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

District contributions to PERS amounted to \$464,512 for the current fiscal year. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$11,696 to the PERS for normal pension benefits on behalf of the District.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

At June 30, 2023, the District's liability was \$5,558,968 for its proportionate share of the 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 July 1, 2021 which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.0368%, which was an increase of 0.0007% from its proportion measured as of June 30, 2021.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

For the fiscal year ended June 30, 2023, the District recognized an actual pension benefit of \$515,118 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$11,696 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferral Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2018	5.63		\$ (133,626)
	2019	5.21		(166,989)
	2020	5.16		(491,037)
	2021	5.13		(40,746)
	2022	5.04	\$ 17,223	
			<u>17,223</u>	<u>(832,398)</u>
Changes in Proportion	2018	5.63	25,309	
	2019	5.21		(47,774)
	2020	5.16		(287,139)
	2021	5.13	143,992	
	2022	5.04	105,382	
			<u>274,683</u>	<u>(334,913)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	5,499	
	2020	5.00	165,251	
	2021	5.00	(1,030,727)	
	2022	5.00	1,090,058	
			<u>230,081</u>	
Difference Between Expected and Actual Experience	2018	5.63		(5,089)
	2019	5.21	12,765	
	2020	5.16	27,357	
	2021	5.13		(13,697)
	2022	5.04		(16,596)
			<u>40,122</u>	<u>(35,382)</u>
District Contribution Subsequent to the Measurement Date	2022	1.00	484,904	
			<u>\$ 1,047,013</u>	<u>\$ (1,202,693)</u>

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in the pension benefit as follows:

Ending June 30,	Total
2023	\$ (476,844)
2024	(242,935)
2025	(118,475)
2026	258,467
2027	(568)
	\$ (580,354)

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:

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%

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 a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' 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>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability 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 upon 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.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2022 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 7,141,646	\$ 5,558,968	\$ 4,212,046

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.state.nj.gov/treasury/pensions/annual-reports.shtml.

Benefits Provided

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. 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 represents 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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. 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 fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2023, the State of New Jersey contributed \$6,523,829 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$2,231,339.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2023, the State's proportionate share of the net pension liability associated with the District was \$82,909,955. 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 July 1, 2021 which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.1607%, which was an increase of 0.0027% from its proportion measured as of June 30, 2021.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		82,909,955
Total	\$	<u>82,909,955</u>

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$2,231,339 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2015	8.30	\$ 213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$ 3,681,530,748
	2018	8.29		2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	
			<u>3,013,097,864</u>	<u>19,441,140,477</u>
Difference Between Expected and Actual Experience	2015	8.30	13,201,022	
	2016	8.30		21,088,845.00
	2017	8.30	65,502,212	
	2018	8.29	474,592,771	
	2019	8.04		78,198,040
	2020	7.99		5,368,990
	2021	7.93	146,524,969	
	2022	7.83		18,009,041
			<u>699,820,974</u>	<u>122,664,916</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
			<u>1,172,371,073</u>	
			<u>\$ 4,885,289,911</u>	<u>\$ 19,563,805,393</u>

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

Fiscal Year Ending June 30,	Total
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	\$ (14,678,515,482)

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%

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 a 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.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability 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 made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension 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 pension plan investments was applied to all projected benefit payments in determining the total pension liability.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2022 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 97,213,684	\$ 82,909,955	\$ 70,860,860

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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 DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$34,891 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$46,563 for the year ended June 30, 2023.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. RISK MANAGEMENT

The District maintains commercial and risk management pool insurance coverage for property, liability, student accident and surety bonds. The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District has health benefits coverage for its employees under AmeriHealth Insurance Company of New Jersey.

Workers Compensation Insurance

The Verona Board of Education is currently a member of the Morris Essex Insurance Group (the “Group”). The Morris Essex Insurance Group provides its members with Workers' Compensation Insurance. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. The Group is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the Group is elected. As a member of the Group, the Board of Education could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group's liabilities.

The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The audit of the Group as of June 30, 2023 is not available as of the date of this report. Selected, summarized financial information for the Group as of June 30, 2022 is as follows:

	<u>Morris Essex Insurance Group</u>
Total Assets	\$ 12,133,641
Net Position	\$ 7,494,542
Total Revenue	\$ 3,715,390
Total Expenses	\$ 3,715,752
Change in Net Position	\$ (1,115,092)
Member Dividends	\$ 1,114,730

Financial statements for the Group are available at the Group’s Executive Director’s Office:

The Burton Agency, Executive Director
44 Bergen St.
Westwood, NJ 07675

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of the District’s contributions, employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District’s Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employee Contributions and Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ 80,959	\$ 85,593	\$ 24,020
2022	106,213	90,824	28,654
2021	102,976	99,766	13,265

NOTE 9. ECONOMIC DEPENDENCY

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

NOTE 10. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2023:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 360,189	\$ 7,129
Special Revenue Fund		327,729
Capital Projects Fund		38,805
Debt Service Fund	33,719	27,374
Proprietary Fund	7,129	
	<u>\$ 401,037</u>	<u>\$ 401,037</u>

The interfund between the General Fund and the Special Revenue Fund represents funds advanced to the Special Revenue Fund for cash flow purposes awaiting the collection of federal grants receivable. The interfund between the General Fund and the Capital Projects Fund represents the unspent funds on completed projects due back to the capital reserve account. The interfund between the Capital Projects fund and the Debt Service fund represents a prior year interfund and current year interest. The interfund between Debt Service Fund and General Fund represents a prior year interfund and a current year advance. The interfund between the General Fund and the Proprietary Fund represents a prior year interfund.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 11. DEFERRED COMPENSATION

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

The plan administrators are as follows:

- Equitable Life Assurance
- Metropolitan Life Insurance Company
- Lincoln Life Insurance Company
- Lincoln Investments
- Variable Annuity Life Insurance Company (V.A.L.I.C.)
- Financial Resources

Equitable Life Assurance and Financial Resources are the plan administrators for the District's Internal Revenue Code Section 457 plans.

NOTE 12. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the local school District on a predetermined mutually agreed-upon schedule.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Grant Programs

The School District participates in state and federally assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The School District is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation

The District is periodically involved in claims or lawsuits arising in the normal course of business, including a claim regarding employment matters. The District does not believe that the ultimate outcome of these cases will have a material adverse effect on the District's financial position.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 13. COMMITMENTS AND CONTINGENCIES (Cont'd)

Arbitrage

The District may have a liability for arbitrage payable to the federal government relative to its \$27,771,000 School Bonds dated February 19, 2020. The amount of liability at June 30, 2023, if any, is unknown.

Encumbrances

At June 30, 2023, there were encumbrances as detailed below in the governmental funds:

Capital Projects Fund	Total Governmental Funds
\$ 12,008	\$ 12,008

On the GAAP basis, the year-end encumbrances of \$12,008 in the Capital Projects Fund are included in the \$109,948 restricted fund balance.

NOTE 14. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2023, the District transferred \$44,137 to capital outlay accounts for equipment and did not require approval from the County Superintendent. The District did not make any transfers to capital outlay accounts for facility acquisitions and construction services.

NOTE 15. ACCOUNTS PAYABLE

	Governmental Funds	District Contri- bution Subsequent to the Measure- ment Date	Total Governmental Activities	Business-Type Activities Food Service Fund
	General Fund	Special Revenue Fund		
State of New Jersey		\$ 5,854	\$ 484,904	\$ 490,758
Payroll Deductions and Withholdings	\$ 31,844		31,844	
Vendors	754,029	264,886	1,018,915	\$ 43,550
	\$ 785,873	\$ 270,740	\$ 484,904	\$ 1,541,517
			\$ 1,541,517	\$ 43,550

NOTE 16. MAINTENANCE RESERVE ACCOUNT

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.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 16. MAINTENANCE RESERVE ACCOUNT (Cont'd)

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes.

Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities.

If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Beginning Balance, July 1, 2022	\$ 470,000
Add:	
Transfer from Unassigned Fund Balance as per Board Resolution	250,000
Withdrawals:	
Budgeted Withdrawal	<u>(70,000)</u>
Ending Balance, June 30, 2023	<u>\$ 650,000</u>

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

General Information about the OPEB Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). 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 years or more 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 total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2021, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	151,669
Active Plan Members	213,148
Total	364,817

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 4.25% based on years of service	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service

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

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement 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 were based on the Pub-2010 “Safety” (PFRS), “General” (PERS) and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2021	\$ 84,340,268
Changes for Year:	
Service Cost	3,820,576
Interest on the Total OPEB Liability	1,864,674
Changes of Assumptions	(18,875,276)
Differences between Expected and Actual Experience	999,662
Gross Benefit Payments by the State	(1,847,015)
Contributions from Members	59,253
Net Changes	(13,978,126)
Balance at June 30, 2022	\$ 70,362,142

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
	Total OPEB Liability Attributable to the District	\$ 82,703,297	\$ 70,362,142

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 58,158,611	\$ 70,362,142	\$ 86,392,221

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$2,249,278 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation. In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2022 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 3,653,278
	2018	9.51		3,486,266
	2019	9.29	\$ 492,207	
	2020	9.24	11,621,252	
	2021	9.24	64,446	
	2022	9.13		16,807,885
				<u>12,177,905</u>
Differences between Expected and Actual Experience	2018	9.51		3,295,606
	2019	9.29		5,793,317
	2020	9.24	10,831,462	
	2021	9.24		12,393,452
	2022	9.13	1,730,971	
				<u>12,562,433</u>
Changes in Proportion	N/A	N/A	<u>1,643,355</u>	<u>1,302,532</u>
			<u>\$ 26,383,693</u>	<u>\$ 46,732,336</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2023	\$ (3,497,029)
2024	(3,497,030)
2025	(3,497,030)
2026	(3,022,310)
2027	(1,728,197)
Thereafter	<u>(5,447,870)</u>
	<u>\$ (20,689,466)</u>

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30,2023
(Continued)

NOTE 18. 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 must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

The Township of Verona recognized revenue in the amount of \$1,571,011 from 6 payment in lieu of taxes ("PILOT") agreements. The taxes which would have been paid on these properties for 2022 without the abatement would have been \$3,294,596 of which \$1,861,397 would have been for the local school tax.

REQUIRED SUPPLEMENTARY INFORMATION

VERONA BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
District's proportion of the net pension liability	0.0391601951%	0.0409104326%	0.0407569587%	0.0380142039%	0.0390169900%	0.0381088649%	0.0350621284%	0.0361442350%	0.0368353934%	
District's proportionate share of the net pension liability	\$ 7,331,860	\$ 9,183,572	\$ 12,071,042	\$ 8,849,099	\$ 7,682,251	\$ 6,866,639	\$ 5,717,716	\$ 4,281,826	\$ 5,558,968	
District's covered employee payroll	\$ 2,649,102	\$ 2,574,194	\$ 2,612,297	\$ 2,572,880	\$ 2,749,941	\$ 2,679,024	\$ 2,609,386	\$ 2,612,535	2,688,006	
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	283.04%	284.82%	351.55%	469.16%	321.79%	286.76%	263.15%	218.86%	159.29%	
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

VERONA BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Contractually required contribution	\$ 322,831	\$ 351,720	\$ 362,079	\$ 352,161	\$ 388,093	\$ 474,421	\$ 383,562	\$ 423,291	\$ 464,512	
Contributions in relation to the contractually required contribution	(322,831)	(351,720)	(362,079)	(352,161)	(388,093)	(474,421)	(383,562)	(423,291)	(464,512)	
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	
District's covered employee payroll	\$ 2,574,194	\$ 2,612,297	\$ 2,572,880	\$ 2,749,941	\$ 2,679,024	\$ 2,609,386	\$ 2,612,535	\$ 2,688,006	\$ 3,040,861	
Contributions as a percentage of covered employee payroll	12.54%	13.46%	14.07%	12.81%	14.49%	18.18%	14.68%	15.75%	15.28%	

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

VERONA BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF STATES PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT
 TEACHERS' PENSION AND ANNUITY FUND
 LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
State's proportion of the net pension liability attributable to the District	0.1571932268%	0.1475863822%	0.1576259021%	0.1542831150%	0.1537161453%	0.1548302120%	0.1504151211%	0.1580326010%	0.1606955972%	
State's proportionate share of the net pension liability attributable to the District	\$ 84,014,664	\$ 93,280,896	\$ 123,998,571	\$ 104,023,239	\$ 97,790,910	\$ 95,020,763	\$ 99,046,550	\$ 75,974,471	\$ 82,909,955	
District's covered employee payroll	\$ 14,603,136	\$ 14,991,957	\$ 15,817,173	\$ 15,591,191	\$ 16,142,269	\$ 16,319,268	\$ 17,906,395	\$ 17,922,562	\$ 18,594,296	
State proportionate share of the net pension liability attributable to the district as a percentage of its covered employee payroll	575.32%	622.21%	783.95%	667.19%	605.81%	582.26%	553.14%	423.90%	445.89%	
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

VERONA BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF STATE CONTRIBUTIONS
 TEACHERS' PENSION AND ANNUITY FUND
 LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 4,520,778	\$ 9,316,767	\$ 9,316,767	\$ 7,206,203	\$ 5,700,868	\$ 5,604,579	\$ 6,159,136	\$ 1,787,713	\$ 2,231,339
Contributions in relation to the contractually required contribution	(744,353)	(1,202,132)	(1,674,703)	(2,263,697)	(3,045,135)	(3,299,180)	(4,593,817)	(6,615,286)	(6,523,829)
Contribution deficiency/(excess)	\$ 3,776,425	\$ 8,114,635	\$ 7,642,064	\$ 4,942,506	\$ 2,655,733	\$ 2,305,399	\$ 1,565,319	\$ (4,827,573)	\$ (4,292,490)
District's covered employee payroll	\$ 14,991,957	\$ 15,817,173	\$ 15,591,191	\$ 16,142,269	\$ 16,319,268	\$ 17,906,395	\$ 17,922,562	\$ 18,594,296	\$ 19,510,706
Contributions as a percentage of covered employee payroll	4.97%	7.60%	10.74%	14.02%	18.66%	18.42%	25.63%	35.58%	33.44%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

VERONA BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2017	2018	2019	2020	2021	2022
Service Cost	\$ 3,005,167	\$ 2,519,437	\$ 2,223,876	\$ 2,353,458	\$ 4,351,506	\$ 3,820,576
Interest	2,345,315	2,701,897	2,490,363	2,063,861	2,187,875	1,864,674
Changes in Assumptions	(9,744,530)	(7,226,520)	855,936	17,300,130	83,208	(18,875,276)
Changes of Benefit Terms					(89,770)	
Differences between Expected and Actual Experience		(7,153,898)	(9,427,135)	17,184,131	(15,234,328)	999,662
Member Contributions	63,404	58,198	52,237	49,975	55,933	59,253
Gross Benefit Payments	(1,721,873)	(1,683,888)	(1,762,209)	(1,648,811)	(1,723,433)	(1,847,015)
Net Change in Total OPEB Liability	(6,052,517)	(10,784,774)	(5,566,932)	37,302,744	(10,369,009)	(13,978,126)
Total OPEB Liability - Beginning	79,810,756	73,758,239	62,973,465	57,406,533	94,709,277	84,340,268
Total OPEB Liability - Ending	<u>\$ 73,758,239</u>	<u>\$ 62,973,465</u>	<u>\$ 57,406,533</u>	<u>\$ 94,709,277</u>	<u>\$ 84,340,268</u>	<u>\$ 70,362,142</u>
District's Covered Employee Payroll *	\$ 17,566,151	\$ 18,429,470	\$ 18,164,071	\$ 18,998,292	\$ 20,515,781	\$ 20,535,097
Total OPEB Liability as a Percentage of Covered Employee Payroll	420%	342%	316%	499%	411%	343%

* - Covered payroll for the fiscal years ending June 30, 2017 through 2022 are based on the payroll on the June 30, 2016 through 2021 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

VERONA BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

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. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

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. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEN PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

VERONA BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023
(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEN PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

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 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, For increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4,5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years.

BUDGETARY COMPARISON SCHEDULES

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 36,641,387		\$ 36,641,387	\$ 36,641,387	
Tuition From Individuals	55,000		55,000	75,721	\$ 20,721
Transportation Fees From Individuals				65,275	65,275
Unrestricted Miscellaneous Revenues	104,000		104,000	398,039	294,039
Total Revenues from Local Sources	<u>36,800,387</u>		<u>36,800,387</u>	<u>37,180,422</u>	<u>380,035</u>
Revenues from State Sources:					
Categorical Transportation Aid	103,500		103,500	103,500	
Extraordinary Aid	600,000		600,000	1,117,296	517,296
Categorical Special Education Aid	1,984,781		1,984,781	1,984,781	
Categorical Security Aid	175,630		175,630	175,630	
Lead Water Testing Reimbursement				8,980	8,980
TPAF Post Retirement Contributions (Non-Budgeted)				1,737,571	1,737,571
TPAF Pension Contributions (Non-Budgeted)				6,523,829	6,523,829
TPAF Non-Contributory Insurance (Non-Budgeted)				90,511	90,511
TPAF Long-Term Disability Insurance (Non-Budgeted)				2,278	2,278
Reimbursed TPAF Social Security Contributions				1,414,867	1,414,867
Total Revenues from State Sources	<u>2,863,911</u>		<u>2,863,911</u>	<u>13,159,243</u>	<u>10,295,332</u>
TOTAL REVENUE	39,664,298		39,664,298	50,339,665	10,675,367

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 791,570	\$ (26,309)	\$ 765,261	\$ 758,733	\$ 6,528
Grades 1-5 - Salaries of Teachers	4,670,157	72,617	4,742,774	4,739,764	3,010
Grades 6-8 - Salaries of Teachers	2,578,449	100,087	2,678,536	2,678,536	
Grades 9-12 - Salaries of Teachers	4,174,107	(31,948)	4,142,159	4,131,765	10,394
Other Purchased Services (400-500 series)		160	160	156	4
Regular Programs - Home Instruction:					
Salaries of Teachers	28,000	(17,542)	10,458	10,458	
Purchased Professional-Educational Services	22,000	(8,162)	13,838	13,838	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	490,014	(151,005)	339,009	337,118	1,891
Other Purchased Services (400-500 series)	231,498	(9,515)	221,983	213,857	8,126
General Supplies	506,741	746	507,487	484,709	22,778
Textbooks	83,061	(6,164)	76,897	74,287	2,610
Other Objects	2,400	(1,221)	1,179	1,171	8
Total Regular Programs - Instruction	<u>13,577,997</u>	<u>(78,256)</u>	<u>13,499,741</u>	<u>13,444,392</u>	<u>55,349</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	360,377	54,357	414,734	405,513	9,221
Other Salaries for Instruction	320,326	(150,909)	169,417	167,883	1,534
Purchased Professional-Educational Services		288,676	288,676	288,676	
General Supplies	7,000		7,000	3,738	3,262
Total Learning and/or Language Disabilities	<u>687,703</u>	<u>192,124</u>	<u>879,827</u>	<u>865,810</u>	<u>14,017</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Behavioral Disabilities:					
Salaries of Teachers	\$ 270,165	\$ 93,808	\$ 363,973	\$ 310,452	\$ 53,521
Other Salaries for Instruction	235,914	298	236,212	166,442	69,770
General Supplies	4,500	1,700	6,200	5,508	692
Total Behavioral Disabilities	510,579	95,806	606,385	482,402	123,983
Resource Room/Resource Center:					
Salaries of Teachers	1,471,671	(31,296)	1,440,375	1,412,771	27,604
Other Salaries for Instruction	435,498	(228,232)	207,266	207,266	
General Supplies	12,000		12,000	10,410	1,590
Total Resource Room/Resource Center	1,919,169	(259,528)	1,659,641	1,630,447	29,194
Autism:					
Other Salaries for Instruction	20,060	2,431	22,491	22,491	
Total Autism	20,060	2,431	22,491	22,491	
Preschool Disabilities - Part-Time:					
Salaries of Teachers	117,589	2,012	119,601	119,601	
Other Salaries for Instruction	100,921	33,888	134,809	134,809	
General Supplies	8,500		8,500	5,785	2,715
Total Preschool Disabilities - Part-Time	227,010	35,900	262,910	260,195	2,715
Preschool Disabilities - Full-Time:					
Salaries of Teachers	219,345	(1,469)	217,876	215,147	2,729
Other Salaries for Instruction	210,434	(25,353)	185,081	182,068	3,013
General Supplies	5,100		5,100	2,977	2,123
Total Preschool Disabilities - Full-Time	434,879	(26,822)	408,057	400,192	7,865

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Home Instruction:					
Salaries of Teachers	\$ 22,000	\$ (3,209)	\$ 18,791	\$ 4,853	\$ 13,938
Total Home Instruction	44,000	(3,209)	40,791	15,415	25,376
TOTAL SPECIAL EDUCATION - INSTRUCTION	3,843,400	36,702	3,880,102	3,676,952	203,150
Bilingual Education - Instruction:					
Salaries of Teachers	43,880	3,209	47,089	43,588	3,501
General Supplies	2,000		2,000	1,959	41
Total Bilingual Education - Instruction	45,880	3,209	49,089	45,547	3,542
School-Spon. Coccurricular & Extracurricular Actvts. - Inst.:					
Salaries	219,635	66,821	286,456	283,950	2,506
Other Objects	59,600	(4,263)	55,337	54,819	518
Total School-Spon. Coccurricular & Extracurricular Actvts. - Inst.	280,235	64,714	344,949	340,925	4,024
School-Sponsored Athletics - Instruction:					
Salaries	649,462	(8,762)	640,700	640,700	
Supplies and Materials	184,100	569	184,669	184,059	610
Total School-Sponsored Athletics - Instruction	833,562	(8,193)	825,369	824,759	610
TOTAL INSTRUCTION	18,581,074	18,176	18,599,250	18,332,575	266,675

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	\$ 149,906	\$ 175,048	\$ 324,954	\$ 299,271	\$ 25,683
Tuition to County Voc. School Dist.-Special	44,000	(4,132)	39,868	27,558	12,310
Tuition to Priv. Sch. for the Handicap. W/I State	2,806,367	(576,943)	2,229,424	2,096,769	132,655
Tuition - Other	40,000	171,723	211,723	211,723	
Total Undistributed Expenditures - Instruction	<u>3,050,273</u>	<u>(230,172)</u>	<u>2,820,101</u>	<u>2,649,453</u>	<u>170,648</u>
Undistributed Expenditures - Health Services:					
Salaries	471,709	24,211	495,920	476,707	19,213
Purchased Professional and Technical Services	7,000	750	7,750	1,250	6,500
Supplies and Materials	13,159	(3,234)	9,925	8,134	1,791
Other Objects	2,000		2,000	405	1,595
Total Undist. Expenditures - Health Services	<u>493,868</u>	<u>21,727</u>	<u>515,595</u>	<u>486,496</u>	<u>29,099</u>
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	987,641	(2,406)	985,235	985,235	
Purchased Professional - Educational Services	472,953	(69,153)	403,800	393,741	10,059
Supplies and Materials	20,500	500	21,000	19,737	1,263
Total Undist. Expend. - Speech, OT, PT, Related Svcs	<u>1,481,094</u>	<u>(71,059)</u>	<u>1,410,035</u>	<u>1,398,713</u>	<u>11,322</u>
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	701,502		714,746	714,746	
Salaries of Secretarial and Clerical Assistants	58,664	28	58,692	58,692	
Supplies and Materials	36,736	(23,153)	13,583	13,154	429
Total Undist Expend. - Guidance	<u>796,902</u>	<u>(9,881)</u>	<u>787,021</u>	<u>786,592</u>	<u>429</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	\$ 1,024,337	\$ (66,323)	\$ 958,014	\$ 896,248	\$ 61,766
Salaries of Secretarial and Clerical Assistants	73,321		73,321	73,321	
Purchased Professional - Educational Services	25,000	45,000	70,000	57,335	12,665
Other Purchased Services (400-500 series)	12,839		12,839	8,727	4,112
Supplies and Materials	39,912	1,000	40,912	39,579	1,333
Total Undist Expend. - Child Study Team	<u>1,181,909</u>	<u>(20,323)</u>	<u>1,161,586</u>	<u>1,075,210</u>	<u>86,376</u>
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	391,544		391,544	377,750	13,794
Salaries of Other Professional Staff	175,454	1,974	177,428	177,428	
Salaries of Secretarial and Clerical Assistants	54,144		54,144	54,136	8
Purchased Professional - Educational Services	4,000	(1,500)	2,500		2,500
Other Purchased Prof. and Tech. Services	64,125	935	65,060	61,891	3,169
Supplies and Materials	72,650	(940)	71,710	70,400	1,310
Other Objects	5,085		5,085	498	4,587
Total Undist. Expend.-Improv. of Inst. Serv.	<u>767,002</u>	<u>1,999</u>	<u>769,001</u>	<u>742,542</u>	<u>26,459</u>
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	357,402	(42,639)	314,763	314,763	
Supplies and Materials	58,383	5,251	63,634	61,792	1,842
Total Undist Expend-Edu. Media Serv./Sch. Library	<u>415,785</u>	<u>(37,388)</u>	<u>378,397</u>	<u>376,555</u>	<u>1,842</u>
Undist.Expend.-Instructional Staff Training Services:					
Purchased Professional - Educational Service	25,000	(5,500)	19,500	14,300	5,200
Total Undist.Expend.-Instructional Staff Training Services	<u>25,000</u>	<u>(5,500)</u>	<u>19,500</u>	<u>14,300</u>	<u>5,200</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	\$ 309,506	\$ (7,404)	\$ 302,102	\$ 300,986	\$ 1,116
Legal Services	180,000	(103,247)	76,753	76,753	
Audit Fees	40,000	16,998	56,998	56,997	1
Other Purchased Professional Services	8,000	19,800	27,800	27,800	
Purchased Technical Services	17,040	3,960	21,000	21,000	
Communications / Telephone	64,710	6,176	70,886	68,899	1,987
BOE Other Purchased Services	700	(700)			
Other Purch. Serv. (400-500 series other than 530 & 585)	148,455	14,858	163,313	163,217	96
General Supplies	9,800	(1,200)	8,600	8,406	194
Miscellaneous Expenditures	23,000	706	23,706	23,706	
Total Undist. Expend.-Support Serv.-Gen. Admin.	801,211	(50,053)	751,158	747,764	3,394
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	1,162,418	(250)	1,162,168	1,151,418	10,750
Salaries of Other Professional Staff	171,122	(31,750)	139,372	126,542	12,830
Salaries of Secretarial and Clerical Assistants	530,153	(2,117)	528,036	450,855	77,181
Purchased Professional and Technical Services	6,000	32,000	38,000	30,053	7,947
Other Purchased Services (400-500 series)	800	2,690	3,490	985	2,505
Supplies and Materials	12,532	(1,380)	11,152	8,816	2,336
Other Objects	16,000	(2,125)	13,875	12,746	1,129
Total Undist. Expend.-Support Serv.-School Adm.	1,899,025	(2,932)	1,896,093	1,781,415	114,678

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	\$ 355,863	\$ 3,527	\$ 359,390	\$ 359,390	\$ 10,342
Purchased Professional Services	14,920	(3,828)	11,092	750	1,370
Supplies and Materials	6,000	(2,358)	3,642	2,272	3,350
Interest on Current Loans	3,350		3,350	2,346	2,314
Interest on Lease Purchase Agreements	4,660		4,660	5,328	30
Other Objects	3,000	2,358	5,358		
Total Undist. Expend. - Central Services	<u>410,842</u>	<u>(1,402)</u>	<u>409,440</u>	<u>395,384</u>	<u>14,056</u>
Undist. Expend. - Admin. Info. Technology:					
Salaries	198,730	822	199,552	199,552	
Other Purchased Services (400-500 series)	40,000	(2,083)	37,917	35,617	2,300
Total Undist. Expend. - Admin. Info. Technology	<u>239,230</u>	<u>(1,261)</u>	<u>237,969</u>	<u>235,169</u>	<u>2,800</u>
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	350,315	69,718	420,033	420,033	
Cleaning, Repair, and Maintenance Services	221,755	277,973	499,728	441,030	58,698
General Supplies	320,000	(260,940)	59,060	59,060	
Total Undist. Expend.- Required Maint. for School Facilities	<u>892,070</u>	<u>86,876</u>	<u>978,946</u>	<u>920,248</u>	<u>58,698</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
Salaries	\$ 1,189,291	\$ 5,711	\$ 1,195,002	\$ 1,194,309	\$ 693
Cleaning, Repair, and Maintenance Services	175,000	(27,624)	147,376	146,519	857
Lease Purchase Pymts - Energy Savings Impr Prog	163,820		163,820	163,820	
Other Purchased Property Services	56,700	(18,343)	38,357	38,357	
Insurance	213,959	(3,678)	210,281	210,281	
General Supplies	154,750	32,664	187,414	158,605	28,809
Energy (Natural Gas)	200,000	47,260	247,260	247,260	
Energy (Electricity)	268,000	88,852	356,852	356,852	
Other Objects	7,500	(1,293)	6,207	6,207	
Interest - Energy Savings Impr Prog Bonds	38,580		38,580	38,580	
Total Undist. Expend.-Custodial Services	<u>2,467,600</u>	<u>123,549</u>	<u>2,591,149</u>	<u>2,560,790</u>	<u>30,359</u>
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	40,000	3,448	43,448	43,448	
General Supplies	25,000	(4,104)	20,896	20,839	57
Total Care And Upkeep Of Grounds	<u>65,000</u>	<u>(656)</u>	<u>64,344</u>	<u>64,287</u>	<u>57</u>
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	<u>3,424,670</u>	<u>209,769</u>	<u>3,634,439</u>	<u>3,545,325</u>	<u>89,114</u>
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch)-Spl. Ed.	95,000	28,249	123,249	123,249	
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	42,243	12,907	55,150	55,054	96
Contract. Serv.(Bet. Home & Sch.)-Vendors	30,750	(10,752)	19,998	19,890	108
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts	550,000	149,314	699,314	692,457	6,857
Transportation Supplies	55,000	(4,850)	50,150	44,439	5,711
Total Undist. Expend.-Student Trans. Serv.	<u>802,993</u>	<u>209,336</u>	<u>1,012,329</u>	<u>999,536</u>	<u>12,793</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Group Insurance	\$ 103,000	\$ (101,730)	\$ 1,270	\$ 255	\$ 1,015
Social Security Contributions	435,000	59,851	494,851	494,851	
Other Retirement Contributions - PERS	470,000	(5,000)	465,000	464,512	488
Other Retirement Contributions - Regular	25,000	39,958	64,958	62,227	2,731
Unemployment Compensation	75,800	12,127	87,927	87,927	
Workers Compensation	261,723	(82,880)	178,843	119,597	59,246
Health Benefits	4,463,040	72,501	4,535,541	4,535,541	
Tuition Reimbursement	96,200		96,200	71,428	24,772
Other Employee Benefits	80,000		80,000	63,827	16,173
TOTAL UNALLOCATED BENEFITS	6,009,763	(5,173)	6,004,590	5,900,165	104,425
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				1,737,571	(1,737,571)
TPAF Pension Contributions (Non-Budgeted)				6,523,829	(6,523,829)
TPAF Non-Contributory Insurance (Non-Budgeted)				90,511	(90,511)
TPAF Long-Term Disability Insurance (Non-Budgeted)				2,278	(2,278)
Reimbursed TPAF Social Security Contributions				1,414,867	(1,414,867)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				9,769,056	(9,769,056)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	6,009,763	(5,173)	6,004,590	15,669,221	(9,664,631)
TOTAL UNDISTRIBUTED EXPENDITURES	21,799,567	7,687	21,807,254	30,903,675	(9,096,421)
TOTAL GENERAL CURRENT EXPENSE	40,380,641	25,863	40,406,504	49,236,250	(8,829,746)

VERONA BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
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>
CAPITAL OUTLAY					
Equipment:					
Grades 1-5	\$ 2,588		\$ 2,588	2,588	
Grades 6-8	3,185		3,185	3,185	
Grades 9-12	14,350		14,350	13,731	\$ 619
Undistributed:					
School Buses - Regular	(9,000)		111,098	111,092	6
Total Equipment	<u>120,098</u>	<u>44,137</u>	<u>164,235</u>	<u>151,288</u>	<u>12,947</u>
Facilities Acquisition and Construction Serv.:					
Lease Purchase Agreements - Principal	139,467		139,467	139,467	
Assessment for Debt Service on SDA Funding	1,362		1,362	1,362	
Total Facilities Acquisition and Const. Serv.	<u>140,829</u>		<u>140,829</u>	<u>140,829</u>	
TOTAL CAPITAL OUTLAY	<u>260,927</u>	<u>44,137</u>	<u>305,064</u>	<u>292,117</u>	<u>12,947</u>
TOTAL EXPENDITURES	<u>40,641,568</u>	<u>70,000</u>	<u>40,711,568</u>	<u>49,528,367</u>	<u>(8,816,799)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(977,270)	(70,000)	(1,047,270)	811,298	1,858,568
Other Financing Sources/(Uses):					
Capital Reserve - Transfer from Capital Projects Fund				5,086	5,086
Total Other Financing Sources/(Uses)				<u>5,086</u>	<u>5,086</u>
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(977,270)	(70,000)	(1,047,270)	816,384	1,863,654
Fund Balance, July 1	5,389,516		5,389,516	5,389,516	
Fund Balance, June 30	<u>\$ 4,412,246</u>	<u>\$ (70,000)</u>	<u>\$ 4,342,246</u>	<u>\$ 6,205,900</u>	<u>\$ 1,863,654</u>

VERONA BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
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>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2024-2025				\$ 1,010,978	
Excess Surplus - Restricted For 2023-2024				766,598	
Capital Reserve				2,305,086	
Maintenance Reserve				650,000	
Unemployment Compensation				24,020	
Assigned Fund Balance:				136,736	
Designated for Subsequent Year's Expenditures				1,312,482	
Unassigned Fund Balance				6,205,900	
				<u> </u>	
Reconciliation to Governmental Funds Statement (GAAP):				<u>(222,955)</u>	
Last State Aid Payments not Recognized on GAAP basis				<u> </u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 5,982,945</u>	

VERONA BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 321,417	\$ 321,417	\$ 330,000	\$ 8,583
State Sources	\$ 102,590	73,360	175,950	196,270	20,320
Federal Sources	1,258,818	917,621	2,176,439	1,700,055	(476,384)
Total Revenues	1,361,408	1,312,398	2,673,806	2,226,325	(447,481)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	169,587	277,408	446,995	243,155	203,840
Purchased Professional - Educational Services	136,193	205,557	341,750	328,646	13,104
Other Purchased Services	400,000	140,837	540,837	540,837	
General Supplies	8,638	142,444	151,082	86,949	64,133
Textbooks	8,306	2,914	11,220	9,710	1,510
Total Instruction	722,724	769,160	1,491,884	1,209,297	282,587
Support Services:					
Salaries of Other Professional Staff	37,766	(13,526)	24,240	24,230	10
Personal Services - Employee Benefits	56,714	172,679	229,393	113,840	115,553
Purchased Professional and Technical Services	98,074	49,058	147,132	126,081	21,051
Purchased Professional - Educational Services		2,526	2,526		2,526
Other Purchased Services		52,207	52,207	52,207	
Supplies and Materials	111,332	(6,017)	105,315	103,362	1,953
Student Activities		312,902	312,902	312,902	
Total Support Services	303,886	569,829	873,715	732,622	141,093
Facilities Acquisition and Construction Services:					
Building/Renovations	334,798	(78,423)	256,375	232,574	23,801
Non-Instructional Equipment		57,270	57,270	57,270	
Total Facilities Acquisition and Construction Services	334,798	(21,153)	313,645	289,844	23,801
Total Expenditures	\$ 1,361,408	\$ 1,317,836	\$ 2,679,244	\$ 2,231,763	\$ 447,481
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -0-	\$ (5,438)	\$ (5,438)	\$ (5,438)	\$ -0-

VERONA BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 50,339,665	\$ 2,226,325
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements	186,063	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(222,955)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 50,302,773</u>	<u>\$ 2,226,325</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 49,528,367	\$ 2,231,763
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 49,528,367</u>	<u>\$ 2,231,763</u>

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)l. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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 generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in 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 except for student activities. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from the GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

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

	Elementary and Secondary Education Act		COVID 19 - CRRSA			
	Title I	Title IIA	Title IV	ESSER II	Learning Acceleration	Mental Health
REVENUE:						
Local Sources						
State Sources						
Federal Sources	\$ 90,309	\$ 27,646	\$ 9,249	\$ 143,570	\$ 12,122	\$ 5,190
Total Revenue	90,309	27,646	9,249	143,570	12,122	5,190
EXPENDITURES:						
Instruction:						
Salaries of Teachers	60,760				300	
Purchased Professional - Educational Services					11,822	
Other Purchased Services	809					
General Supplies						
Textbooks						
Total Instruction	61,569				12,122	
Support Services:						
Salaries of Other Professional Staff						5,190
Personal Services - Employee Benefits	28,740					
Purchased Professional & Technical Services		27,646	9,249	47,361		
Other Purchased Services						
Supplies and Materials						
Student Activities				96,209		
Total Support Services	28,740	27,646	9,249	143,570		5,190
Facilities Acquisition:						
Building/Renovations						
Non-Instructional Equipment						
Total Facilities Acquisition						
Total Expenditures	\$ 90,309	\$ 27,646	\$ 9,249	\$ 143,570	\$ 12,122	\$ 5,190

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

	COVID 19 - ARP					
	ESSER III	Accelerated Learning	Summer Learning and Enrichment	Mental Health Support	IDEA	
					Basic	
					Preschool	
REVENUE:						
Local Sources						
State Sources						
Federal Sources	\$ 709,845	\$ 52,785	\$ 18,363	\$ 45,000	\$ 542,843	\$ 27,317
Total Revenue	<u>709,845</u>	<u>52,785</u>	<u>18,363</u>	<u>45,000</u>	<u>542,843</u>	<u>27,317</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	129,216	34,516	18,363	45,000	9,957	27,317
Purchased Professional - Educational Services	188,379				525,021	
Other Purchased Services					7,865	
General Supplies	28,422					
Textbooks						
Total Instruction	<u>346,017</u>	<u>34,516</u>	<u>18,363</u>	<u>45,000</u>	<u>542,843</u>	<u>27,317</u>
Support Services:						
Salaries of Other Professional Staff	66,831	18,269				
Personal Services - Employee Benefits						
Purchased Professional & Technical Services						
Other Purchased Services	7,153					
Supplies and Materials						
Student Activities						
Total Support Services	<u>73,984</u>	<u>18,269</u>				
Facilities Acquisition:						
Building/Renovations	232,574					
Non-Instructional Equipment	57,270					
Total Facilities Acquisition	<u>289,844</u>					
Total Expenditures	<u>\$ 709,845</u>	<u>\$ 52,785</u>	<u>\$ 18,363</u>	<u>\$ 45,000</u>	<u>\$ 542,843</u>	<u>\$ 27,317</u>

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

	Non-Public					Chapter 192 Compensatory Education
	ACSERS	Textbook	Nursing	Security	Technology	
REVENUE:						
Local Sources						
State Sources		\$ 9,710	\$ 19,040	\$ 34,850	\$ 6,975	\$ 51,689
Federal Sources	15,816					
Total Revenue	15,816	9,710	19,040	34,850	6,975	51,689
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Purchased Professional - Educational Services						51,689
Other Purchased Services	15,816					
General Supplies						
Textbooks		9,710				
Total Instruction	15,816	9,710				51,689
Support Services:						
Salaries of Other Professional Staff			19,040			
Personal Services - Employee Benefits				34,850	6,975	
Purchased Professional & Technical Services						
Other Purchased Services						
Supplies and Materials						
Student Activities						
Total Support Services			19,040	34,850	6,975	
Facilities Acquisition:						
Building/Renovations						
Non-Instructional Equipment						
Total Facilities Acquisition						
Total Expenditures	\$ 15,816	\$ 9,710	\$ 19,040	\$ 34,850	\$ 6,975	\$ 51,689

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

	Initial Examination & Classification	Chapter 193 Corrective Speech	Supplemental Instruction	SDA Emergent and Capital Maintenance Needs	Local Grants	Student Activities	Totals June 30, 2023
REVENUE:							
Local Sources	\$ 14,219	\$ 1,302	\$ 6,278	\$ 52,207	\$ 22,536	\$ 307,464	\$ 330,000
State Sources							196,270
Federal Sources							1,700,055
Total Revenue	14,219	1,302	6,278	52,207	22,536	307,464	2,226,325
EXPENDITURES:							
Instruction:							
Salaries of Teachers							243,155
Purchased Professional - Educational Services	14,219	1,302	6,278				328,646
Other Purchased Services							540,837
General Supplies					22,536		86,949
Textbooks							9,710
Total Instruction	14,219	1,302	6,278		22,536		1,209,297
Support Services:							
Salaries of Other Professional Staff							24,230
Personal Services - Employee Benefits							113,840
Purchased Professional & Technical Services				52,207			126,081
Other Purchased Services							52,207
Supplies and Materials							103,362
Student Activities						312,902	312,902
Total Support Services				52,207		312,902	732,622
Facilities Acquisition:							
Building/Renovations							232,574
Non-Instructional Equipment							57,270
Total Facilities Acquisition							289,844
Total Expenditures	14,219	1,302	6,278	52,207	22,536	312,902	2,231,763

CAPITAL PROJECTS FUND

VERONA BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Revenue and Other Financing Sources:	
Interest on Investments	\$ 4,688
	<hr/>
Total Revenue and Other Financing Sources	4,688
	<hr/>
Expenditures:	
Construction Services	259,812
	<hr/>
Total Expenditures	259,812
	<hr/>
(Deficit) of Revenue and Other Financing Sources Under Expenditures	(255,124)
Other Financing (Uses):	
Transfers Out - General Fund - Capital Reserve	(5,086)
Transfers Out - Debt Service Fund	(4,688)
	<hr/>
Total Other Financing (Uses)	(9,774)
	<hr/>
Excess/(Deficiency) of Revenues and Other Financing Sources	
Over/(Under) Expenditures and Other Financing (Uses)	(264,898)
Fund Balance - Beginning of Year	374,846
	<hr/>
Fund Balance - End of Year	\$ 109,948
	<hr/> <hr/>
<u>Recapitulation:</u>	
Restricted	\$ 97,940
Restricted - Year End Encumbrances	12,008
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ 109,948
	<hr/> <hr/>

VERONA BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
ACQUISITION OF BUS, WORKSTATIONS AND CHROME BOOKS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Prior Periods	Current Year	Totals	Authorized Costs
Revenue and Other Financing Sources:				
Financed Purchase Proceeds	\$ 200,826		\$ 200,826	\$ 200,826
Total Revenue and Other Financing Sources	200,826		200,826	200,826
Expenditures:				
Equipment	47,500		47,500	47,500
Supplies	153,324		153,324	153,326
Total Expenditures	200,824		200,824	200,826
Excess/(Deficit) of Revenue and Other Financing Sources over/(under) Expenditures	\$ 2	\$ -0-	\$ 2	\$ -0-
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bond Issued	N/A			
Original Authorized Cost	\$ 200,826			
Percentage Completion	100%			
Original Target Completion Date	06/01/18			
Revised Target Completion Date	06/30/21			

VERONA BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
2020 REFERENDUM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Costs</u>
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 27,771,000		\$ 27,771,000	\$ 27,771,000
Total Revenue and Other Financing Sources	<u>27,771,000</u>		<u>27,771,000</u>	<u>27,771,000</u>
Expenditures:				
Purchased Professional and Technical Services	3,128,625		3,128,625	3,498,383
Construction Services	24,272,617	\$ 259,812	24,532,429	24,272,617
Total Expenditures	<u>27,401,242</u>	<u>259,812</u>	<u>27,661,054</u>	<u>27,771,000</u>
Excess/(Deficit) of Revenue and Other Financing Sources over/(under) Expenditures	<u>\$ 369,758</u>	<u>\$ (259,812)</u>	<u>\$ 109,946</u>	<u>\$ -0-</u>
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	2/19/2020			
Bonds Authorized	\$ 27,771,000			
Bond Issued	\$ 27,771,000			
Original Authorized Cost	\$ 27,771,000			
Percentage Completion	99.60%			
Original Target Completion Date	6/30/2022			
Revised Target Completion Date	6/30/2024			

VERONA BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
DISTRICT-WIDE IMPROVEMENTS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Costs</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 428,525	\$ (5,086)	\$ 423,439	\$ 423,439
Total Revenue and Other Financing Sources	<u>428,525</u>	<u>(5,086)</u>	<u>423,439</u>	<u>423,439</u>
Expenditures:				
Construction Services	<u>423,439</u>	<u></u>	<u>423,439</u>	<u>423,439</u>
Total Expenditures	<u>423,439</u>	<u></u>	<u>423,439</u>	<u>423,439</u>
Excess/(Deficit) of Revenue and Other Financing Sources over/(under) Expenditures	<u>\$ 5,086</u>	<u>\$ (5,086)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Additional Project Information:				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bond Issued		N/A		
Original Authorized Cost	\$ 428,525			
Revised Authorized Costs	\$ 423,439			
Percentage Completion		100.00%		
Original Target Completion Date		6/30/2022		

PROPRIETARY FUNDS

VERONA BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2023

	Enterprise Funds		
	Non-Major Funds		
	Food Service Program	Verona Summer Enrichment Academy	Total
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 51,245	\$ 80,239	\$ 131,484
Interfund Receivable	7,129		7,129
Inventories	2,483		2,483
Total Current Assets	<u>60,857</u>	<u>80,239</u>	<u>141,096</u>
Non-Current Assets:			
Capital Assets	397,990		397,990
Less: Accumulated Depreciation	<u>(351,102)</u>		<u>(351,102)</u>
Total Non-Current Assets	<u>46,888</u>		<u>46,888</u>
Total Assets	<u>107,745</u>	<u>80,239</u>	<u>187,984</u>
<u>LIABILITIES:</u>			
Accounts Payable - Vendors	43,550		43,550
Unearned Revenue	<u>16,655</u>		<u>16,655</u>
Total Liabilities	<u>60,205</u>		<u>60,205</u>
<u>NET POSITION:</u>			
Investment in Capital Assets	46,888		46,888
Unrestricted	<u>652</u>	<u>80,239</u>	<u>80,891</u>
Total Net Position	<u>\$ 47,540</u>	<u>\$ 80,239</u>	<u>\$ 127,779</u>

VERONA BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Enterprise Funds		
	Non-Major Funds		
	Food Service Program	Verona Summer Enrichment Academy	Total
Operating Revenue:			
Local Sources:			
Daily Sales - Non-Reimbursable Programs	\$ 605,827		\$ 605,827
Program Fees		\$ 57,610	57,610
Total Operating Revenue	605,827	57,610	663,437
Operating Expenses:			
Cost of Sales - Non-Reimbursable Programs	283,155		283,155
Salaries, Benefits & Payroll Taxes	209,777	49,376	259,153
Supplies, Insurance & Other Costs	53,128	11,633	64,761
Management Fee	44,710		44,710
Depreciation Expense	9,056		9,056
Total Operating Expenses	599,826	61,009	660,835
Operating Income/(Loss)	6,001	(3,399)	2,602
Non-Operating Revenue:			
Local Sources:			
Interest Earnings	287		287
Total Non-Operating Revenue	287		287
Change in Net Position	6,288	(3,399)	2,889
Net Position - Beginning of Year	41,252	83,638	124,890
Net Position - End of Year	\$ 47,540	\$ 80,239	\$ 127,779

VERONA BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Enterprise Funds Non-Major Funds		Total
	Food Service Program	Verona Summer Enrichment Academy	
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 605,827	\$ 57,610	\$ 663,437
Payments to Food Service Contractor	(562,447)	(61,009)	(623,456)
Net Cash Provided by/(Used for) Operating Activities	43,380	(3,399)	39,981
Cash Flows from Capital and Related Financing Activities:			
Purchases of Capital Assets	(2,599)		(2,599)
Net Cash Used for Capital and Related Financing Activities	(2,599)		(2,599)
Cash Flows from Investing Activities:			
Interest Income	287		287
Net Cash Provided by Investing Activities	287		287
Net Increase (Decrease) in Cash and Cash Equivalents	41,068	(3,399)	37,669
Cash and Cash Equivalents, July 1	10,177	83,638	93,815
Cash and Cash Equivalents, June 30	\$ 51,245	\$ 80,239	\$ 131,484
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ 6,001	\$ (3,399)	\$ 2,602
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Depreciation	9,056		9,056
Decrease in Inventory	1,133		1,133
Increase in Accounts Payable	25,540		25,540
Increase in Unearned Revenue	1,650		1,650
Net Cash (Used for)/Provided By Operating Activities	\$ 43,380	\$ (3,399)	\$ 39,981

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

VERONA BOARD OF EDUCATION
LONG TERM LIABILITIES
STATEMENT OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance July 1, 2022	Retired or Matured	Balance June 30, 2023
			Date	Outstanding June 30, 2023 Amount				
2014 School Bonds	04/29/14	\$ 13,845,000	05/01/24	\$ 765,000	2.75%			
			05/01/25	775,000	2.75%			
			05/01/26	775,000	3.00%			
			05/01/27	800,000	3.00%			
			05/01/28	800,000	3.00%			
			05/01/29	800,000	3.00%			
			05/01/30	800,000	3.13%			
			05/01/31	800,000	3.25%			
			05/01/32	800,000	3.25%			
			05/01/33	800,000	3.38%			
			05/01/34	800,000	3.50%	\$ 9,465,000	\$ 750,000	\$ 8,715,000
2015 School Refunding Bonds	03/13/15	24,635,000	03/01/24	1,630,000	5.00%			
			03/01/25	1,630,000	5.00%			
			03/01/26	1,635,000	4.00%			
			03/01/27	1,620,000	5.00%			
			03/01/28	1,625,000	5.00%			
			03/01/29	1,675,000	5.00%			
			03/01/30	1,680,000	4.00%			
			03/01/31	1,685,000	5.00%	14,805,000	1,625,000	13,180,000

VERONA BOARD OF EDUCATION
LONG TERM DEBT
STATEMENT OF SERIAL BONDS
(Continued)

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance July 1, 2022	Retired or Matured	Balance June 30, 2023
			Date	Amount				
School Bonds	2/19/2020	\$ 27,771,000	03/01/24	\$ 1,100,000	2.000%			
			03/01/25	1,250,000	2.000%			
			03/01/26	1,450,000	2.000%			
			03/01/27	1,500,000	2.000%			
			03/01/28	1,500,000	2.000%			
			03/01/29	1,500,000	2.000%			
			03/01/30	1,500,000	2.000%			
			03/01/31	1,560,000	2.000%			
			03/01/32	1,560,000	2.000%			
			03/01/33	1,560,000	2.000%			
			03/01/34	1,565,000	2.000%			
			03/01/35	1,600,000	2.125%			
			03/01/36	1,600,000	2.125%			
			03/01/37	1,600,000	2.250%			
		03/01/38	1,600,000	2.250%				
		03/01/39	1,600,000	2.250%				
		03/01/40	1,600,000	2.375%				
						\$ 26,595,000	\$ 950,000	\$ 25,645,000
						\$ 50,865,000	\$ 3,325,000	\$ 47,540,000

VERONA BOARD OF EDUCATION
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Purpose	Interest Rate	Original Issue	Balance July 1, 2022	Matured	Balance June 30, 2023
2015 Energy Savings Incentive Program	2.34%	\$ 3,200,000	\$ 1,689,436	\$ 163,820	\$ 1,525,616
Computers	1.47%	378,780	227,802	74,828	152,974
Buses & Computer Equipment	1.66%	264,905	209,293	69,383	139,910
			<u>\$ 2,126,531</u>	<u>\$ 308,031</u>	<u>\$ 1,818,500</u>

VERONA BOARD OF EDUCATION
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOT APPLICABLE

VERONA BOARD OF EDUCATION
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

NOT APPLICABLE

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,777,290		\$ 3,777,290	\$ 3,777,290	
State Sources:					
Debt Service Aid Type II	1,079,125		1,079,125	1,079,125	
Total Revenues	4,856,415		4,856,415	4,856,415	
EXPENDITURES:					
Regular Debt Service:					
Interest	1,551,225		1,551,225	1,551,225	
Redemption of Principal	3,325,000		3,325,000	3,325,000	
Total Regular Debt Service	4,876,225		4,876,225	4,876,225	
Total Expenditures	4,876,225		4,876,225	4,876,225	
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(19,810)		(19,810)	(19,810)	
Other Financing Sources/(Uses):					
Transfer In:					
Interest from Capital Projects Fund				4,688	\$ 4,688
Total Other Financing Sources/(Uses)				4,688	4,688
(Deficit)/Excess of Revenues Over/(Under) Expenditures	(19,810)		(19,810)	(15,122)	4,688
Fund Balance, July 1	21,467		21,467	21,467	
Fund Balance, June 30	\$ 1,657	\$ -0-	\$ 1,657	\$ 6,345	\$ 4,688
Recapitulation:					
Restricted Fund Balance				\$ 6,345	\$ 4,688

STATISTICAL SECTION
(UNAUDITED)

This part of the School’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 School’s overall financial health.

Contents

	<u>Exhibit</u>
Financial Trends These schedules contain trend information to help the reader understand how the School's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the School's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the School's current levels of outstanding debt and the School's ability to issue additional debt in the future.	J-10 thru J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the School's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information These schedules contain information about the School's operations and resources to help the reader understand how the School's financial information relates to the services the School provides and the activities it performs.	J-16 thru J-20

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

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

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
Net Investment in Capital Assets	\$ 10,140,982	\$ 9,467,375	\$ 11,262,874	\$ 12,665,031	\$ 9,954,673	\$ 10,804,944	\$ 13,016,608	\$ 16,790,070	\$ 17,300,982	\$ 17,632,557
Restricted	287,608	500,958	673,474	352,461	379,376	1,009,444	1,542,888	2,529,500	3,612,104	4,970,036
Unrestricted/(Deficit)	(8,590,018)	(8,601,745)	(9,172,256)	(9,938,705)	(10,547,075)	(10,537,200)	(11,065,375)	(10,876,136)	(8,827,642)	(8,295,844)
Total Governmental Activities Net Position	\$ 1,838,572	\$ 1,366,588	\$ 2,764,092	\$ 3,078,787	\$ (213,026)	\$ 1,277,188	\$ 3,494,121	\$ 8,443,434	\$ 12,085,444	\$ 14,306,749
Business-Type Activities:										
Net Investment in Capital Assets	\$ 47,628	\$ 41,107	\$ 29,785	\$ 21,661	\$ 21,118	\$ 21,481	\$ 65,298	\$ 58,989	\$ 53,345	\$ 46,888
Unrestricted	20,982	11,138	17,977	10,421	16,303	27,153	3,705	80,900	71,545	80,891
Total Business-Type Activities Net Position	\$ 68,610	\$ 52,245	\$ 47,762	\$ 32,082	\$ 37,421	\$ 48,634	\$ 69,003	\$ 139,889	\$ 124,890	\$ 127,779
District-Wide:										
Investment in Capital Assets	\$ 10,188,610	\$ 9,508,482	\$ 11,292,659	\$ 12,686,692	\$ 9,975,791	\$ 10,826,425	\$ 13,081,906	\$ 16,849,059	\$ 17,354,327	\$ 17,679,445
Restricted	287,608	500,958	673,474	352,461	379,376	1,009,444	1,542,888	2,529,500	3,612,104	4,970,036
Unrestricted/(Deficit)	(8,569,036)	(8,590,607)	(9,154,279)	(9,928,284)	(10,530,772)	(10,510,047)	(11,061,670)	(10,795,236)	(8,756,097)	(8,214,953)
Total District Net Position	\$ 1,907,182	\$ 1,418,833	\$ 2,811,854	\$ 3,110,869	\$ (175,605)	\$ 1,325,822	\$ 3,563,124	\$ 8,583,323	\$ 12,210,334	\$ 14,434,528

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 15,097,067	\$ 18,176,045	\$ 19,295,953	\$ 22,431,887	\$ 22,664,402	\$ 20,050,940	\$ 21,048,782	\$ 18,796,745	\$ 19,817,845	\$ 21,171,104
Special Education	4,902,628	5,853,353	6,479,779	7,286,594	8,069,439	8,408,758	5,075,841	5,371,293	5,668,232	5,894,624
Other Education	385,944	466,439	418,197	421,161	410,662	287,218	140,505	68,407	66,423	71,703
School-Sponsored Instruction	1,011,087	1,127,135	1,237,964	1,214,014	1,357,579	1,198,893	906,927	932,005	1,372,304	1,221,934
Support Services:										
Tuition										
Student & Instructional Related Services	4,671,838	4,765,457	5,205,468	5,590,168	5,770,401	6,029,430	3,319,226	2,594,046	2,121,401	2,649,453
General Administrative Services	734,420	597,313	696,937	771,714	805,213	1,332,307	712,306	939,864	900,068	664,051
School Administrative Services	2,432,868	3,064,442	3,124,857	3,386,471	3,425,021	3,038,800	2,980,819	3,105,873	2,684,276	2,655,100
Central Services										
Administrative Information Technology										
Plant Operations and Maintenance	4,485,650	5,667,171	4,783,433	4,705,190	5,291,293	4,984,804	334,234	217,041	480,869	476,257
Pupil Transportation	641,206	713,344	888,883	1,032,430	901,393	903,057	388,379	461,451	489,302	284,786
Business and Other Support Services	696,393	701,640	785,432	877,465	925,767	847,372	5,315,699	3,147,901	3,815,039	3,845,867
Interest on Long-term Debt	1,432,836	1,815,349	1,300,089	1,221,902	1,176,502	1,118,900	1,299,258	1,556,987	1,484,842	1,394,330
Unallocated Depreciation										
Capital Outlay										
Total Governmental Activities Expenses	36,491,937	42,947,688	44,216,992	48,938,996	50,797,672	51,630,759	47,946,157	46,708,923	50,638,347	51,388,113
Business-Type Activities:										
Verona Summer Enrichment Academy	53,724	49,836	50,521	59,952	52,810	60,799	403,660	64,917	64,917	61,009
Food Service	386,419	378,302	389,032	393,936	354,475	405,585	403,660	496,333	496,333	599,826
Total Business-type Activities Expense	440,143	428,138	439,553	453,888	407,285	466,384	403,660	561,250	561,250	660,835
Total District Expenses	\$ 36,932,080	\$ 43,375,826	\$ 44,656,545	\$ 49,392,884	\$ 51,204,957	\$ 52,097,143	\$ 48,349,817	\$ 46,708,923	\$ 51,199,597	\$ 52,048,948
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 150,042	\$ 175,340	\$ 179,818	\$ 182,230	\$ 149,745	\$ 100,020	\$ 71,689	\$ 266,682	\$ 326,844	\$ 448,460
Operating Grants and Contributions	4,704,379	9,550,380	11,770,607	14,377,728	15,011,500	12,200,747	11,477,687	12,154,527	12,333,808	11,075,870
Total Governmental Activities Program Revenues	4,854,421	9,725,720	11,950,425	14,559,958	15,161,245	12,300,767	11,549,376	12,421,209	12,660,652	11,524,330

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues										
Business-Type Activities:										
Charges for Services										
Food Service	\$ 355,977	\$ 51,481	\$ 48,938	\$ 59,625	\$ 56,899	\$ 67,087	\$ 313,946	\$ 479,865	\$ 605,827	\$ 605,827
Verona Summer Enrichment Academy	59,571	347,390	355,456	372,038	345,426	406,264	2,295	62,816	61,151	57,610
Operating Grants and Contributions	4,796	4,658	3,819	4,273	4,837	4,246	2,558			
Total Business-type Activities Program Revenues	420,344	403,529	408,213	435,936	407,162	477,597	318,799	62,816	541,016	663,437
Total District Program Revenues	\$ 5,274,765	\$ 10,129,249	\$ 12,358,638	\$ 14,995,894	\$ 15,568,407	\$ 12,778,364	\$ 11,868,175	\$ 12,484,025	\$ 13,201,668	\$ 12,187,767
Net (Expense)/Revenue	\$ (31,637,516)	\$ (33,221,968)	\$ (32,266,567)	\$ (34,379,038)	\$ (35,636,427)	\$ (39,329,992)	\$ (36,396,781)	\$ (34,287,714)	\$ (37,977,695)	\$ (39,863,783)
Governmental Activities	(19,799)	(24,609)	(31,340)	(17,952)	(123)	11,213	(84,861)	62,816	(20,234)	2,602
Business-type Activities	(31,657,315)	(33,246,577)	(32,297,907)	(34,396,990)	(35,636,550)	(39,318,779)	(36,481,642)	(34,224,898)	(37,997,929)	(39,861,181)
Total District-wide Net Expense/Revenues										
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, net	\$ 28,496,254	\$ 29,231,861	\$ 30,040,337	\$ 30,966,400	\$ 31,810,340	\$ 33,336,868	\$ 34,250,431	\$ 34,935,440	\$ 35,634,149	\$ 36,641,387
Taxes Levied for Debt Service	2,253,849	2,627,588	2,815,471	2,871,015	2,884,205	2,961,821	3,168,716	3,518,509	3,835,482	3,777,290
Unrestricted Grants and Contributions	625,186	621,793	687,998	667,667	665,025	664,785	471,376	778,388	1,676,989	1,263,684
State Aid Restricted for Debt Service	323	20,780	17,258	10,253	26,319	58,678	6,267	19,810	6,060	4,688
Investment Earnings	354,072	256,206	297,580	180,670	352,583	367,774	656,428	72,427	472,260	398,039
Miscellaneous Income	(31,408)	(8,244)	(26,857)	(2,272)			(93,458)	(87,547)	(5,235)	
Transfers										
Total Governmental Activities	31,698,276	32,749,984	33,831,787	34,693,733	35,738,472	37,389,926	38,459,760	39,237,027	41,619,705	42,085,088
Business-Type Activities:										
Miscellaneous Income	31,408	8,244	26,857	2,272						287
Transfers	31,408	8,244	26,857	2,272				87,547	5,235	
Total Business-Type Activities	62,816	16,488	53,714	4,544				87,547	5,235	287
Total District-Wide	\$ 31,729,684	\$ 32,758,228	\$ 33,858,644	\$ 34,696,005	\$ 35,738,472	\$ 37,389,926	\$ 38,564,990	\$ 39,324,574	\$ 41,624,940	\$ 42,085,375
Change in Net Position:										
Governmental Activities	\$ 60,760	\$ (471,984)	\$ 1,565,220	\$ 314,695	\$ 102,045	\$ (1,940,066)	\$ 2,062,979	\$ 4,949,313	\$ 3,642,010	\$ 2,221,305
Business-type Activities	11,609	(16,365)	(4,483)	(15,680)	(123)	11,213	20,369	150,363	(14,999)	2,889
Total District	\$ 72,369	\$ (488,349)	\$ 1,560,737	\$ 299,015	\$ 101,922	\$ (1,928,853)	\$ 2,083,348	\$ 5,099,676	\$ 3,627,011	\$ 2,224,194

Source: School District Financial Reports

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

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Restricted	\$ 812,578	\$ 743,809	\$ 821,353	\$ 574,646	\$ 370,630	\$ 1,121,361	\$ 1,387,710	\$ 2,355,333	\$ 3,378,190	\$ 4,756,682
Assigned		9,956	36,086	31,841		119,785	455,183		64,332	136,736
Nonspendable				73,711		70,945				
Committed										
Unassigned	323,021	339,749	302,589	325,703	339,755	323,440	854,292	1,646,397	1,760,931	1,089,527
Total General Fund	\$ 1,135,599	\$ 1,093,514	\$ 1,160,028	\$ 1,005,901	\$ 710,385	\$ 1,635,531	\$ 2,697,185	\$ 4,001,730	\$ 5,203,453	\$ 5,982,945
All Other Governmental Funds:										
Restricted:										
Special Revenue Fund							\$ 143,899	\$ 146,793	\$ 212,447	\$ 207,009
Capital Projects Fund	\$ 13,739,314	\$ 14,369,550	\$ 7,611,604	\$ 19,552	\$ 29,483	\$ (45,082)	24,723,926	4,417,997	369,760	109,948
Debt Service Fund							11,279	27,374	21,467	6,345
Committed:										
Capital Projects Fund								5,086	5,086	
Total All Other Governmental Funds/(Deficit)	\$ 13,739,314	\$ 14,369,550	\$ 7,611,604	\$ 19,552	\$ 29,483	\$ (45,082)	\$ 24,879,104	\$ 4,597,250	\$ 608,760	\$ 323,302

Source: School District Financial Reports

VERONA BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Tax Levy	\$ 30,750,103	\$ 31,859,449	\$ 32,855,808	\$ 33,837,415	\$ 34,694,545	\$ 36,298,689	\$ 37,419,147	\$ 38,453,949	\$ 39,469,631	\$ 40,418,677
Tuition Charges	150,042	175,340	179,818	182,230	149,745	100,020	71,689	69,834	65,043	75,721
Interest Earnings on Capital Project Funds	323	20,780	17,258	10,253	26,319	6,267	19,810	4,688	4,688	4,688
Miscellaneous	371,855	269,692	343,885	317,651	413,094	459,276	671,365	301,373	750,144	793,314
State Sources	4,681,308	5,882,064	7,381,050	6,694,620	7,173,925	8,221,866	8,896,754	10,401,264	14,002,808	14,397,746
Federal Sources	630,474	553,751	597,626	632,408	723,028	738,625	736,827	1,186,336	1,760,507	1,700,055
Total Revenue	36,584,105	38,761,076	41,375,445	41,674,577	43,180,656	45,877,154	47,828,149	50,432,566	56,052,821	57,390,201
Expenditures										
Instruction:										
Regular Instruction	14,973,975	15,511,696	16,118,945	17,123,270	17,692,779	17,582,710	12,645,067	12,561,293	13,597,872	14,083,529
Special Education Instruction	4,914,698	5,422,680	6,006,173	6,380,677	7,136,959	7,892,115	3,233,353	3,454,468	4,065,548	4,247,112
Other Instruction	385,944	396,943	349,091	316,870	305,057	277,267	44,903	40,973	44,328	45,547
School -Sponsored Instruction	962,054	978,351	1,058,768	962,474	1,079,468	1,040,835	830,567	857,542	992,968	1,165,684
Support Services:										
Tuition	4,653,462	4,461,222	4,731,691	4,765,476	4,900,620	5,595,157	3,410,704	2,594,046	2,121,401	2,649,453
Student & Instruction Related Services	718,345	530,085	567,910	657,594	688,637	1,150,435	681,202	5,191,495	5,471,629	5,613,030
General Administrative Services	2,302,511	2,673,890	2,641,920	2,613,464	2,647,740	2,618,591	1,807,056	1,835,354	1,875,928	1,781,415
School Administrative Services	3,191,491	4,368,393	3,450,479	3,500,542	3,279,138	3,131,582	694,054	573,177	722,671	630,553
Central Services and Administrative Information Technology	641,206	710,979	879,621	832,949	870,651	892,023	3,096,927	2,961,314	3,414,847	3,545,325
Student Transportation	680,245	660,653	724,563	782,097	806,173	792,337	913,314	676,870	915,868	999,536
Business and Other Support Services	176,317	2,511,014	7,862,840	7,700,369	84,860	31,144	11,150,219	12,778,135	15,185,401	15,669,221
Unallocated Benefits							3,055,327	21,503,300	866,567	841,773
Capital Outlay	1,577,783	1,612,478	2,216,723	2,443,139	2,710,557	2,640,875	2,405,000	2,400,000	3,591,000	3,325,000
Debt Service:	1,383,707	1,701,297	1,581,296	1,499,563	1,464,428	1,381,502	1,238,163	1,725,446	1,628,633	1,551,225
Principal										
Interest and Other Charges										
Bond Issuance Costs		171,893								
Total Expenditures	36,561,738	41,711,574	48,190,020	49,578,484	43,667,067	45,026,573	49,673,805	69,989,808	55,307,802	56,896,167
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	22,367	(2,950,498)	(6,814,575)	(7,903,907)	(486,411)	850,581	(1,845,656)	(19,557,242)	745,019	494,034

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other Financing Sources/(Uses):										
Lease Purchase Proceeds		\$ 3,375,000	\$ 150,000	\$ 160,000	\$ 200,826					
Payment to Bond Escrow Agent		(1,130,420)								
Refunding Bond Proceeds		24,635,000								
Bond Premium		3,538,313								
Serial Bonds Proceeds	\$ 13,845,000						\$ 27,771,000		\$ 264,905	
Financed Purchases		(26,871,000)								
Bonds Refunded		20,698	16,651	84,468	3,070	3,715	60,731	448,335	1,657	9,774
Transfers In	(37,191)	(28,942)	(43,508)	(86,740)	(3,070)	(3,715)	(154,189)	(535,882)	(15,009)	(9,774)
Transfers Out	13,813,592	3,538,649	123,143	157,728	200,826		27,677,542	579,933	251,553	
Total Other Financing Sources/(Uses)	\$ 13,835,959	\$ 588,151	\$ (6,691,432)	\$ (7,746,179)	\$ (285,585)	\$ 850,581	\$ 25,831,886	\$ (18,977,309)	\$ 996,572	\$ 494,034
Net Change in Fund Balances			9.42%	9.41%	9.58%	8.94%	7.81%	8.51%	9.59%	8.70%
Debt Service as a Percentage of Noncapital Expenditures	8.14%	8.45%								

Source: School District Financial Reports

VERONA BOARD OF EDUCATION
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Donations/ Local Grants	Rentals - Use of Facilities	Transportation Fees	Other	Total
2014	\$ 323	\$ 150,042	\$ 17,783	\$ 63,688		\$ 290,384	\$ 522,220
2015	20,780	175,340	13,486	76,917		179,289	465,812
2016	17,258	179,818	46,305	122,504		175,076	540,961
2017	10,253	182,230	136,981	121,987		58,683	510,134
2018	26,319	149,745	107,912	105,664		199,518	589,158
2019	58,678	100,020	91,502	111,294		256,480	617,974
2020		71,689			\$ 26,100	630,328	728,117
2021		69,834				72,427	142,261
2022	4,403	65,043				472,260	541,706
2023	197,514	75,721			65,275	200,525	539,035

Source: Verona Board of Education records

VERONA BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Actual (County Equalized Value)
2013	\$ 23,468,100	\$ 1,738,805,300	\$ 200,505,600	\$ 8,674,900	\$ 34,727,200	\$ 2,006,181,100	\$ 1,660,800	\$ 2,007,841,900	1.520	\$ 2,007,841,900
2014	24,563,000	1,737,388,100	194,412,000	8,674,900	34,527,200	1,999,565,200	1,398,300	2,000,963,500	1.590	2,217,719,736
2015	24,999,400	1,747,345,600	190,822,200	8,674,900	34,306,700	2,006,148,800	1,419,800	2,007,568,600	1.640	2,007,568,600
2016	22,082,000	1,762,365,900	189,831,400	8,367,700	33,738,900	2,016,385,900	1,366,500	2,017,752,400	1.680	2,017,752,400
2017	28,968,000	1,765,295,400	185,439,700	5,356,600	36,688,900	2,021,748,600	1,336,300	2,023,084,900	1.720	2,023,084,900
2018	27,646,500	1,769,307,600	181,633,100	5,356,600	36,356,900	2,020,300,700	1,335,400	2,021,636,100	1.760	2,021,636,100
2019	29,170,800	2,093,324,300	217,876,700	6,140,200	49,048,300	2,395,560,300	1,584,800	2,397,145,100	1.561	2,397,145,100
2020	28,663,600	2,095,427,800	214,572,800	6,140,200	49,048,300	2,393,852,700	1,495,000	2,395,347,700	1.606	2,550,376,467
2021	22,335,000	2,096,892,100	210,922,700	6,140,200	49,368,300	2,385,658,300	1,512,100	2,387,170,400	1.675	2,591,819,936
2022	21,950,700	2,102,171,800	208,722,700	6,140,200	49,368,300	2,388,353,700	1,465,846	2,389,819,546	1.691	2,715,432,710

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

Reassessment occurs when ordered by the County Board of Taxation

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

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

Source: Municipal Tax Assessor

VERONA BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN YEARS
UNAUDITED
(rate per \$100 of assessed value)

Year Ended December 31,	Verona Board of Education Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Township of Verona	Essex County	
2013	\$ 1.520		\$ 1.520	\$ 0.740	0.529	\$ 2.789
2014	1.590		1.590	0.785	0.568	2.943
2015	1.640		1.640	0.785	0.578	3.003
2016	1.680		1.680	0.785	0.601	3.066
2017	1.720		1.720	0.785	0.613	3.118
2018	1.760		1.760	0.807	0.594	3.161
2019	1.561		1.561	0.702	0.507	2.770
2020	1.459	\$ 0.147	1.606	0.742	0.516	2.864
2021	1.512	0.163	1.675	0.760	0.522	2.957
2022	1.533	0.158	1.691	0.779	0.523	2.993

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b Rates for debt service are based on each year's requirements.

Source: Municipal Tax Collector and School Business Administrator

VERONA BOARD OF EDUCATION
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Information Not Available

Source: Municipal Tax Assessor

VERONA 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 ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 30,750,103	\$ 30,750,103	100.00%	\$ -0-
2015	31,859,449	31,859,449	100.00%	-0-
2016	32,855,808	32,855,808	100.00%	-0-
2017	33,837,415	33,837,415	100.00%	-0-
2018	34,694,545	34,694,545	100.00%	-0-
2019	36,298,689	35,533,689	97.89%	-0-
2020	37,419,147	37,419,147	100.00%	158,064
2021	38,453,949	38,453,949	100.00%	-0-
2022	39,469,631	39,469,631	100.00%	-0-
2023	40,418,677	40,418,677	100.00%	-0-

Source: Verona Board of Education records including the Certificate and Report of School Taxes (A4F form)

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

VERONA BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Bond Anticipation Notes (BANs)		Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Financed Purchases	Financed Purchases	Notes (BANs)	Financed Purchases	Financed Purchases				
2014	\$ 43,866,000	\$ 65,098	\$ -0-	-0-	\$ -0-	-0-	\$ 43,931,098	6.00%	\$ 3,274.77	
2015	40,080,000	3,377,620	-0-	-0-	-0-	-0-	43,457,620	5.69%	3,248.68	
2016	38,080,000	3,310,897	-0-	-0-	-0-	-0-	41,390,897	5.07%	3,078.53	
2017	35,980,000	2,945,290	-0-	-0-	-0-	-0-	38,925,290	4.63%	2,900.11	
2018	33,805,000	2,610,559	-0-	-0-	-0-	-0-	36,415,559	4.27%	2,710.50	
2019	31,490,000	2,284,684	-0-	-0-	-0-	-0-	33,774,684	3.81%	2,512.44	
2020	56,856,000	2,045,547	-0-	-0-	-0-	-0-	58,901,547	6.13%	4,319.25	
2021	54,456,000	2,242,981	-0-	-0-	-0-	-0-	56,698,981	5.28%	3,924.89	
2022	50,865,000	2,126,531	-0-	-0-	-0-	-0-	52,991,531	4.97%	3,695.88	
2023	47,540,000	1,818,500	-0-	-0-	-0-	-0-	49,358,500	4.63%	3,442.50	

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

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

Source: School District Financial Reports

VERONA BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation Taxable ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 43,866,000	\$ -0-	\$ 43,866,000	2.18%	\$ 3,279.21
2015	40,080,000	-0-	40,080,000	2.00%	2,979.04
2016	38,080,000	-0-	38,080,000	1.90%	2,832.28
2017	35,980,000	-0-	35,980,000	1.78%	2,680.67
2018	33,805,000	-0-	33,805,000	1.67%	2,516.19
2019	31,490,000	-0-	31,490,000	1.56%	2,342.48
2020	56,856,000	-0-	56,856,000	2.37%	4,169.25
2021	54,456,000	-0-	54,456,000	2.27%	3,769.62
2022	50,865,000	-0-	50,865,000	2.13%	3,547.57
2023	47,540,000	-0-	47,540,000	1.99%	3,315.66

Source: School District Financial Reports

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

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

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

VERONA BOARD OF EDUCATION
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Township of Verona	\$ 45,581,976	100.00%	\$ 45,581,976
Essex County General Obligation Debt	685,637,111	2.75% ^a	<u>18,871,554</u>
Subtotal, Overlapping Debt			64,453,530
Verona Township School District Direct Debt			<u>50,865,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 115,318,530</u></u>

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

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

^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of Verona Township's equalized property value that is within Essex County's boundaries and dividing it by Essex County's total equalized property value.

VERONA BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2023	
Year Ended	Equalized
December 31,	Valuation Basis
2022	\$ 2,994,050,020
2021	2,704,521,369
2020	2,592,713,852
	<u>\$ 8,291,285,241</u>
Average Equalized Valuation of Taxable Property	
	2,763,761,747
Debt Limit (4% of average equalization value) ^a	
	110,550,470
Net Bonded School Debt	
	47,540,000
	<u>\$ 63,010,470</u>

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 89,141,839	\$ 87,978,322	\$ 89,246,737	\$ 91,844,839	\$ 93,951,723	\$ 96,404,740	\$ 100,964,720	\$ 101,612,398	\$ 104,551,642	\$ 110,550,470
Total Net Debt Applicable to Limit	43,866,000	40,080,000	38,080,000	35,980,000	33,805,000	31,490,000	56,856,000	54,456,000	50,865,000	47,540,000
Legal Debt Margin	<u>\$ 45,275,839</u>	<u>\$ 47,898,322</u>	<u>\$ 51,166,737</u>	<u>\$ 55,864,839</u>	<u>\$ 60,146,723</u>	<u>\$ 64,914,740</u>	<u>\$ 44,108,720</u>	<u>\$ 47,156,398</u>	<u>\$ 53,686,642</u>	<u>\$ 63,010,470</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	49.21%	45.56%	42.67%	39.17%	35.98%	32.66%	56.31%	53.59%	48.65%	43.00%

^a Limit set by NJSIA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

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

VERONA BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population ^a	Personal Income ^b	Essex County Per Capita Personal Income ^c	Unemployment Rate ^d
2014	13,377	\$ 764,268,141	\$ 57,133	4.90%
2015	13,454	799,100,330	59,395	4.20%
2016	13,445	816,582,075	60,735	3.60%
2017	13,422	841,009,098	62,659	3.60%
2018	13,435	853,404,635	63,521	3.40%
2019	13,443	886,256,661	65,927	2.50%
2020	13,637	961,367,589	70,497	8.10%
2021	14,446	1,073,482,260	74,310	4.80%
2022	14,338	1,065,456,780	74,310 *	2.80%
2023	14,338 **	1,065,456,780 ***	74,310 *	N/A

* - Latest Essex County per capita personal income available (2021) was used for calculation purposes.

** - Latest population data available (2022) was used for calculation purposes.

*** - Latest per capital personal income available (2021) and latest population data available (2022) was used for calculation purposes.

N/A - Information Unavailable

Sources:

^a Population information provided by the NJ Dept of Labor and Workforce Development.

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

^c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

VERONA BOARD OF EDUCATION
PRINCIPAL EMPLOYERS, COUNTY OF ESSEX
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	2022		
	Employees	Rank	Percentage of Total Employment
Prudential Ins. Co. of America	49,705	1	13.40%
St. Barnabas Health Care System	24,600	2	6.63%
Rutgers University - Newark Campus	23,980	3	6.46%
Verizon	15,000	4	4.04%
PSE&G	12,945	5	3.49%
New Jersey Transit	11,500	6	3.10%
City of Newark	10,001	7	2.70%
Montclair State University	7,900	8	2.13%
Newark Board of Education	7,050	9	1.90%
Gateway Group One	6,250	10	1.68%
	<u>168,931</u>		<u>45.53%</u>
Total Employment	<u>371,016</u>		
Employer	2013		
	Employees	Rank	Percentage of Total Employment
St. Barnabas Health Care System	23,000	1	6.92%
Verizon	17,100	2	5.14%
Prudential Ins. Co. of America	16,850	3	5.07%
Rutgers University-Newark Campus	15,500	4	4.66%
Continental Airlines	11,000	5	3.31%
Newark Board of Education	7,050	6	2.12%
Automatic Data Processing	5,649	7	1.70%
New Jersey Transit	4,000	8	1.20%
City of Newark	4,000	9	1.20%
Essex County	3,500	10	1.05%
	<u>107,649</u>		<u>32.37%</u>
Total Employment	<u>332,387</u>		

Note- Principal employers are that of Essex County
Source: Essex County Economic Development Corporation

VERONA BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction:										
Regular	158.0	159.0	142.0	149.0	142.0	136.0	136.0	155.0	161.0	161.0
Special Education	21.0	21.0	22.0	26.0	32.0	28.0	28.0	51.0	38.0	39.0
Other Instruction	2.0	2.0	55.0	75.0	80.0	72.0	72.0	59.0	66.0	66.0
Support Services:										
Student & Instruction Related Services	39.0	40.0	37.0	33.0	35.0	18.0	18.0	18.0	25.0	26.0
General Administrative Services	1.0	1.0	2.0	2.0	3.0	15.0	15.0	4.0	5.0	5.0
School Administrative Services	18.0	18.0	27.0	27.0	27.0	17.0	17.0	8.0	18.0	18.0
Other Administrative Services								4.0	5.0	5.0
Central Services	4.0	4.0	3.0	3.0	3.0	4.0	4.0	5.0	5.0	5.0
Administrative Information Technology	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0
Plant Operations and Maintenance	20.0	20.0	20.0	20.0	21.0	19.0	19.0	20.0	21.0	21.0
Pupil Transportation	3.0	4.0	3.0	5.0	5.0	4.0	4.0	5.0	5.0	5.0
Total	269.0	272.0	314.0	343.0	351.0	316.0	316.0	332.0	353.0	355.0

Source: District Personnel Records

VERONA BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary Schools	Middle Schools	High Schools				
2014	2,193	\$ 33,423,931	\$ 15,241	1.76%	161	14.2:1	23:1	14:1	2,185	2,099	0.09%	96.06%
2015	2,190	35,714,892	16,308	7.00%	158	17:1	23:1	14:1	2,172	2,087	-0.59%	96.09%
2016	2,189	36,529,161	16,688	2.33%	164	17:1	23:1	14:1	2,142	2,051	-1.38%	95.75%
2017	2,197	37,719,270	17,169	2.88%	175	18:1	11:1	12:1	2,180	2,078	1.77%	95.32%
2018	2,218	39,407,222	17,767	3.49%	174	13.05:1	11.09:1	12:1	2,175	2,072	-0.23%	95.26%
2019	2,235	40,859,118	18,281	2.90%	172	14:1	12:1	13:1	2,210	2,130	1.61%	96.38%
2020	2,235	43,068,773	19,270	5.41%	172	14:1	12:1	13:1	2,210	2,130	0.00%	96.38%
2021	2,188	44,361,062	20,275	5.21%	206	13:1	10:1	11:1	2,182	2,123	-1.27%	97.30%
2022	2,146	49,221,602	22,936	13.13%	207	14:1	10:1	11:1	2,139	2,025	-1.97%	94.67%
2023	2,145	51,178,169	23,859	4.02%	208	14:1	10:1	11:1	2,138	2,055	-0.05%	96.12%

Sources: School District of Verona Township Records

Note: Enrollment based on annual October district count.

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

VERONA BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

<u>District Building</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Brookdale Avenue School (1927)										
Square Feet	37,972	37,972	37,972	37,972	37,972	37,972	37,972	37,972	37,972	37,972
Capacity (students)	270	270	270	270	270	270	270	270	270	270
Enrollment	118	123	115	135	131	127	127	130	120	123
Laning Avenue School (1918)										
Square Feet	46,477	46,477	46,477	46,477	46,477	46,477	46,477	46,477	46,477	46,477
Capacity (students)	377	377	377	377	377	377	377	377	377	377
Enrollment	291	285	265	246	249	234	234	208	231	241
F.N. Brown (1931)										
Square Feet	38,985	38,985	38,985	38,985	38,985	38,985	38,985	38,985	38,985	38,985
Capacity (students)	303	303	303	303	303	303	303	303	303	303
Enrollment	215	212	199	215	245	257	257	272	279	263
Forest Avenue School (1927)										
Square Feet	27,750	27,750	27,750	27,750	27,750	27,750	27,750	27,750	27,750	27,750
Capacity (students)	303	303	303	303	303	303	303	303	303	303
Enrollment	227	223	234	222	219	211	211	209	219	215
H.B Whitehorne (1920)										
Square Feet	118,224	118,224	118,224	118,224	118,224	118,224	118,224	118,224	118,224	118,224
Capacity (students)	721	721	721	721	721	721	721	721	721	721
Enrollment	733	724	726	720	681	679	679	637	649	665
Verona High School (1955)										
Square Feet	120,245	120,245	120,245	120,245	120,245	120,245	120,245	120,245	120,245	120,245
Capacity (students)	687	687	687	687	687	687	687	687	687	687
Enrollment	609	623	616	659	693	703	703	679	647	638

Source: School District of Verona Township Records

Note: Year of original construction along with additions are shown in parentheses. Enrollment is based on the annual October district count.

VERONA BOARD OF EDUCATION
GENERAL FUND SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
 UNAUDITED

Facility	Project #(s)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
School Facilities:												
Verona High School	N/A	\$ 190,081	\$ 226,973	\$ 188,615	\$ 215,392	\$ 235,747	\$ 149,780	\$ 280,732	\$ 202,356	\$ 276,669	\$ 283,984	
Brookdale Avenue School	N/A	61,316	73,217	59,563	68,018	74,446	47,299	88,724	63,902	89,248	89,679	
FN Brown School	N/A	61,316	73,217	61,152	69,833	76,432	48,561	91,090	65,607	89,248	92,071	
Forest Avenue School	N/A	42,921	51,252	43,529	49,708	54,405	34,566	64,791	46,700	62,474	65,538	
Henry B Whitehorn Middle School	N/A	183,949	219,652	185,446	211,772	231,784	147,263	276,091	198,955	267,744	279,211	
Lanning Avenue School	N/A	73,580	87,861	72,904	83,253	91,120	57,892	108,562	78,215	107,098	109,765	
Total School Facilities		\$ 613,163	\$ 732,172	\$ 611,209	\$ 697,976	\$ 763,934	\$ 485,361	\$ 909,991	\$ 655,735	\$ 892,481	\$ 920,248	

N/A - Not Applicable

Source: District records

VERONA BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
National Union Fire Ins Co of Pittsburgh PA		
PROPERTY SECTION		
Property - Blanket Bldgs & Contents		
School Limit Per Statement of Values	\$ 110,408,286	\$ 5,000
Flood:		
Zones A,N, or V	\$ 2,500,000	\$ 500,000
Zone B	\$ 7,500,000	\$ 100,000
Zones C	\$ 10,000,000	\$ 50,000
Earthquake	\$ 5,000,000	\$ 100,000
BOILER & MACHINERY		
Loss of Income	\$ 250,000	\$ 5,000
Extra Expense	\$ 5,000,000	\$ 5,000
GENERAL LIABILITY		
General Aggregate	\$ 3,000,000	
Each Occurrence	\$ 1,000,000	
COMMERCIAL AUTOMOBILE LIABILITY		
Combined Single Limit	\$ 1,000,000	
COMMERCIAL UMBRELLA		
	\$ 10,000,000	
EXCESS LIABILITY		
New Jersey Unshared Program (Allied/Hudson Ins/Evanston Ins)	\$ 30,000,000	
CAP Program - Shared Limits Agg (Fireman's Fund)	\$ 25,000,000	
CYBER LIABILITY (XL Insurance)		
1st Party Coverage	\$ 1,000,000	\$ 15,000
3rd Party Coverage	\$ 1,000,000	\$ 15,000
Group Aggregate	\$ 1,000,000	
WORKERS COMPENSATION (MEIG)		
Per Occurrence	\$ 5,000,000	
Policy Limit	\$ 5,000,000	
Aggregate	\$ 5,000,000	
CRIME (National Union Fire Ins Co of Pittsburgh PA)		
Employee Theft	\$ 500,000	\$ 5,000
EDUCATORS LEGAL LIABILITY		
XL Insurance	\$ 1,000,000	\$ 10,000
EMPLOYMENT PRACTICES LIABILITY		
XL Insurance	\$ 1,000,000	\$ 15,000
INDIVIDUAL BONDS		
Business Administrator/Bd Secy	\$ 275,000	
Treasurer of School Monies	\$ 275,000	

SINGLE AUDIT SECTION

Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Verona Public Schools
County of Essex, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Verona Board of Education, in the County of Essex, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 22, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

The Honorable President and Members
of the Board of Education
Verona Public Schools
County of Essex, New Jersey
Page 2

Report on Compliance and Other Matters

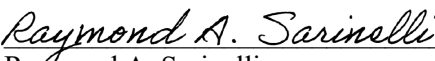
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 22, 2023
Mount Arlington, New Jersey

NISIVOCCIA LLP



Raymond A. Sarinelli
Licensed Public School Accountant #2549
Certified Public Accountant



Mount Arlington, NJ
 Newton, NJ
 Bridgewater, NJ
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 nisivoccia.com
 Independent Member
 BKR International

Report on Compliance For Each Major Federal and State Program;
 Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Verona Public Schools
 County of Essex, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Verona Board of Education's (the "District's") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 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 District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

The Honorable President and Members
of the Board of Education
Verona Public Schools
County of Essex, New Jersey
Page 2

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. 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 District's compliance with the requirements of each major federal and state program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

The Honorable President and Members
of the Board of Education
Verona Public Schools
County of Essex, New Jersey
Page 3

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 the Uniform Guidance or New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

November 22, 2023
Mount Arlington, New Jersey

NISIVOCCIA LLP

Raymond A. Sarinelli

Raymond A. Sarinelli
Licensed Public School Accountant #2549
Certified Public Accountant

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

Federal Grantor/Pass Through Grantor Program or Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022			Balance at June 30, 2023		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	Budgetary Accounts Receivable	Budgetary Unearned Revenue
Special Revenue Fund:										
U.S. Department of Education Passed-through State Department of Education:										
Elementary and Secondary Education Act										
	84.010	ESEA537023	7/1/22-9/30/23	\$ 92,588	\$		\$ 38,673	\$ (90,309)	\$ (51,636)	
	84.010	ESEA537022	7/1/21-9/30/22	106,689	(36,739)		36,739	(90,309)	(51,636)	
Total Title I							75,412	(27,646)	(11,906)	
	84.367	ESEA537023	7/1/22-9/30/23	33,639	(867)		15,740			
	84.367	ESEA537022	7/1/21-9/30/22	74,221	(867)		867	(27,646)	(11,906)	
Total Title II, Part A							16,607	(9,249)		
	84.424	ESEA537023	7/1/22-9/30/23	10,319			9,249	(9,249)		
Total Title IV							9,249	(9,249)		
Special Education Cluster:										
I.D.E.A. Part B, Basic	84.027	IDEA537023	7/1/22-9/30/23	553,903			428,303	(542,843)	(114,540)	
I.D.E.A. Part B, Basic	84.027	IDEA537022	7/1/21-9/30/22	544,844	(102,855)		102,855			
COVID-19 - ARP - I.D.E.A. Part B Basic	84.027X	IDEA537022	7/1/21-9/30/22	100,612	(31,238)		31,238			
I.D.E.A. Part B, Preschool	84.173	IDEA537023	7/1/22-9/30/23	27,439			23,800	(27,317)	(3,517)	
I.D.E.A. Part B, Preschool	84.173	IDEA537022	7/1/21-9/30/22	27,832	(26,440)		26,440			
COVID-19 - ARP - I.D.E.A. Part B Preschool	84.173X	IDEA537022	7/1/21-9/30/22	8,595	(18)		18			
Special Education Cluster Subtotal					(160,551)		612,654	(570,160)	(118,057)	
Education Stabilization Fund:										
COVID 19 - CRRSA:										
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	600,906	(86,823)		173,895	(143,570)	(56,498)	
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	38,563	(1,620)		13,742	(12,122)		
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000			5,190	(5,190)		
COVID 19 - ARP:										
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	1,350,498	(29,114)		282,109	(709,845)	(456,850)	
Accelerated Learning	84.425U	S425U210027	3/13/20-9/30/24	179,522				(52,785)	(52,785)	
Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000			18,363	(18,363)		
Mental Health Support	84.425U	S425U210027	3/13/20-9/30/24	45,000			41,400	(45,000)	(3,600)	
Homeless	84.425W	S425W210027	4/23/21-9/30/24	5,321	(5,321)		5,321			
Education Stabilization Fund Subtotal					(122,878)		540,020	(986,875)	(569,733)	
Total U.S. Department of Education					(321,035)		1,253,942	(1,684,239)	(751,332)	

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

Federal Grantor/Pass Through Grantor Program or Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022			Cash Received	Budgetary Expenditures	Balance at June 30, 2023		Amounts Provided to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Budgetary Accounts Receivable			Budgetary Unearned Revenue		
U.S. Department of Treasury Passed-through State Department of Education: COVID-19 ACSERS (Additional or Compensatory Special Education and Related Services to Students with Disabilities)	21-027	N/A	7/1/22-6/30/23	\$ 15,816			\$ 15,816	\$ (15,816)				
Total U.S. Department of Treasury							15,816	(15,816)				
Total Special Revenue Fund							1,269,758	(1,700,055)	\$ (751,332)			
Total Federal Awards							\$ 1,269,758	\$ (1,700,055)	\$ (751,332)	\$ -0-	\$ -0-	

N/A - Not Applicable

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

VERONA BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2023		MEMO	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
General Fund:												
New Jersey Department of Education:												
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	\$ 1,615,855	\$ (158,656)	\$	\$ 158,656	\$				\$	\$ 1,615,855
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	175,630	(17,245)		17,245						175,630
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	103,500	(10,162)		10,162						103,500
Extraordinary Special Education Costs	22-495-034-5120-005	7/1/21-6/30/22	835,626	(835,626)		835,626						835,626
Reimbursed TPAF Social Security Contributions	22-495-034-5095-003	7/1/21-6/30/22	1,351,412	(65,646)		65,646						1,351,412
On-Behalf TPAF Post Retirement Contribution	23-495-034-5094-001	7/1/22-6/30/23	1,737,571			1,737,571	\$					1,737,571
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	7/1/22-6/30/23	6,523,829			6,523,829						6,523,829
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	90,511			90,511						90,511
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	2,278			2,278						2,278
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	1,984,781			1,789,315				\$	(195,466)	1,984,781
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	175,630			158,334					(17,296)	175,630
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	103,500			93,307					(10,193)	103,500
Extraordinary Special Education Costs	23-100-034-5120-473	7/1/22-6/30/23	1,117,296							\$	(1,117,296)	1,117,296
Reimbursed TPAF Social Security Contributions	23-495-034-5095-003	7/1/22-6/30/23	1,414,867			1,345,017				(69,850)		1,414,867
Lead Water Testing Reimbursement	N/A	7/1/22-6/30/23	8,980			8,980						8,980
School Development Authority:												
Securing Our Children's Future Bond Act	N/A	7/1/22-6/30/23	125,290	(125,290)		125,290						125,290
Total General Fund State Aid				(1,212,625)		12,961,767	(13,159,243)			(1,187,146)	(1,410,101)	17,566,556
Special Revenue Fund:												
New Jersey Nonpublic Aid:												
Compensatory Education	23-100-034-5120-067	7/1/22-6/30/23	51,689			51,689						51,689
Transportation	22-100-034-5120-067	7/1/21-6/30/22	49,717	\$ 4,569	\$			\$	(4,569)			45,148
Nonpublic Handicapped Services:												
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	14,597			14,597						14,597
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	17,442	10,237				(10,237)		\$	378	7,205
Supplemental Instruction	22-100-034-5120-066	7/1/21-6/30/22	8,591			8,591						8,591
Supplemental Instruction	22-100-034-5120-066	7/1/21-6/30/22	14,868	8,673				(8,673)				6,195
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	2,790			2,790						2,790
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	4,650	2,790				(2,790)				1,860
Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	11,220			11,220						11,220
Nursing Services	23-100-034-5120-070	7/1/22-6/30/23	19,040			19,040						19,040
Technology Initiative	23-100-034-5120-373	7/1/22-6/30/23	7,140			7,140						7,140
Technology Initiative	23-100-034-5120-373	7/1/21-6/30/22	7,266	138				(138)				6,975
Security Aid	23-100-034-5120-509	7/1/22-6/30/23	34,850			34,850						34,850
Security Aid	22-100-034-5120-509	7/1/21-6/30/22	30,275	15				(15)				30,260
School Development Authority:												
Emergent and Capital Maintenance Needs	N/A	11/19/21-6/30/23	52,207							(52,207)	(52,207)	52,207
Total Special Revenue Fund				49,423		149,917	(196,270)	(49,423)		(52,207)	(52,207)	294,066

VERONA BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2023		MEMO
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	
Debt Service Fund:											
Debt Service Aid - State Support	23-495-034-5120-125	7/1/22-6/30/23	\$ 1,079,125			\$ 1,079,125	\$ (1,079,125)				\$ 1,079,125
Total Debt Service Fund						1,079,125	(1,079,125)				1,079,125
Total State Awards Subject to Single Audit Determination						\$ 14,190,809	\$ (14,434,638)	\$ (49,423)	\$ (1,239,353)	\$ 5,854	\$ (1,462,308)
Less: State Awards Not Subject to Single Audit Major Program Determination											
On-Behalf TPAF Pension System Contributions:											
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23	1,737,571				1,737,571				
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	6,523,829				6,523,829				
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	90,511				90,511				
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	2,278				2,278				
Subtotal - On-Behalf TPAF Pension System Contributions							8,354,189				
Total State Awards Subject to Single Audit Major Program Determination							\$ (6,080,449)				

N/A - Not Available

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

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

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Verona Board of Education under programs of the federal and state governments for the fiscal year ended June 30, 2023. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District’s basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic 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 the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes these payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two 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 revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$36,892) for the general fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Revenue from federal and state awards are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 13,122,351	\$ 13,122,351
Special Revenue Fund	\$ 1,700,055	196,270	1,896,325
Debt Service Fund		1,079,125	1,079,125
Total Financial Assistance	<u>\$ 1,700,055</u>	<u>\$ 14,397,746</u>	<u>\$ 16,097,801</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2023.

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

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following:

	<u>Assistance Listing/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Education Stabilization Fund:				
COVID-19 CRRSA :				
ESSER II	84.425D	3/13/20-9/30/23	\$ 600,906	\$ 143,570
Learning Acceleration	84.425D	3/13/20-9/30/23	38,563	12,122
Mental Health	84.425D	3/13/20-9/30/23	45,000	5,190
COVID-19 ARP:				
ESSER III	84.425U	3/13/20-9/30/24	1,350,498	709,845
Accelerated Learning	84.425U	3/13/20-9/30/24	179,522	52,785
Summer Learning and Enrichment	84.425U	3/13/20-9/30/24	40,000	18,363
Mental Health Support	84.425U	3/13/20-9/30/24	45,000	45,000
<u>State:</u>				
Reimbursed TPAF Social Security Contributions	23-495-034-5095-003	7/1/22-6/30/23	1,414,867	1,414,867
General Fund State Aid:				
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	1,984,781	1,984,781
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	175,630	175,630

VERONA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Summary of Auditors' Results: (Cont'd)

- The threshold for distinguishing Type A and Type B federal and state programs was \$750,000.
- The District was determined not to be a “low-risk” auditee for federal and state programs.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey’s OMB Circular 15-08.

VERONA BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

Status of Prior Year Findings:

There were no prior year findings.