

NORWOOD BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Norwood, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
of the
Norwood Board of Education
Norwood, New Jersey
For The Fiscal Year Ended June 30, 2024**

**Prepared by
Business Office**

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INTRODUCTORY SECTION



NORWOOD PUBLIC SCHOOL

177 SUMMIT STREET - NORWOOD, NJ 07648

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Mrs. Heather Garcia, President
Members of the Board of Education
Norwood School District
Norwood, New Jersey 07648

November 22, 2024

Dear Board Members:

The comprehensive annual financial report of the Norwood Board of Education for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of my knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

The comprehensive annual financial report is presented in five sections: (1) the introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. (2) The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report. (3) The supplementary schedules provide insight into the public school fiscal year. (4) The statistical section includes selected financial and demographic information, generally presented on a multiyear basis. (5) The single audit section of this report includes conformity with the provisions of the Single Audit Act of Amendments 1996 and the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" and State of New Jersey OMB 15.08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". The single audit section of this report includes the auditors' reports on the internal controls structure, compliance with applicable laws, regulations, findings and recommendations.

1. REPORTING ENTITY AND ITS SERVICES:

Norwood School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) Statement No. 14. All funds of the District are included in this report. The Norwood Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular as well as special education for handicapped students. The District completed the 2023-2024 fiscal year with an enrollment of 589 which is a decrease of 3 students from the previous year's enrollment or a change of -4.69%. The following details the changes in the student enrollment of the District over the last ten years.

ENROLLMENT INCREASE/DECREASE PERCENTAGE

<u>Year</u>	<u>Enrollment</u>	<u>Change</u>
2012-2013	580	-4.40%
2013-2014	585	0.86%
2014-2015	589	0.68%
2015-2016	614	4.24%
2016-2017	624	1.63%
2017-2018	599	-4.01%
2018-2019	601	0.33%
2019-2020	631	4.99%
2020-2021	629	-0.32%
2021-2022	621	-1.27%
2022-2023	618	-0.48%
2023-2024	589	-4.69%

2. OUR COMMUNITY:

The Borough of Norwood is located in the extreme northeast sector of Bergen County known as the Northern Valley and occupies an area of 2.9 square miles with a population of over 6000.

Norwood has a diverse population of over six thousand residents. We are part of the 5th Congressional District and the 39th Legislative District. There is an up-and-coming downtown area and also beautiful parks and hiking trails. Norwood is a family-oriented community.

3. OUR SCHOOL:

The Norwood School District consists of a single elementary school (Pre-K - 8), with operational oversight from a seven member elected Board of Education. We, along with six other Northern Valley towns, send our students to the Northern Valley Regional High School whose programs and activities are coordinated by a central curriculum office.

Norwood Public School offers a comprehensive educational program. Curriculum for all content areas is developed collaboratively with the Northern Valley Curriculum Center. In addition to all mandated coursework Norwood Public School offers students a variety of elective courses in the arts, STEM, and humanities. Extra curricular opportunities include academic enrichment, clubs, and interscholastic athletics. Social emotional learning opportunities provide students with support and help NPS maintain a culture of tolerance, respect, and kindness.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

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 the voters of Norwood. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. A project-length budget is approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the 2023-2024 fiscal year is reflected in the financial section.

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

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District of Norwood is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements".

7. DEBT ADMINISTRATION

On November 30, 1994 the voters approved a referendum for \$2,850,000 for the construction of an addition to the Norwood Public School including the acquisition and installation of equipment and furnishings. On September 8, 1994, the district funded the referendum with a \$2,850,000 bond sale. No bonds from this issue remain outstanding.

On November 30, 2006, the voters approved a referendum for \$4,747,000 to be used to construct additions, alterations and renovations of Norwood Elementary School, including the acquisition and installation of furnishings and equipment and site work. The total cost of the project was \$5,813,427 and the Board received a grant from the State of New Jersey in the amount of \$1,065,886. The local share was funded through the issuance of Bonds and the remaining \$541 was available through other funds of the Board. On March 22, 2006, the district funded the referendum with \$4,747,000 bond sale. The District refinanced the 2006 Bonds on March 18, 2015. No bonds from this issue remain outstanding as of June 30, 2020.

On March 18, 2015, the District issued \$3,510,000 Refunding School Bonds to refinance the callable maturities of the \$4,747,000 bonds described above, maturing in the years 2017 through 2026. The District realized total debt service savings of \$235,772 through the fiscal year ending June 30, 2026. As of June 30, 2024, the District has \$715,000 serial bonds outstanding.

8. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. 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 Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

7. RISK MANAGEMENT:

The Board is a member of NESBIG (Northeast School Boards Insurance Group). The Group is a risk sharing public entity pool, established for the purpose of insuring this Board and several other districts against workers compensation claims. The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds.

8. INDEPENDENT AUDIT:

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, & Bliss, LLC was appointed by the Norwood Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related Title 2 U.S. Code of Federal Regulations (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" and State Treasury Circular Letter 15-08 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

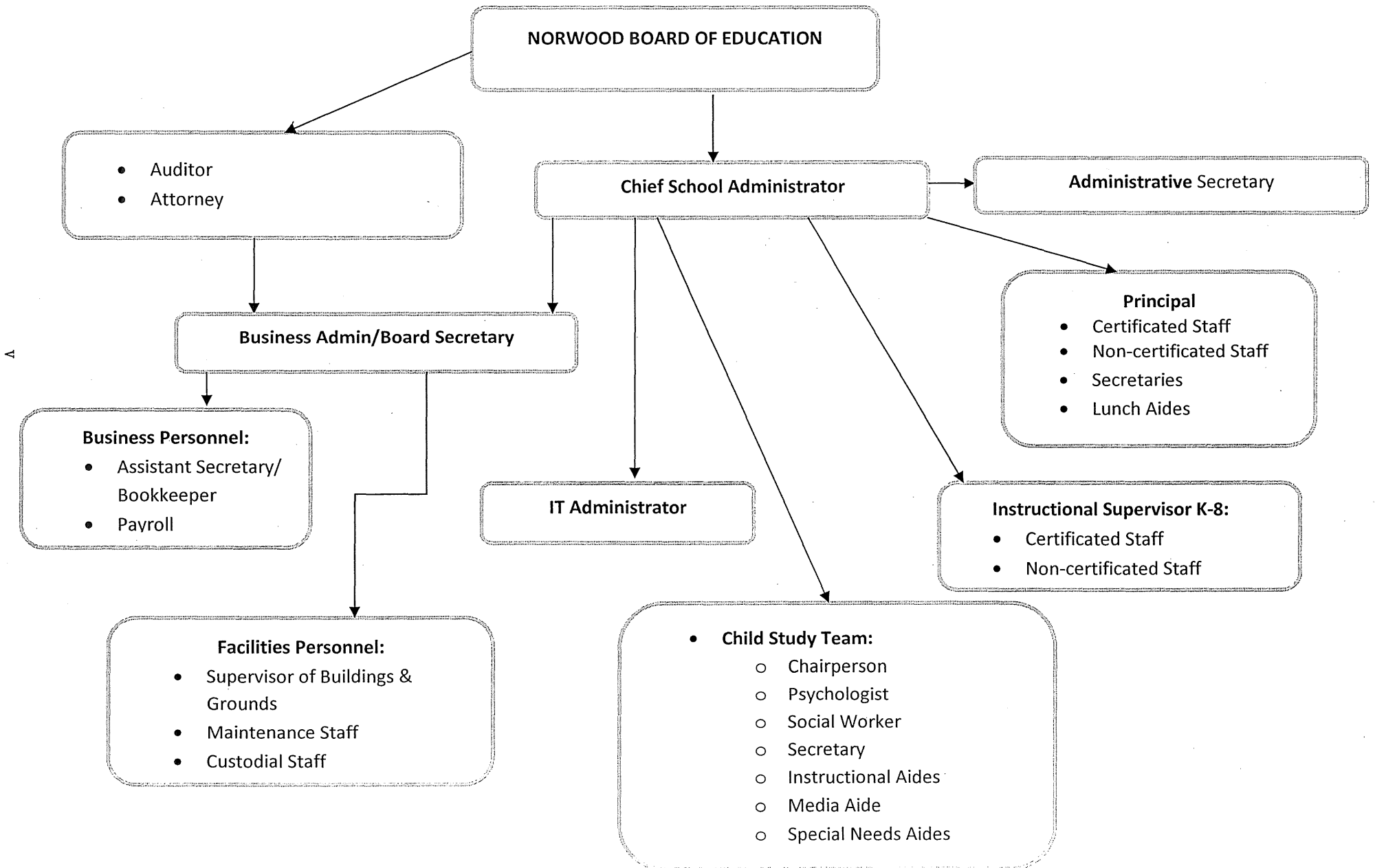
We would like to express appreciation to the members of the Norwood Board of Education for their commitment to provide fiscal accountability to the citizens and taxpayers of the school district and for their support of our financial operation. I would also like to express appreciation to the staff for their dedicated service.

Respectfully submitted,


Timothy Gouraige
Superintendent


Patricia Ratcliffe-Lee
Acting Interim School Business Administrator/Board Secretary

Norwood Public School
2022-2023 Organizational Chart



**NORWOOD, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2024**

Members of the Board of Education

Term Expires

Mrs. Heather Garcia, Board President	2024
Mrs. Kelly Wilson, Board Vice President	2026
Mrs. Jennifer Eisberg	2025
Mrs. Juliana Lee	2025
Mr. Peter Rinaldi	2026
Mr. Sam Park	2024
Mr. Michael Sprague	2026

Other Officials

Kevin Ulmer, Chief School Administrator

Cheryl Ambrose, Business Administrator/Board Secretary

Consultants and Advisors

ATTORNEY

Porzio, Bromberg & Newman
100 Southgate Parkway
Morristown, NJ 07962

AUDITOR

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

OFFICIAL DEPOSITORY

Valley National Bank
370 Pascack Rd
Township of Washington, NJ 07676

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Norwood Board of Education
Norwood, New Jersey

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Norwood Board of Education, as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the 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 Norwood Board of Education as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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


Other Information

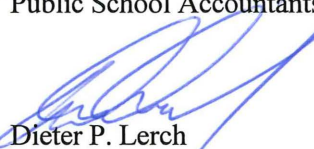
Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 13, 2024 on our consideration of the Norwood Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Norwood Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Norwood Board of Education's internal control over financial reporting and compliance.


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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
November 13, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Norwood Board of Education

Management's Discussion and Analysis

This section of the Norwood Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-2024 fiscal year are as follows:

- The assets and deferred outflows of resources of the Norwood Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$6,842,067 (net position).
- Overall governmental revenues were \$15,944,470. General revenues accounted for \$12,322,144 or 77% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$3,622,326 or 23% of total revenues.
- The school district had \$15,543,596 in expenses for governmental activities; only \$3,622,326 of these expenses were offset by program specific charges, grants or contributions.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$2,325,414. Of this amount, \$171,340 is restricted for Unemployment Claims, \$13,869 is restricted for Student Activities and Scholarships, \$165,678 is restricted for year-end encumbrances, \$1,423,675 is restricted for future capital reserve, \$527,952 is restricted as excess surplus, \$175,085 reserve for maintenance, \$333,748 is designated for use in the 2024/25 budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Board of Education's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Norwood Board of Education's, reporting the Board's operation 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 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 businesses.

Norwood Board of Education

Management's Discussion and Analysis (continued)

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Figure A-1 summarizes the major features of the Board'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 the structure and contents of each of the statements.

Figure A-1 Major Features of the District-Wide and Fund Financial Statements

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

Norwood Board of Education

Management's Discussion and Analysis (continued)

District-Wide Statements

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

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

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

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

- *Governmental activities*- Most of the district's basic services are included here, such as regular and special education, transportation, administration and community education. Property taxes and state aids finance most of these activities.
- *Business-type activities*- The District charges fees to students to help it cover the costs of certain services it provides. The District's Food Service Fund is 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 uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

Norwood Board of Education

Management's Discussion and Analysis (continued)

The district has two kinds of funds:

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

FINANCIAL ANALYSIS OF THE NORWOOD BOARD OF EDUCATION AS A WHOLE

The district's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Norwood Board of Education

Management's Discussion and Analysis (continued)

Table A-1 provides a summary of the school district's net position as of June 30, 2024 and 2023.

Statement of Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Assets						
Current Assets	\$ 2,476,593	\$ 3,138,299	\$ 3,326	\$ 4,421	\$ 2,479,919	\$ 3,142,720
Capital Assets	<u>6,961,683</u>	<u>7,010,483</u>	<u>-</u>	<u>-</u>	<u>6,961,683</u>	<u>7,010,483</u>
Total Assets	<u>9,438,276</u>	<u>10,148,782</u>	<u>3,326</u>	<u>4,421</u>	<u>9,441,602</u>	<u>10,153,203</u>
Deferred Outflows of Resources	<u>126,992</u>	<u>230,709</u>	<u>-</u>	<u>-</u>	<u>126,992</u>	<u>230,709</u>
Total Assets and Deferred Outflows of Resources	<u>9,565,268</u>	<u>10,379,491</u>	<u>3,326</u>	<u>4,421</u>	<u>9,568,594</u>	<u>10,383,912</u>
Liabilities						
Long-Term Liabilities	2,443,976	2,879,749			2,443,976	2,879,749
Other Liabilities	<u>157,435</u>	<u>727,122</u>	<u>-</u>	<u>-</u>	<u>157,435</u>	<u>727,122</u>
Total Liabilities	<u>2,601,411</u>	<u>3,606,871</u>	<u>-</u>	<u>-</u>	<u>2,601,411</u>	<u>3,606,871</u>
Deferred Inflows of Resources	<u>125,116</u>	<u>334,753</u>	<u>-</u>	<u>-</u>	<u>125,116</u>	<u>334,753</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,726,527</u>	<u>3,941,624</u>	<u>-</u>	<u>-</u>	<u>2,726,527</u>	<u>3,941,624</u>
Net Position						
Net Investment in Capital Assets	6,246,683	5,945,483			6,246,683	5,945,483
Restricted	1,783,969	1,713,109			1,783,969	1,713,109
Unrestricted (Deficit)	<u>(1,191,911)</u>	<u>(1,220,725)</u>	<u>3,326</u>	<u>4,421</u>	<u>(1,188,585)</u>	<u>(1,216,304)</u>
Total Net Position	<u>\$ 6,838,741</u>	<u>\$ 6,437,867</u>	<u>\$ 3,326</u>	<u>\$ 4,421</u>	<u>\$ 6,842,067</u>	<u>\$ 6,442,288</u>

Norwood Board of Education

Management's Discussion and Analysis (continued)

Table A-2 shows changes in net position for fiscal years ended June 30, 2024 and 2023.

Change in Net Assets

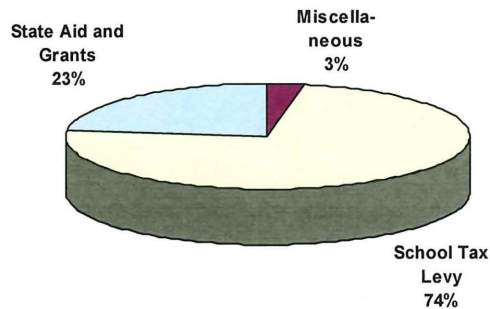
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program Revenues						
Charges for Services	\$ 88,000	\$ 127,045	\$ 5,038	\$ 8,511	\$ 93,038	\$ 135,556
Grants and Contributions	3,534,326	3,346,221			3,534,326	3,346,221
General Revenues						
Property Taxes	11,856,712	11,463,272			11,856,712	11,463,272
Interest	169,049	23,173			169,049	23,173
Other	296,383	305,889	-	-	296,383	305,889
Total Revenues	<u>15,944,470</u>	<u>15,265,600</u>	<u>5,038</u>	<u>8,511</u>	<u>15,949,508</u>	<u>15,274,111</u>
Expenses						
Instruction						
Regular	5,191,033	5,411,284			5,191,033	5,411,284
Special Education	4,231,796	4,055,346			4,231,796	4,055,346
Other Instruction	292,435	261,513			292,435	261,513
School Sponsored Activities and Athletics	115,486	102,831			115,486	102,831
Support Services						
Student and Instruction Related Services	2,358,721	2,098,906			2,358,721	2,098,906
General Administrative Services	590,426	526,912			590,426	526,912
School Administrative Services	531,134	618,846			531,134	618,846
Plant Operations and Maintenance	1,259,770	999,581			1,259,770	999,581
Pupil Transportation	519,138	466,714			519,138	466,714
Business Services	424,769	390,777			424,769	390,777
Food Service			6,133	8,807	6,133	8,807
Interest on Long-Term Debt	28,888	39,281	-	-	28,888	39,281
Total Expenses	<u>15,543,596</u>	<u>14,971,991</u>	<u>6,133</u>	<u>8,807</u>	<u>15,549,729</u>	<u>14,980,798</u>
Increase/(Decrease) in Net Position	\$ 400,874	\$ 293,609	\$ (1,095)	\$ (296)	\$ 399,779	\$ 293,313
Net Position, Beginning of Year	6,437,867	6,144,258	4,421	4,717	6,442,288	6,148,975
Net Position, End of Year	<u>\$ 6,838,741</u>	<u>\$ 6,437,867</u>	<u>\$ 3,326</u>	<u>\$ 4,421</u>	<u>\$ 6,842,067</u>	<u>\$ 6,442,288</u>

Norwood Board of Education

Management's Discussion and Analysis (continued)

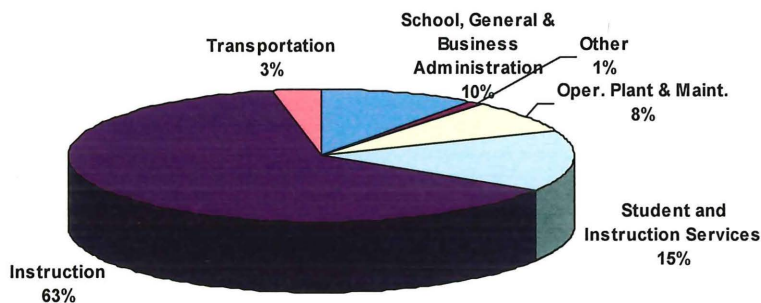
Governmental Activities. The District's total revenues were \$15,944,470. The local share of the revenues, that included property taxes, investment earnings, and miscellaneous revenue, amounted to \$12,322,144 or 77% of total revenues. Funding from state and federal sources amounted and charges for services to \$3,622,326 or 23%.

Revenues by Sources – Governmental Activities



Governmental expenses totaled \$15,543,596. The District's expenses are predominantly related to instruction and support services. Instruction totaled \$9,830,750 or (63%), student support services totaled \$5,683,958 or (37%) and Interest totaled \$28,888 or (less than 1%) of total expenditures.

Expenses by Function – Governmental Activities



Norwood Board of Education

Management's Discussion and Analysis (continued)

Table A-3
Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2024 and 2023

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Governmental Activities				
Instruction				
Regular	\$ 5,191,033	\$ 5,411,284	\$ 4,128,877	\$ 4,164,755
Special Education	4,231,796	4,055,346	2,321,534	2,309,746
Other Instruction	292,435	261,513	273,923	218,941
School Sponsored Activities and Athletics	115,486	102,831	58,674	95,345
Support Services				
Student and Instruction Related Services	2,358,721	2,098,906	1,988,068	1,882,390
General Administrative Services	590,426	526,912	590,426	521,780
School Administrative Services	531,134	618,846	466,958	539,486
Plant Operations and Maintenance	1,259,770	999,581	1,178,221	933,971
Pupil Transportation	519,138	466,714	460,932	408,348
Business Services	424,769	390,777	424,769	384,682
Interest on Long-Term Debt	<u>28,888</u>	<u>39,281</u>	<u>28,888</u>	<u>39,281</u>
Total	<u>\$ 15,543,596</u>	<u>\$ 14,971,991</u>	<u>\$ 11,921,270</u>	<u>\$ 11,498,725</u>

Business-Type Activities

There was \$5,038 in revenues in Business Type Activities for charges of service along with \$6,133 in expenses resulting in a fund balance of \$3,326 as of June 30, 2024.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$2,325,414. The previous year's fund balance was \$2,420,495.

Norwood Board of Education

Management's Discussion and Analysis (continued)

Revenues for the District's governmental funds were \$17,201,743, while total expenditures were \$17,296,824.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students for grades K through 8 including pupil transportation activities and capital outlay projects.

The following schedule presents a summary of General Fund revenues.

	<u>Year Ended June 30, 2024</u>	<u>Year Ended June 30, 2023</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Local Sources:				
Property Taxes	\$ 11,474,762	\$ 11,075,972	\$ 398,790	3.60%
Rentals	177,435	249,111	(71,676)	100.00%
Tuition	88,000	127,045	(39,045)	-30.73%
Investment Earnings	169,049	23,144	145,905	630.42%
Miscellaneous	118,948	56,778	62,170	109.50%
Intergovernmental				
State Sources	<u>4,135,156</u>	<u>3,815,609</u>	<u>319,547</u>	8.37%
Total Revenues	<u>\$ 16,163,350</u>	<u>\$ 15,347,659</u>	<u>\$ 815,691</u>	5.31%

The following schedule presents a summary of General Fund expenditures.

	<u>Year Ended June 30, 2024</u>	<u>Year Ended June 30, 2023</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Instruction	\$ 10,222,866	\$ 10,077,615	\$ 145,251	1.44%
Undistributed Expenditures	5,657,798	5,318,660	339,138	6.38%
Capital Outlay	<u>384,844</u>	<u>112,416</u>	<u>272,428</u>	242.34%
Total Expenditures	<u>\$ 16,265,508</u>	<u>\$ 15,508,691</u>	<u>\$ 756,817</u>	4.88%

Total General Fund expenditures increased by \$756,817 or 4.88% from the previous year.

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

Revenues of the Special Revenue Fund were \$656,443 for the fiscal year ended June 30, 2024. Federal sources accounted for most of the Special Revenue Fund's revenue for the year. The remaining revenue was from local sources from student activity revenues and scholarship donations.

Total Special Revenue Fund revenues increased \$207,411 or 46% from the previous year mostly from Local and Federal Sources.

Expenditures of the Special Revenue Fund were \$649,366. Instructional expenditures were \$477,759 or 74%.

Norwood Board of Education

Management's Discussion and Analysis (continued)

Proprietary Funds - The District maintains an Enterprise Fund to account for activities which are supported in part through user fees.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Over the course of the year, the District revised the annual operating budget several times. These budget revisions were related to:

- Implementing budgets for specially funded projects, which include both federal and state grants and reinstating prior year purchase orders being carried over.
- Increases in appropriations for the funding of capital projects approved in the Long-Range Facilities Plan.
- Increases in the cost relating to the operation and maintenance of the plant.
- Increased costs in providing employee benefits and health insurance.

Norwood Board of Education

Management's Discussion and Analysis (continued)

Capital Assets. At June 30, 2024 and 2023, the school district had invested in land, construction in progress, buildings and building improvements, furniture, machinery and equipment as follows:

	Governmental Activities	
	<u>2024</u>	<u>2023</u>
Land	\$ 68,171	\$ 68,171
Construction in Progress	63,450	98,940
Land Improvements	47,450	47,450
Building and Building Improvements	14,530,443	14,176,447
Machinery and Equipment	<u>819,464</u>	<u>759,662</u>
Total	15,528,978	15,150,670
Less: Accumulated Depreciation	<u>(8,567,295)</u>	<u>(8,140,187)</u>
Total	<u>\$ 6,961,683</u>	<u>\$ 7,010,483</u>

Additional information about the district's capital assets can be found in the Notes to the Financial Statements of this report.

Debt Administration. As of June 30, 2024 and 2023 the school district had long-term debt and outstanding long-term liabilities in the amount of \$2,443,976 and \$2,879,749, respectively.

Outstanding Long-Term Liabilities

	<u>2024</u>	<u>2023</u>
Serial Bonds Payable	\$ 715,000	\$ 1,065,000
Net Pension Liability	1,620,862	1,688,435
Compensated Absences Payable	<u>108,114</u>	<u>126,314</u>
Total	<u>\$ 2,443,976</u>	<u>\$ 2,879,749</u>

Additional information about the district's long-term debt can be found in the Notes to the Financial Statements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School Business Administrator, Norwood Board of Education, 177 Summit Street, Norwood, New Jersey 07648.

BASIC FINANCIAL STATEMENTS

**NORWOOD BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 2,329,907	\$ 3,326	\$ 2,333,233
Receivables, net			
Receivables from Other Governments	130,496		130,496
Other Receivables	16,190		16,190
Capital Assets, Net			
Not Being Depreciated	131,621		131,621
Being Depreciated, Net	<u>6,830,062</u>	<u>-</u>	<u>6,830,062</u>
Total Assets	<u>9,438,276</u>	<u>3,326</u>	<u>9,441,602</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	<u>126,992</u>	<u>-</u>	<u>126,992</u>
Total Deferred Outflows of Resources	<u>126,992</u>	<u>-</u>	<u>126,992</u>
Total Assets and Deferred Outflows of Resources	<u>9,565,268</u>	<u>3,326</u>	<u>9,568,594</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	109,821		109,821
Payroll Deductions & Withholdings Payable	41,358		41,358
Accrued Interest Payable	6,256		6,256
Noncurrent Liabilities			
Due within one year	360,000		360,000
Due beyond one year	<u>2,083,976</u>	<u>-</u>	<u>2,083,976</u>
Total Liabilities	<u>2,601,411</u>	<u>-</u>	<u>2,601,411</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	<u>125,116</u>	<u>-</u>	<u>125,116</u>
Total Deferred Inflows of Resources	<u>125,116</u>	<u>-</u>	<u>125,116</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,726,527</u>	<u>-</u>	<u>2,726,527</u>
NET POSITION			
Net Investment in Capital Assets	6,246,683		6,246,683
Restricted for			
Capital Projects	1,423,675		1,423,675
Other	360,294		360,294
Unrestricted	<u>(1,191,911)</u>	<u>3,326</u>	<u>(1,188,585)</u>
Total Net Position	<u>\$ 6,838,741</u>	<u>\$ 3,326</u>	<u>\$ 6,842,067</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**NORWOOD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 5,191,033	\$ 88,000	\$ 974,156		\$ (4,128,877)		\$ (4,128,877)
Special Education	4,231,796		1,910,262		(2,321,534)		(2,321,534)
Other Instruction	292,435		18,512		(273,923)		(273,923)
School Sponsored Activities and Athletics	115,486		56,812		(58,674)		(58,674)
Support Services							
Student and Instruction Related Services	2,358,721		370,653		(1,988,068)		(1,988,068)
General Administrative Services	590,426				(590,426)		(590,426)
School Administrative Services	531,134		64,176		(466,958)		(466,958)
Plant Operations and Maintenance	1,259,770		81,549		(1,178,221)		(1,178,221)
Pupil Transportation	519,138		58,206		(460,932)		(460,932)
Business Services	424,769				(424,769)		(424,769)
Interest on Long Term Debt	28,888	-	-	-	(28,888)	-	(28,888)
Total Governmental Activities	15,543,596	88,000	3,534,326	-	(11,921,270)	-	(11,921,270)
Business-Type Activities							
Food Service - Non Major	6,133	5,038	-	-	-	\$ (1,095)	(1,095)
Total Business-Type Activities	6,133	5,038	-	-	-	(1,095)	(1,095)
Total Primary Government	\$ 15,549,729	\$ 93,038	\$ 3,534,326	\$ -	(11,921,270)	(1,095)	(11,922,365)
General Revenues							
Property Taxes							
Levied for General Purposes					11,474,762		11,474,762
Levied for Debt Service					381,950		381,950
Investment Earnings					169,049		169,049
Rentals					177,435		177,435
Miscellaneous Income					118,948	-	118,948
Total General Revenues					12,322,144	-	12,322,144
Change in Net Position					400,874	(1,095)	399,779
Net Position, Beginning of Year					6,437,867	4,421	6,442,288
Net Position, End of Year					\$ 6,838,741	\$ 3,326	\$ 6,842,067

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

FUND FINANCIAL STATEMENTS

NORWOOD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2024

	General <u>Fund</u>	Special Revenue <u>Fund</u>	Total Governmental <u>Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,254,022	\$ 75,885	\$ 2,329,907
Receivables			
Intergovernmental	21,834	108,662	130,496
Other	16,190		16,190
Due from Other Funds	144,869	-	144,869
	<u>2,436,915</u>	<u>184,547</u>	<u>2,621,462</u>
Total Assets	\$ 2,436,915	\$ 184,547	\$ 2,621,462
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 36,612	\$ 25,409	\$ 62,021
Intergovernmental Payable		279	279
Due to Other Funds		144,869	144,869
Deferred Revenues	47,400	121	47,521
Payroll Deductions & Withholdings	41,358	-	41,358
	<u>125,370</u>	<u>170,678</u>	<u>296,048</u>
Total Liabilities	125,370	170,678	296,048
Fund Balances			
Restricted			
Capital Reserve	1,287,896		1,287,896
Capital Reserve - Designated for			-
Subsequent Year's Budget	135,779		135,779
Maintenance Reserve	140,385		140,385
Maintenance Reserve - Designated for			-
Subsequent Year's Budget	34,700		34,700
Unemployment Compensation	171,340		171,340
Scholarships		1,963	1,963
Student Activities		11,906	11,906
Excess Surplus	450,000		450,000
Excess Surplus - Designated for			-
Subsequent Year's Budget	77,952		77,952
Assigned			
Year-End Encumbrances	165,678		165,678
Designated for			-
Subsequent Year's Budget	333,748		333,748
Unassigned, Reported in			-
General Fund	(485,933)	-	(485,933)
	<u>2,311,545</u>	<u>13,869</u>	<u>2,325,414</u>
Total Fund Balances	2,311,545	13,869	2,325,414
Total Liabilities and Fund Balances	\$ 2,436,915	\$ 184,547	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$15,359,187 and the accumulated depreciation is \$8,397,504.

6,961,683

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

(6,256)

Amounts resulting from net pension liabilities are reported as deferred inflows and outflows of resources on the statement of net position.

Deferred Inflows of Resources	
Net Pension Liability	\$ (125,116)
Deferred Outflows of Resources	
Net Pension Liability	126,992

1,876

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

Serial Bonds Payable	\$ (715,000)
Net Pension Liability	(1,620,862)
Compensated Absences	(108,114)
	<u>(2,443,976)</u>

Net Position of Governmental Activities (Exhibit A-1) \$ 6,838,741

**NORWOOD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources				
Property Tax Levy	\$ 11,474,762		\$ 381,950	\$ 11,856,712
Rentals	177,435			177,435
Tuition	88,000			88,000
Interest	169,049			169,049
Miscellaneous	118,948	\$ 123,064	-	242,012
Total - Local Sources	12,028,194	123,064	381,950	12,533,208
State Sources	4,135,156	1,141		4,136,297
Federal Sources	-	532,238	-	532,238
Total Revenues	16,163,350	656,443	381,950	17,201,743
EXPENDITURES				
Current				
Regular Instruction	5,695,972	195,590		5,891,562
Special Education Instruction	4,195,830	232,211		4,428,041
Other Instruction	260,864			260,864
School-Sponsored Activities and Athletics	70,200	49,958		120,158
Support Services				
Student and Instruction Related Services	2,413,893	139,267		2,553,160
General Administrative Services	525,486			525,486
School Administrative Services	532,634			532,634
Plant Operations and Maintenance	1,261,207			1,261,207
Pupil Transportation	519,138			519,138
Business Services / Central Services	405,440			405,440
Debt Service				
Principal			350,000	350,000
Interest and Other Charges			31,950	31,950
Capital Outlay	384,844	32,340	-	417,184
Total Expenditures	16,265,508	649,366	381,950	17,296,824
Excess (Deficiency) of Revenues Over Expenditures	(102,158)	7,077	-	(95,081)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balances	(102,158)	7,077	-	(95,081)
Fund Balance, Beginning of Year	2,413,703	6,792	-	2,420,495
Fund Balance, End of Year	\$ 2,311,545	\$ 13,869	\$ -	\$ 2,325,414

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

**NORWOOD BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Total net change in fund balances - governmental funds (Exhibit B-2) **\$ (95,081)**

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Capital Outlay	\$ 417,184	
Fixed Asset Deletions	(42,260)	
Depreciation Expense	<u>(423,724)</u>	
		(48,800)

Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, for these items are measured by the amount of financial resources used (paid):

Net Decrease in Pension Expense	\$ 173,493	
Net Decrease in Compensated Absences	<u>18,200</u>	
		191,693

Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

350,000

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

Decrease in accrued interest		<u>3,062</u>
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Change in net position of governmental activities (Exhibit A-2) **\$ 400,874**

**NORWOOD BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

**Food Service
Enterprise Fund
Totals
Non-Major**

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 3,326
Total Current Assets	<u>3,326</u>
Capital Assets	
Equipment	846
Less: Accumulated Depreciation	<u>(846)</u>
Total Capital Assets	<u>-</u>
Total Assets	<u>3,326</u>

NET POSITION

Unrestricted	<u>3,326</u>
Total Net Position	<u>\$ 3,326</u>

**NORWOOD BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Food Service Enterprise Fund Totals <u>Non-Major</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales	\$ 5,038
OPERATING EXPENSES	
Cost of Sales	6,133
Change in Net Position	(1,095)
Net Position, Beginning of Year	4,421
Net Position, End of Year	\$ 3,326

**NORWOOD BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Food Service Enterprise Fund Totals <u>Non-Major</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 5,038
Cash Payments to Suppliers for Goods and Services	<u>(6,133)</u>
Net Cash Provided by Operating Activities	<u>(1,095)</u>
 Cash and Cash Equivalents, Beginning of Year	 <u>4,421</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,326</u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ <u>(1,095)</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	<u>-</u>
 Net Cash Provided by Operating Activities	 <u>\$ (1,095)</u>

NOTES TO THE FINANCIAL STATEMENTS

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Norwood Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of seven elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade eight (8) school district.

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

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

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

B. New Accounting Standards

During fiscal year 2024, the District adopted the following GASB statements:

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

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

- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 102, *Certain Risk Disclosures*, will be effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

The District reports the following non-major proprietary fund which is organized to be self-supporting through user charges:

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

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

D. Measurement Focus and Basis of Accounting

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

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

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Capital Assets

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

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

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. *Capital Assets (Continued)*

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

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

4. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has one item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

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

5. *Compensated Absences*

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation, personal, and sick leave benefits. A long-term liability of accumulated vacation, personal and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated vacation, personal and sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Pensions*

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

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

7. *Long-Term Obligations*

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

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

8. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

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

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2C).

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the 2024/2025 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2024 audited excess surplus that is required to be appropriated in the 2025/2026 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2023 audited excess surplus that was appropriated in the 2024/2025 original budget certified for taxes.

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2D).

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the 2024/2025 original budget certified for taxes.

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

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

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

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the 2024/2025 original budget certified for taxes.

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

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

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Fund Balance Policies*

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

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

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs.

Tuition Expenditures - Tuition charges for the fiscal years 2022-2023 and 2023-2024 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *On-Behalf Payments*

Revenues and expenditures of the general fund include payments made by the State of New Jersey on-behalf of the District for social security, pension, long-term disability insurance and post-retirement medical benefit contributions for District employees enrolled in the Teacher Pension and Annuity Fund (TPAF) retirement system.

Revenues and expenses of governmental activities, business-type activities and proprietary funds include the State's proportionate share of the on-behalf actuarial determined pension and post-retirement medical benefit amounts attributable to the District for District employees enrolled in the TPAF retirement system.

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. The annual budget is voted upon at the annual school election on the third Tuesday in April.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2023/2024. Also, during 2023/2024 the Board increased the original budget of the general fund by \$272,125 and the special revenue fund by \$588,784. The increases were funded by grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances.

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

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

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deficit Fund Equity

The District has an unassigned fund deficit of \$485,933 in the General Fund as of June 30, 2024 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2023/2024 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit(s) in the GAAP (fund) financial statements of \$485,933 in the General Fund is less than the delayed state aid payments at June 30, 2024.

C. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2024 is as follows:

Balance, July 1, 2023		\$ 1,341,291
Increased by		
Interest Earnings	\$ 66,399	
Return of Unencumbered Budget Withdrawals	195,340	
Deposits Approved by Board Resolution	51,225	
Total Increases		<u>312,964</u>
Decreased by:		
Withdrawals Approved in District Budget	\$ 230,580	
Total Decreases		<u>230,580</u>
Balance, June 30, 2024		<u>\$ 1,423,675</u>

The June 30, 2024 LRFP balance of total costs of uncompleted capital projects is estimated by management to be \$4,180,956. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the District's Long Range Facilities Plan. \$135,779 of the capital reserve balance at June 30, 2024 was designated and appropriated for use in the 2024/2025 original budget certified for taxes.

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2024 is as follows:

Balance, July 1, 2023		\$ 200,000
Increased by		
Interest Earnings	\$ 5,735	
Deposits Approved by Board Resolution	50,000	
Total Increases		<u>\$ 55,735</u>
Decreased by:		
Withdrawals Approved in District Budget	80,650	
Total Decreases		<u>80,650</u>
Balance, June 30, 2024		<u>\$ 175,085</u>

The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. \$34,700 of the maintenance reserve balance at June 30, 2024 was designated and appropriated for use in the 2024/2025 original budget certified for taxes.

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2024 is \$527,952. Of this amount \$77,952 was designated and appropriated in the 2024/2025 original budget certified for taxes and remaining amount of \$450,000 will be appropriated in the 2025/2026 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2024, the book value of the Board's deposits were \$2,333,233 and bank and brokerage firm balances of the Board's deposits amounted to \$3,229,332. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 2,758,750
Uninsured and Collateral held by pledging financial institution's trust department but not in the Board's Name	<u>470,582</u>
	<u>\$ 3,229,332</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2024 \$470,582 of the Board's bank balances were exposed to custodial credit risk.

Investments

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

As of June 30, 2024, the Board had no outstanding investments.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board's investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2024 for the district's individual major funds and nonmajor funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Receivables:			
Accounts	\$ 16,190		\$ 16,190
Intergovernmental-			
Federal		\$ 108,662	108,662
State	<u>21,834</u>	<u>-</u>	<u>21,834</u>
Gross Receivables	38,024	108,662	146,686
Less: Allowance for			
Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 38,024</u>	<u>\$ 108,662</u>	<u>\$ 146,686</u>

C. Unearned Revenue

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

General Fund	
Prepaid Tuition/Fees	\$ 47,400
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>121</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 47,521</u>

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Balance, <u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	Balance, <u>June 30, 2024</u>
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 68,171				\$ 68,171
Construction in Progress	<u>98,940</u>	<u>\$ 6,770</u>	<u>-</u>	<u>\$ (42,260)</u>	<u>63,450</u>
Total Capital Assets, Not Being Depreciated	<u>167,111</u>	<u>6,770</u>	<u>-</u>	<u>(42,260)</u>	<u>131,621</u>
Capital Assets, Being Depreciated:					
Land Improvements	47,450				47,450
Buildings and Improvements	14,176,447	353,996			14,530,443
Machinery and Equipment	<u>759,662</u>	<u>56,418</u>	<u>-</u>	<u>3,384</u>	<u>819,464</u>
Total Capital Assets Being Depreciated	<u>14,983,559</u>	<u>410,414</u>	<u>-</u>	<u>3,384</u>	<u>15,397,357</u>
Less Accumulated Depreciation for:					
Land Improvements	(9,488)	(2,372)			(11,860)
Buildings	(7,438,141)	(389,917)			(7,828,058)
Machinery and Equipment	<u>(692,558)</u>	<u>(31,435)</u>	<u>-</u>	<u>(3,384)</u>	<u>(727,377)</u>
Total Accumulated Depreciation	<u>(8,140,187)</u>	<u>(423,724)</u>	<u>-</u>	<u>(3,384)</u>	<u>(8,567,295)</u>
Total Capital Assets, Being Depreciated, Net	<u>6,843,372</u>	<u>(13,310)</u>	<u>-</u>	<u>-</u>	<u>6,830,062</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,010,483</u>	<u>\$ (6,540)</u>	<u>\$ -</u>	<u>\$ (42,260)</u>	<u>\$ 6,961,683</u>
	Balance, <u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>		Balance, <u>June 30, 2024</u>
Business-Type Activities:					
Capital Assets, Being Depreciated:					
Machinery and Equipment	\$ 846	-	-		\$ 846
Total Capital Assets Being Depreciated	<u>846</u>	<u>-</u>	<u>-</u>		<u>846</u>
Less Accumulated Depreciation for:					
Machinery and Equipment	(846)	-	-		(846)
Total Accumulated Depreciation	<u>(846)</u>	<u>-</u>	<u>-</u>		<u>(846)</u>
Total Capital Assets, Being Depreciated, Net	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>
Business-Type Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

Instruction

Regular	\$ 60,240
Special Education	49,036
Other Instruction	<u>49,036</u>

Total Instruction	<u>158,312</u>
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Support Services

Student and Instruction Related Services	50,215
General Administrative Services	49,036
School Administrative Services	65,930
Central Services & Info. Technology	49,036
Plant Operations and Maintenance	<u>51,195</u>

Total Support Services	<u>265,412</u>
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Total Governmental Funds	<u>423,724</u>
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Total Depreciation Expense - Governmental Activities	<u>\$ 423,724</u>
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E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2024, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	<u>\$ 144,869</u>
Total		<u>\$ 144,869</u>

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

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

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt

General Obligation Bonds

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

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

\$3,510,000, Refunding Bonds, due in annual installments of \$355,000 to \$360,000 through March 15, 2026, interest at 3.00%	<u>\$715,000</u>
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The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 360,000	\$ 21,450	\$ 381,450
2026	<u>355,000</u>	<u>10,650</u>	<u>365,650</u>
Total	<u>\$ 715,000</u>	<u>\$ 32,100</u>	<u>\$ 747,100</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2024 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 42,704,592
Less: Net Debt Issued and Authorized But Not Issued	<u>715,000</u>
Remaining Borrowing Power	<u>\$ 41,989,592</u>

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2024, was as follows:

	Balance, July 1, 2023	Additions	Reductions	Balance, June 30, 2024	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 1,065,000	-	\$ (350,000)	\$ 715,000	\$ 360,000
Total Bonds Payable	1,065,000	-	(350,000)	715,000	360,000
Compensated Absences	126,314	-	(18,200)	108,114	
Net Pension Liability	1,688,435	\$ -	(67,573)	1,620,862	-
Governmental Activity Long-Term Liabilities	<u>\$ 2,879,749</u>	<u>\$ -</u>	<u>\$ (435,773)</u>	<u>\$ 2,443,976</u>	<u>\$ 360,000</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024	None	\$ 23,465	\$ 6,314	\$ 7,975	\$ 171,340
2023	None	24,455	817	16,728	149,536
2022	None	28,120	694	213	156,482

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2024, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2024, the District had no estimated arbitrage earnings due to the IRS.

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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

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

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

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

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

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

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

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

Other Pension Funds

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

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

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

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

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2023 is \$14.6 billion and the plan fiduciary net position as a percentage of the total pension liability is 65.23%. The collective net pension liability of the State funded TPAF at June 30, 2023 is \$51.1 billion and the plan fiduciary net position as a percentage of total pension liability is 34.68%.

The total pension liabilities for the June 30, 2023 measurement date were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

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

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2023 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was more than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2024, 2023 and 2022 were equal to the required contributions.

During the fiscal years ended June 30, 2024, 2023 and 2022 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

<u>Fiscal Year Ended June 30,</u>	<u>PERS</u>	<u>On-behalf TPAF</u>	<u>DCRP</u>
2024	\$ 149,563	\$ 1,713,321	\$ 18,911
2023	141,087	1,621,722	17,232
2022	128,876	1,673,278	16,060

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2024, 2023 and 2022 the District contributed \$0 for PERS and the State contributed \$799, \$631 and \$736, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$366,785 during the fiscal year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2022 through June 30, 2023. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2023 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023.

At June 30, 2024, the District reported in the statement of net position (accrual basis) a liability of \$1,620,862 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2023. At June 30, 2023, the District's proportionate share was 0.01119 percent, which was unchanged from its proportionate share measured as of June 30, 2022 of 0.01119 percent.

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$23,929 for PERS. The pension contribution made by the District during the current 2023/2024 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2024 with a measurement date of the prior fiscal year end of June 30, 2022. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2024 for contributions made subsequent to the measurement date. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 15,498	\$ 6,626
Changes of Assumptions	3,561	98,231
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,464	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>100,469</u>	<u>20,259</u>
Total	<u>\$ 126,992</u>	<u>\$ 125,116</u>

At June 30, 2024, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2024	\$ (66,207)
2025	474
2026	83,068
2027	(15,421)
2028	(38)
Thereafter	<u>-</u>
	<u>\$ 1,876</u>

NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District’s total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

Mortality Rates

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

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

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

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

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

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

Sensitivity of Net Pension Liability

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>2,110,017</u>	\$ <u>1,620,862</u>	\$ <u>1,204,526</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability at as of the measurement date of June 30, 2023. A sensitivity analysis specific to the District’s net pension liability at June 30, 2023 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2022 through June 30, 2023. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2023, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$4490,543 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2024 the State's proportionate share of the net pension liability attributable to the District is \$19,967,499. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2023. At June 30, 2023, the State's share of the net pension liability attributable to the District was 0.03913 percent, which was a decrease of 0.00095 percent from its proportionate share measured as of June 30, 2022 of 0.04008 percent.

**NORWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.75-4.25%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

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

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

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

Discount Rate

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

NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ 23,545,305	\$ 19,967,499	\$ 16,954,136

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2023. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2023 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

**NORWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2022:

Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>152,383</u>
Total	<u>369,595</u>

Measurement Focus and Basis of Accounting

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

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

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2023 is \$52.4 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2023 were determined based on actuarial valuations as of June 30, 2021 which were rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the June 30, 2022 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.44 billion to the OPEB plan in fiscal year 2022.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2024, 2023 and 2022 were \$471,621, \$426,023 and \$390,945, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2022 through June 30, 2023. Nonemployer allocation percentages have been rounded for presentation purposes.

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

NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$437,126. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2024 the State’s proportionate share of the OPEB liability attributable to the District is \$18,868,483. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2023 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2023. At June 30, 2023, the state’s share of the OPEB liability attributable to the District was 0.04 percent, which was the same proportionate share measured as of June 30, 2022 of 0.04 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

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

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

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5 OTHER INFORMATION (Continued)

G. Post-Retirement Medical Benefits (Continued)

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2024 (measurement date June 30, 2023) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2022 Measurement Date	\$ 18,484,819
Changes Recognized for the Fiscal Year:	
Service Cost	762,709
Interest on the Total OPEB Liability	664,525
Differences Between Expected and Actual Experience	(580,622)
Changes of Assumptions	38,031
Gross Benefit Payments	(518,008)
Contributions from the Member	17,029
Net Changes	\$ 383,664
Balance, June 30, 2023 Measurement Date	\$ 18,868,483

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023.

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5 OTHER INFORMATION (Continued)

G. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.65%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	1% Decrease <u>(2.65%)</u>	Current Discount Rate <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 22,120,057</u>	<u>\$ 18,868,483</u>	<u>\$ 16,257,847</u>

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

	1% Decrease <u></u>	Healthcare Cost Trend Rates	1% Increase <u></u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 15,663,750</u>	<u>\$ 18,868,483</u>	<u>\$ 23,061,885</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023 were not provided by the pension system.

**NORWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS

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

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

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

The Board has been awarded a total of \$931,899 in federal aid to address the effects of the COVID-19 pandemic.

BUDGETARY COMPARISON SCHEDULES

**NORWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 11,474,762	-	\$ 11,474,762	\$ 11,474,762	-
Interest	10,000	-	10,000	96,916	\$ 86,916
Interest on Capital Reserve	8,000	-	8,000	66,398	58,398
Interest on Maintenance Reserve	500	-	500	5,735	5,235
Rentals	157,022	-	157,022	177,435	20,413
Tuition	88,000	-	88,000	88,000	-
Miscellaneous	7,500	-	7,500	118,948	111,448
Total Local Sources	11,745,784	-	11,745,784	12,028,194	282,410
State Sources					
Categorical Special Education Aid	685,522	-	685,522	685,522	-
Transportation Aid	52,474	-	52,474	52,474	-
Categorical Security Aid	51,914	-	51,914	51,914	-
Extraordinary Aid	725,000	-	725,000	706,446	(18,554)
Additional Non-Public Transportation Aid				5,040	5,040
On-behalf TPAF Pension Payments (Non-Budget) - Pension				1,713,321	1,713,321
On-behalf TPAF Pension Payments (Non-Budget) - NCGI Premium				19,539	19,539
On-behalf TPAF Pension Payments (Non-Budget) - Post Retirement Medical Contr.				471,621	471,621
On-behalf TPAF Pension Payments (Non-Budget) - Long-Term Disability Ins.				799	799
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	366,785	366,785
Total State Sources	1,514,910	-	1,514,910	4,073,461	2,558,551
Total Revenues	13,260,694	-	13,260,694	16,101,655	2,840,961
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	166,541	\$ 31,244	197,785	197,234	551
Kindergarten	430,975	(55,220)	375,755	342,268	33,487
Grades 1-5	1,591,423	(279,309)	1,312,114	1,311,152	962
Grades 6-8	922,345	196,518	1,118,863	1,113,504	5,359
Regular Program - Home Instruction					
Salaries of Teachers		839	839	839	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	50,000	25,000	75,000	71,680	3,320
Other Purchased Services	82,093	(14,289)	67,804	32,609	35,195
General Supplies	285,637	25,759	311,396	275,579	35,817
Textbooks	1,560	(44)	1,516	-	1,516
Total Regular Programs	3,530,574	(69,502)	3,461,072	3,344,865	116,207

NORWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 121,859	\$ (2,580)	\$ 119,279	\$ 119,279	
Other Salaries for Instruction	367,817	(53,754)	314,063	291,977	\$ 22,086
General Supplies	6,826	-	6,826	5,400	1,426
Total Learning and/or Language Disabilities	496,502	(56,334)	440,168	416,656	23,512
Resource Room					
Salaries of Teachers	683,630	67,360	750,990	742,484	8,506
Other Salaries for Instruction		3,750	3,750	2,813	937
General Supplies	3,100	-	3,100	3,099	1
Total Resource Room	686,730	71,110	757,840	748,396	9,444
Total Special Education	1,183,232	14,776	1,198,008	1,165,052	32,956
Basic Skills/Remedial					
Salaries of Teachers	150,477	(15,106)	135,371	135,371	-
General Supplies	1,000	1,189	2,189	2,189	-
Total Basic Skills/Remedial	151,477	(13,917)	137,560	137,560	-
Bilingual Education					
Salaries of Teachers	65,000	5,466	70,466	70,466	-
Other Salaries for Instruction		-			
General Supplies	500	95	595	332	263
Total Bilingual Education	65,500	5,561	71,061	70,798	263
School Sponsored Cocurricular Activities					
Salaries	38,650	4,800	43,450	43,450	-
Supplies and Materials	5,930	(4,974)	956	956	-
Other Objects	5,500	2,065	7,565	7,565	-
Total School Sponsored Cocurricular Activities	50,080	1,891	51,971	51,971	-
Total Instruction	4,980,863	(61,191)	4,919,672	4,770,246	149,426

NORWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Special	\$ 1,955,845	\$ (80,663)	\$ 1,875,182	\$ 1,900,182	\$ (25,000)
Tuition to CSSD & Reg. Day Schools	-	181,169	181,169	180,710	459
Tuition Pre/Summer school	18,092	100,369	118,461	118,461	-
Tuition to Priv. Sch. for the Handicap					
Within the State	247,896	(33,277)	214,619	181,699	32,920
Tuition - Audit Adjustments	2,138	-	2,138	2,138	-
Total Undistributed Expenditures - Instruction	2,223,971	167,598	2,391,569	2,383,190	8,379
Attendance and Social Work Services					
Purchased Prof. and Tech. Services	49,440	-	49,440	49,440	-
Total Attendance and Social Work Services	49,440	-	49,440	49,440	-
Health Services					
Salaries	89,449	(2,849)	86,600	86,600	-
Purchased Professional and Technical Services	4,000	9,860	13,860	12,460	1,400
Supplies and Materials	3,000	(159)	2,841	2,841	-
Total Health Services	96,449	6,852	103,301	101,901	1,400
Other Support Serv. Students - Related Serv.					
Salaries	206,881	621	207,502	207,502	-
Purchased Professional - Educational Services	43,000	(27,645)	15,355	4,246	11,109
Purchased Professional - Technical Services	156,000	(366)	155,634	124,804	30,830
Supplies and Materials	800	699	1,499	334	1,165
Total Other Support Serv. Students - Related Serv.	406,681	(26,691)	379,990	336,886	43,104
Other Support Serv. Students - Extra. Serv.					
Salaries		35,156	35,156	27,667	7,489
Supplies and Materials	1,000	(760)	240	220	20
Purchased Professional - Educational Services	260,170	(43,567)	216,603	207,554	9,049
Total Other Support Serv. Students - Extra. Serv.	261,170	(9,171)	251,999	235,441	16,558
Guidance					
Salaries of Other Professional Staff	173,452	(8,614)	164,838	157,590	7,248
Supplies and Materials	300	(97)	203	-	203
Total Guidance	173,752	(8,711)	165,041	157,590	7,451

**NORWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures					
Child Study Teams					
Salaries of Other Professional Staff	\$ 386,508	\$ (2,681)	\$ 383,827	\$ 382,197	\$ 1,630
Salaries of Secretarial and Clerical Assistants	48,950	512	49,462	49,462	-
Purchased Professional - Educational Services	60,570	15,474	76,044	72,094	3,950
Other Purchased Services	-	299	299	288	11
Supplies and Materials	9,000	(164)	8,836	8,836	-
Total Child Study Teams	505,028	13,440	518,468	512,877	5,591
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	2,000	(1,750)	250	-	250
Purchased Professional/Educational Services	30,771	-	30,771	30,771	-
Total Improvement of Instructional Services	32,771	(1,750)	31,021	30,771	250
Educational Media Serv./School Library					
Salaries	123,552	(1,233)	122,319	120,116	2,203
Salaries of Technology Coordinator	73,975	2,160	76,135	76,135	-
Supplies and Materials	5,200	792	5,992	5,877	115
Other Objects	2,000	(491)	1,509	1,509	-
Total Educational Media Serv./School Library	204,727	1,228	205,955	203,637	2,318
Instructional Staff Training Services					
Other Purchased Professional and Technical Services	24,950	(3,000)	21,950	21,350	600
Travel - All other	500	-	500	183	317
Total Staff Training Services	25,450	(3,000)	22,450	21,533	917
Support Services General Administration					
Salaries	244,606	512	245,118	245,118	-
Legal Services	76,000	16,985	92,985	92,985	-
Audit Fees	25,000	(1,500)	23,500	23,500	-
Architectural/Engineering	500	3,000	3,500	418	3,082
Other Purchased Professional Services	8,647	(211)	8,436	8,291	145
Communications/Telephone	6,000	6,581	12,581	12,528	53
Travel-all other	15,500	(7,893)	7,607	7,606	1
General Supplies	4,000	(217)	3,783	3,741	42
Miscellaneous dues and fees	22,550	(2,903)	19,647	19,647	-
Total Support Services General Administration	402,803	14,354	417,157	413,834	3,323

**NORWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Support Services School Administration					
Salaries of Principal/Asst. Principals/Program Dir.	\$ 262,650	\$ (1,250)	\$ 261,400	\$ 245,479	\$ 15,921
Salaries of Secretarial and Clerical Assistants	61,731	-	61,731	61,284	447
Travel		1,000	1,000	645	355
Supplies and Materials	15,000	(2,809)	12,191	11,708	483
Other Objects	4,300	809	5,109	5,109	-
Total Support Services School Administration	343,681	(2,250)	341,431	324,225	17,206
Undistributed Expenditures - Business Office					
Salaries	268,163	8,122	276,285	276,285	-
Purchased Technical Services	5,050	(840)	4,210	4,200	10
Miscellaneous Purchased Services	500	546	1,046	1,046	-
Supplies and Materials	1,500	172	1,672	1,672	-
Miscellaneous Expenditures	2,000	5,575	7,575	6,325	1,250
Total Undistributed Expenditures - Business Office	277,213	13,575	290,788	289,528	1,260
Custodial Services					
Salaries	311,650	15,625	327,275	327,275	-
Other Employee Benefit	4,500	(191)	4,309	4,309	-
Cleaning, Repair and Maintenance	10,000	(2,177)	7,823	4,940	2,883
Other Purchased Property Services	15,000	(1,360)	13,640	13,639	1
Insurance	132,283	28,109	160,392	167,867	(7,475)
Misc. Purchased Services	8,400	(4,800)	3,600	3,600	-
Energy (Natural Gas)	45,000	(11,610)	33,390	33,390	-
Energy (Electricity)	110,000	(2,907)	107,093	107,093	-
General Supplies	66,000	21,087	87,087	82,880	4,207
Other Objects	500	425	925	925	-
Total Custodial Services	703,333	42,201	745,534	745,918	(384)
Required Maintenance for School Facilities		-			-
Salaries	159,912	2,319	162,231	162,231	-
Cleaning, Repair and Maintenance	12,000	62,751	74,751	34,801	39,950
Travel	500	(500)	-	-	-
General Supplies	64,824	(24,889)	39,935	39,935	-
Other Objects	46,958	18,844	65,802	40,902	24,900
Total Required Maintenance for School Fac.	284,194	58,525	342,719	277,869	64,850
Grounds Repair and Maintenance					
General Supplies	-	1,969	1,969	1,969	-
Cleaning, Repair and Maintenance	29,590	3,599	33,189	33,189	-
Total Grounds Repair and Maintenance	29,590	5,568	35,158	35,158	-

NORWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Student Transportation Services					
Transportation - Aid in Lieu	\$ 15,330	\$ (850)	\$ 14,480	13,980	\$ 500
Contracted Serv.-(Bet.Home and Sch)-Vendors	78,725	(38,179)	40,546	40,546	-
Contracted Serv.-(Other thanBet.Home and Sch)-Vendors	26,300	(2,014)	24,286	18,069	6,217
Contracted Serv.-(Bet.Home and Sch)-Joint Agree		3,785	3,785	3,694	91
Contracted Serv.-(SP Ed students)-Joint Agree	464,000	(12,348)	451,652	442,849	8,803
Total Staff Training Services	584,355	(49,606)	534,749	519,138	15,611
Unallocated Benefits - Employee Benefits					
Group Insurance	-	305	305	305	-
Social Security Contributions	165,000	(16,777)	148,223	146,399	1,824
Other Retirement Contribution - DCRP	18,500	411	18,911	18,911	-
Other Retirement Contribution - PERS	158,000	(8,416)	149,584	149,563	21
Workmen's Compensation	57,000	(7,860)	49,140	49,011	129
Health Benefits	1,636,305	(122,368)	1,513,937	1,505,614	8,323
Tuition Reimbursement	7,500	-	7,500	3,699	3,801
Other Employee Benefits	30,000	(11,400)	18,600	18,340	260
Total Unallocated Benefits - Employee Benefits	2,072,305	(166,105)	1,906,200	1,891,842	14,358
Food Services					
Other Objects	17,000	-	17,000	8,632	8,368
Total Undistributed Expenditures - Food Services	17,000	-	17,000	8,632	8,368
Non-Budget					
On-behalf TPAF Pension Payments					
(Non-Budget) - Pension				1,713,321	(1,713,321)
On-behalf TPAF Pension Payments					
(Non-Budget) - NCGI Premium				19,539	(19,539)
On-behalf TPAF Pension Payments					
(Non-Budget) - Post Retirement Medical Contr.				471,621	(471,621)
On-behalf TPAF Pension Payments					
(Non-Budget) - Long-Term Disability Ins.				799	(799)
On-behalf TPAF Social Security Payments					
(Non-Budget)	-	-	-	366,785	(366,785)
Total On-Behalf TPAF	-	-	-	2,572,065	(2,572,065)
Total Undistributed Expenditures	8,693,913	56,057	8,749,970	11,111,475	(2,361,505)
Total Current Expenditures	13,674,776	(5,134)	13,669,642	15,881,721	(2,212,079)

**NORWOOD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
CAPITAL OUTLAY					
Interest Deposit to Maintenance Reserve	\$ 500		\$ 500	-	\$ 500
Interest Deposit to Capital Reserve	8,000	-	8,000	-	8,000
	<u>8,500</u>	<u>-</u>	<u>8,500</u>	<u>-</u>	<u>8,500</u>
Total Capital Reserve					
Equipment					
Instructional Equipment	-	\$ 13,312	13,312	-	13,312
Grades 6-8	14,410	7,617	22,027	\$ 7,617	14,410
Undistributed Expenditures - Maintenance	4,432	(50)	4,382	-	4,382
Undistributed Expenditures - Grounds		20,740	20,740	20,740	-
Undistributed Expenditures - Athletics	23,000	-	23,000	22,950	50
	<u>41,842</u>	<u>41,619</u>	<u>83,461</u>	<u>51,307</u>	<u>32,154</u>
Total Equipment					
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		240	240	240	-
Construction Services	288,230	235,400	523,630	323,664	199,966
Other Objects	8,576	-	8,576	8,576	-
	<u>296,806</u>	<u>235,640</u>	<u>532,446</u>	<u>332,480</u>	<u>199,966</u>
Total Facilities Acquisition and Construction Services					
Total Capital Outlay	<u>347,148</u>	<u>277,259</u>	<u>624,407</u>	<u>383,787</u>	<u>240,620</u>
Total Expenditures	<u>14,021,924</u>	<u>272,125</u>	<u>14,294,049</u>	<u>16,265,508</u>	<u>(1,971,459)</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	<u>(761,230)</u>	<u>(272,125)</u>	<u>(1,033,355)</u>	<u>(163,853)</u>	<u>869,502</u>
Other Financing Sources (Uses)					
Transfers from Other Funds	-	-	-	-	-
Transfer to Other Funds	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)					
Excess (Deficiency) of Revenues and Other Financing sources Over/(Under) Expenditures and Other Financing Uses	<u>(761,230)</u>	<u>(272,125)</u>	<u>(1,033,355)</u>	<u>(163,853)</u>	<u>869,502</u>
Fund Balance, Beginning of Year	<u>3,240,240</u>	<u>-</u>	<u>3,240,240</u>	<u>3,240,240</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,479,010</u>	<u>\$ (272,125)</u>	<u>\$ 2,206,885</u>	<u>\$ 3,076,387</u>	<u>\$ 869,502</u>
Recapitulation of Fund Balance					
Restricted					
Capital Reserve				\$ 1,287,896	
Capital Reserve - Designated for Subsequent Years Budget				135,779	
Maintenance Reserve				140,385	
Maintenance Reserve - Designated for Subsequent Years Budget				34,700	
Excess Surplus				450,000	
Excess Surplus - Designated for Subsequent Years Budget				77,952	
Unemployment Compensation				171,340	
Assigned					
Year-End Encumbrances				165,678	
Designated for Subsequent Years Budget				333,748	
Unassigned (Budgetary Basis)				<u>278,909</u>	
				3,076,387	
Less: Final State Aid Payments Not Recognized on GAAP Basis				<u>(764,842)</u>	
Fund Balance Per Governmental Funds (GAAP Basis)				<u>\$ 2,311,545</u>	

**NORWOOD BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State				\$ 863	\$ 863
Federal	\$ 164,189	\$ 588,784	\$ 752,973	482,259	(270,714)
Local	-	-	-	123,064	123,064
Total Revenues	<u>164,189</u>	<u>588,784</u>	<u>752,973</u>	<u>606,186</u>	<u>(146,787)</u>
EXPENDITURES					
Instruction					
Salaries	19,668	124,066	143,734	96,092	47,642
Purchased Professional/Technical Services		13,500	13,500	8,700	4,800
Tuition	142,766	32,627	175,393	175,393	-
General Supplies	250	141,138	141,388	85,068	56,320
Student Activities		49,852	49,852	49,708	144
Scholarships Awarded (Non-Budget)	-	-	-	250	(250)
Total Instruction	<u>162,684</u>	<u>361,183</u>	<u>523,867</u>	<u>415,211</u>	<u>108,656</u>
Support Services					
Salaries	-	4,499	4,499	3,006	1,493
Personnel Services - Employee Benefits	1,505	25,821	27,326	13,275	14,051
Purchased Professional/Educational Services	-	89,625	89,625	67,412	22,213
Other Purchased Professional Service	-	70,142	70,142	66,353	3,789
General Supplies	-	2,112	2,112	1,512	600
Total Support Services	<u>1,505</u>	<u>192,199</u>	<u>193,704</u>	<u>151,558</u>	<u>42,146</u>
Facilities Acquisitions & Construction					
Instructional Equipment	-	35,402	35,402	32,340	3,062
Total Facilities Acquisitions & Construction	<u>-</u>	<u>35,402</u>	<u>35,402</u>	<u>32,340</u>	<u>3,062</u>
Total Expenditures	<u>164,189</u>	<u>588,784</u>	<u>752,973</u>	<u>599,109</u>	<u>153,864</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,077</u>	<u>(7,077)</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,792</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,869</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**NORWOOD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 16,101,655	(C-2) \$ 606,186
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2023		50,257
Encumbrances, June 30, 2024		
State Aid payments recognized for GAAP Statements, not recognized for budgetary purposes (2022/2023 State Aid)	826,537	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (2023/2024 State Aid)	<u>(764,842)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>16,163,350</u>	(B-2) \$ <u>656,443</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 16,265,508	(C-2) \$ 599,109
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2023		50,257
Encumbrances, June 30, 2024	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>16,265,508</u>	(B-2) \$ <u>649,366</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION AND OTHER POST-EMPLOYMENT BENEFITS INFORMATION

**NORWOOD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Public Employees Retirement System

Last Ten Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0.01119%	0.01119%	0.01095%	0.01014%	0.01043%	0.01108%	0.01149%	0.01194%	0.01104%	0.01149%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,620,862	\$ 1,688,435	\$ 1,297,725	\$ 1,654,292	\$ 1,878,954	\$ 2,180,662	\$ 2,674,146	\$ 3,537,744	\$ 2,477,857	\$ 2,151,767
District's Covered-Employee Payroll	\$ 804,251	\$ 796,638	\$ 876,046	\$ 779,751	\$ 788,746	\$ 741,220	\$ 826,966	\$ 748,803	\$ 815,428	\$ 801,002
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	201.54%	211.95%	148.13%	212.16%	238.22%	294.20%	323.37%	472.45%	303.87%	268.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.92%	52.08%

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

**NORWOOD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 149,563	\$ 141,087	\$ 128,876	\$ 110,959	\$ 101,434	\$ 110,342	\$ 106,788	\$ 106,117	\$ 94,899	\$ 94,745
Contributions in Relation to the Contractually Required Contribution	<u>149,563</u>	<u>141,087</u>	<u>128,876</u>	<u>110,959</u>	<u>101,434</u>	<u>110,342</u>	<u>106,788</u>	<u>106,117</u>	<u>94,899</u>	<u>94,745</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 871,572	\$ 804,251	\$ 796,638	\$ 876,046	\$ 779,751	\$ 788,746	\$ 741,220	\$ 826,966	\$ 748,803	\$ 815,428
Contributions as a Percentage of Covered-Employee Payroll	17.15%	17.53%	16.17%	12.66%	13.00%	13.98%	14.40%	12.82%	12.66%	11.61%

**NORWOOD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Teachers Pension and Annuity Fund

Last Ten Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	0.03913%	0.04008%	0.03991%	0.04046%	0.03899%	0.03839%	0.03751%	0.03864%	0.03862%	0.04079%
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 19,967,499</u>	<u>\$ 20,679,584</u>	<u>\$ 19,188,042</u>	<u>\$ 26,643,640</u>	<u>\$ 23,930,551</u>	<u>\$ 24,425,863</u>	<u>\$ 25,293,464</u>	<u>\$ 30,396,556</u>	<u>\$ 24,408,454</u>	<u>\$ 21,798,752</u>
Total	<u>\$ 19,967,499</u>	<u>\$ 20,679,584</u>	<u>\$ 19,188,042</u>	<u>\$ 26,643,640</u>	<u>\$ 23,930,551</u>	<u>\$ 24,425,863</u>	<u>\$ 25,293,464</u>	<u>\$ 30,396,556</u>	<u>\$ 24,408,454</u>	<u>\$ 21,798,752</u>
District's Covered-Employee Payroll	\$ 4,931,980	\$ 4,587,022	\$ 4,559,902	\$ 4,428,043	\$ 4,407,816	\$ 4,378,498	\$ 4,333,116	\$ 4,067,346	\$ 4,037,728	\$ 3,639,784
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.74%	33.64%

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

**NORWOOD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4d.

**NORWOOD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last Six Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability						
Service Cost	\$ 762,709	\$ 1,018,154	\$ 1,183,450	\$ 691,359	\$ 569,432	\$ 637,707
Interest on Total OPEB Liability	664,525	489,868	585,314	581,841	678,100	717,158
Changes of Benefit Terms	-	-	(24,016)			
Differences Between Expected and Actual Experience	(580,622)	(158,035)	(3,838,810)	3,507,309	(2,055,488)	(1,362,276)
Changes of Assumptions	38,031	(4,958,719)	22,260	4,581,458	240,687	(1,972,715)
Gross Benefit Payments	(518,008)	(485,229)	(461,063)	(436,642)	(495,528)	(459,672)
Contribution from the Member	17,029	15,566	14,964	13,235	14,689	15,887
Net Change in Total OPEB Liability	<u>383,664</u>	<u>(4,078,395)</u>	<u>(2,517,901)</u>	<u>8,938,560</u>	<u>(1,048,108)</u>	<u>(2,423,911)</u>
Total OPEB Liability - Beginning	<u>18,484,819</u>	<u>22,563,214</u>	<u>25,081,115</u>	<u>16,142,555</u>	<u>17,190,663</u>	<u>19,614,574</u>
Total OPEB Liability - Ending	<u>\$18,868,483</u>	<u>\$18,484,819</u>	<u>\$22,563,214</u>	<u>\$25,081,115</u>	<u>\$16,142,555</u>	<u>\$17,190,663</u>
 District's Proportionate Share of OPEB Liability	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -
State's Proportionate Share of OPEB Liability	<u>18,868,483</u>	<u>18,484,819</u>	<u>22,563,214</u>	<u>25,081,115</u>	<u>16,142,555</u>	<u>17,190,663</u>
Total OPEB Liability - Ending	<u>\$18,868,483</u>	<u>\$18,484,819</u>	<u>\$22,563,214</u>	<u>\$25,081,115</u>	<u>\$16,142,555</u>	<u>\$17,190,663</u>
 District's Covered-Employee Payroll	 <u>\$ 5,736,231</u>	 <u>\$ 5,383,660</u>	 <u>\$ 5,207,794</u>	 <u>\$ 5,196,562</u>	 <u>\$ 5,119,718</u>	 <u>\$ 5,160,082</u>
 District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	 0.00%	 0.00%	 0.00%	 0.00%	 0.00%	 0.00%

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

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

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

**NORWOOD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 4E.

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

**NORWOOD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	IDEA Part B		ESEA	CRRSA - ESSER II		ARP - ESSER III					Climate	Local	Scholarship	Student	Total
	Basic	Preschool	Title I	Learning Acceleration	Mental Health	ARP - ESSER III	Accelerated Learning Coach	Evidence Based Summer	Evidence Based Comp.	NJTSS Mental Health	Change Grant	Donations		Activities	
REVENUES															
Intergovernmental															
State											\$ 863				\$ 863
Federal	\$ 166,344	\$ 9,049	\$ 41,119	\$ 3,831	\$ 11,868	\$ 162,358	\$ 20,400	\$ 30,555	\$ 20,508	\$ 16,227					482,259
Local	-	-	-	-	-	-	-	-	-	-	-	\$ 66,029	\$ 197	\$ 56,838	123,064
Total Revenues	\$ 166,344	\$ 9,049	\$ 41,119	\$ 3,831	\$ 11,868	\$ 162,358	\$ 20,400	\$ 30,555	\$ 20,508	\$ 16,227	\$ 863	\$ 66,029	\$ 197	\$ 56,838	\$ 606,186
EXPENDITURES															
Instruction															
Salaries			\$ 27,844			\$ 27,365		\$ 17,076	\$ 18,810			\$ 4,997			\$ 96,092
Purchased Prof. and Technical Services						6,000				\$ 2,700					8,700
Tuition	\$ 166,344	\$ 9,049													175,393
General Supplies				\$ 3,831	\$ 10,768	54,290		12,380	1,698	84	\$ 863	1,154			85,068
Student Activities														\$ 49,708	49,708
Scholarships	-	-	-	-	-	-	-	-	-	-	-	-	\$ 250	-	250
Total Instruction	166,344	9,049	27,844	3,831	10,768	87,655	-	29,456	20,508	2,784	863	6,151	250	49,708	415,211
Support Services															
Salaries						1,907		1,099							3,006
Personnel Services - Employee Benefits			13,275												13,275
Purchased Professional/Educational Services					1,100	8,469	\$ 20,400			13,443		24,000			67,412
Other Purchased Professional Service			-	-	-	44,627						21,726			66,353
General Supplies	-	-	-	-	-	1,512	-	-	-	-	-	-	-	-	1,512
Total Support Services	-	-	13,275	-	1,100	56,515	20,400	1,099	-	13,443	-	45,726	-	-	151,558
Facilities Acquisitions & Construction															
Noninstructional Equipment	-	-	-	-	-	18,188	-	-	-	-	-	14,152	-	-	32,340
Total Facilities Acquisitions & Construction	-	-	-	-	-	18,188	-	-	-	-	-	14,152	-	-	32,340
Total Expenditures	\$ 166,344	\$ 9,049	\$ 41,119	\$ 3,831	\$ 11,868	\$ 162,358	\$ 20,400	\$ 30,555	\$ 20,508	\$ 16,227	\$ 863	\$ 66,029	\$ 250	\$ 49,708	\$ 599,109
Excess (Deficiency) of Revenues Over/(Under) Expenditures														(53)	7,077
Fund Balances, Beginning of Year													2,016	4,776	6,792
Fund Balances, End of Year													\$ 1,963	\$ 11,906	\$ 13,869

CAPITAL PROJECTS FUND

(NOT APPLICABLE)

ENTERPRISE FUND

EXHIBIT G-1

**NORWOOD BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

THIS STATEMENT IS NOT APPLICABLE
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

THIS STATEMENT IS NOT APPLICABLE
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

THIS STATEMENT IS NOT APPLICABLE
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS
NOT APPLICABLE**

LONG-TERM DEBT

NORWOOD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2023</u>	<u>Matured</u>	<u>Balance, June 30, 2024</u>
Refunding Bonds	3/15/2015	\$ 3,510,000	3/15/2025	\$ 360,000	3.00%			
			3/15/2026	355,000	3.00%	\$ 1,065,000	\$ 350,000	\$ 715,000
						<u>\$ 1,065,000</u>	<u>\$ 350,000</u>	<u>\$ 715,000</u>

**NORWOOD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOT APPLICABLE

**NORWOOD BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 381,950	-	\$ 381,950	\$ 381,950	-
Total Revenues	381,950	-	381,950	381,950	-
EXPENDITURES					
Regular Debt Service					
Principal	350,000		350,000	350,000	
Interest	31,950	-	31,950	31,950	-
Total Expenditures	381,950	-	381,950	381,950	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020 (Restated)	2021	2022	2023	2024
Governmental Activities										
Net Investment in Capital Assets	\$ 1,321,282	\$ 1,735,306	\$ 2,200,070	\$ 3,038,296	\$ 3,726,795	\$ 4,702,810	\$ 5,180,470	\$ 5,781,170	\$ 5,945,483	\$ 6,246,683
Restricted	3,358,054	3,421,210	3,593,005	3,033,629	2,654,096	1,428,223	1,799,219	1,487,792	1,713,109	1,783,969
Unrestricted	(2,213,657)	(2,233,064)	(2,447,072)	(2,451,352)	(2,363,436)	(2,096,697)	(1,939,017)	(1,124,704)	(1,220,725)	(1,191,911)
Total Governmental Activities Net Position	<u>\$ 2,465,679</u>	<u>\$ 2,923,452</u>	<u>\$ 3,346,003</u>	<u>\$ 3,620,573</u>	<u>\$ 4,017,455</u>	<u>\$ 4,034,336</u>	<u>\$ 5,040,672</u>	<u>\$ 6,144,258</u>	<u>\$ 6,437,867</u>	<u>\$ 6,838,741</u>
Business-Type Activities										
Unrestricted	\$ 1,531	\$ 2,136	\$ 2,202	\$ 5,827	\$ 1,731	\$ -	\$ 4,589	\$ 4,717	\$ 4,421	\$ 3,326
Total Business-Type Activities Net Position	<u>\$ 1,531</u>	<u>\$ 2,136</u>	<u>\$ 2,202</u>	<u>\$ 5,827</u>	<u>\$ 1,731</u>	<u>\$ -</u>	<u>\$ 4,589</u>	<u>\$ 4,717</u>	<u>\$ 4,421</u>	<u>\$ 3,326</u>
District-Wide										
Net Investment in Capital Assets	\$ 1,321,282	\$ 1,735,306	\$ 2,200,070	\$ 3,038,296	\$ 3,726,795	\$ 4,702,810	\$ 5,180,470	\$ 5,781,170	\$ 5,945,483	\$ 6,246,683
Restricted	3,358,054	3,421,210	3,593,005	3,033,629	2,654,096	1,428,223	1,799,219	1,487,792	1,713,109	1,783,969
Unrestricted	(2,212,126)	(2,230,928)	(2,444,870)	(2,445,525)	(2,361,705)	(2,096,697)	(1,934,428)	(1,119,987)	(1,216,304)	(1,188,585)
Total District Net Position	<u>\$ 2,467,210</u>	<u>\$ 2,925,588</u>	<u>\$ 3,348,205</u>	<u>\$ 3,626,400</u>	<u>\$ 4,019,186</u>	<u>\$ 4,034,336</u>	<u>\$ 5,045,261</u>	<u>\$ 6,148,975</u>	<u>\$ 6,442,288</u>	<u>\$ 6,842,067</u>

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 4,592,436	\$ 4,598,551	\$ 4,415,092	\$ 5,823,958	\$ 5,378,150	\$ 5,182,749	\$ 5,182,749	\$ 5,253,968	\$ 5,411,284	\$ 5,191,033
Special Education	1,252,655	1,137,660	1,381,542	1,640,720	1,725,749	3,571,237	3,571,237	3,670,584	4,055,346	4,231,796
Other Instruction	291,602	285,589	325,366	429,399	384,334	337,029	337,029	253,434	261,513	292,435
School Sponsored Activities/Athletics						31,993	31,993	104,115	102,831	115,486
Support Services:										
Tuition	844,871	1,283,738	1,184,476	1,438,858	1,775,755	-	-	-		-
Student & Instruction Related Services	1,326,860	1,560,408	1,721,878	2,093,040	2,072,662	2,098,865	2,098,865	2,134,715	2,098,906	2,358,721
School Administrative Services	559,160	353,800	320,742	431,887	430,384	387,330	387,330	375,446	618,846	531,134
General Administrative Services	474,178	622,420	735,720	1,035,467	937,256	526,523	526,523	491,188	526,912	590,426
Business Services						308,883	308,883	348,422	390,777	424,769
Plant Operations and Maintenance	919,962	950,758	969,018	1,196,057	1,177,339	954,630	954,630	1,043,562	999,581	1,259,770
Pupil Transportation	123,068	170,749	131,091	137,179	159,957	185,471	185,471	220,108	466,714	519,138
SDA Debt Service Assessment	8,578	8,578	8,576	8,578	8,576					
Interest on Long-term Debt	145,846	102,875	92,396	85,669	78,838	70,887	70,887	49,737	39,281	28,888
Total Governmental Activities Expenses	<u>10,539,216</u>	<u>11,075,126</u>	<u>11,285,897</u>	<u>14,320,812</u>	<u>14,129,000</u>	<u>13,655,597</u>	<u>13,655,597</u>	<u>13,945,279</u>	<u>14,971,991</u>	<u>15,543,596</u>
Business-Type Activities:										
Food Service	8,565	6,834	12,324	8,621	15,581	5,181	5,181	10,959	8,807	6,133
Total Business-Type Activities Expense	<u>8,565</u>	<u>6,834</u>	<u>12,324</u>	<u>8,621</u>	<u>15,581</u>	<u>5,181</u>	<u>5,181</u>	<u>10,959</u>	<u>8,807</u>	<u>6,133</u>
Total District Expenses	<u>\$ 10,547,781</u>	<u>\$ 11,081,960</u>	<u>\$ 11,298,221</u>	<u>\$ 14,329,433</u>	<u>\$ 14,144,581</u>	<u>\$ 13,660,778</u>	<u>\$ 13,660,778</u>	<u>\$ 13,956,238</u>	<u>\$ 14,980,798</u>	<u>\$ 15,549,729</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 145,846	\$ 102,875	\$ 92,396	\$ 85,667	\$ 78,838	\$ 87,855	\$ 87,855	\$ 69,000	\$ 127,045	\$ 88,000
Operating Grants and Contributions	1,322,842	1,487,735	1,421,788	3,931,850	3,712,095	2,905,285	2,905,285	3,554,139	3,333,241	3,534,326
Capital Grants and Contributions						-	-	-	12,980	-
Total Governmental Activities Program Revenues	<u>1,468,688</u>	<u>1,590,610</u>	<u>1,514,184</u>	<u>4,017,517</u>	<u>3,790,933</u>	<u>2,993,140</u>	<u>2,993,140</u>	<u>3,623,139</u>	<u>3,473,266</u>	<u>3,622,326</u>
Business-Type Activities:										
Charges for Services										
Food Service	8,494	7,440	9,262	10,508	8,703	8,039	8,039	11,087	8,511	5,038
Operating Grants and Contributions						-	-	-	-	-
Total Business Type Activities Program Revenues	<u>8,494</u>	<u>7,440</u>	<u>9,262</u>	<u>10,508</u>	<u>8,703</u>	<u>8,039</u>	<u>8,039</u>	<u>11,087</u>	<u>8,511</u>	<u>5,038</u>
Total District Program Revenues	<u>\$ 1,477,182</u>	<u>\$ 1,598,050</u>	<u>\$ 1,523,446</u>	<u>\$ 4,028,025</u>	<u>\$ 3,799,636</u>	<u>\$ 3,001,179</u>	<u>\$ 3,001,179</u>	<u>\$ 3,634,226</u>	<u>\$ 3,481,777</u>	<u>\$ 3,627,364</u>

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expense)/Revenue										
Governmental Activities	\$ (9,070,528)	\$ (9,484,516)	\$ (9,771,713)	\$ (10,303,295)	\$ (10,338,067)	\$ (10,662,457)	\$ (10,662,457)	\$ (10,322,140)	\$ (11,498,725)	\$ (11,921,270)
Business-Type Activities	(71)	606	(3,062)	1,887	(6,878)	2,858	2,858	128	(296)	(1,095)
Total District-Wide Net Expense	<u>\$ (9,070,599)</u>	<u>\$ (9,483,910)</u>	<u>\$ (9,774,775)</u>	<u>\$ (10,301,408)</u>	<u>\$ (10,344,945)</u>	<u>\$ (10,659,599)</u>	<u>\$ (10,659,599)</u>	<u>\$ (10,322,012)</u>	<u>\$ (11,499,021)</u>	<u>\$ (11,922,365)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 9,015,905	\$ 9,196,223	\$ 9,380,147	\$ 9,567,750	\$ 9,803,530	\$ 9,999,601	\$ 9,999,601	\$ 10,858,796	\$ 11,075,972	\$ 11,474,762
Property Taxes Levied for Debt Service Principal	293,901	327,463	336,353	341,717	348,788	423,950	423,950	186,757	389,300	381,950
Unrestricted State Aid	23,490	24,685	31,290	29,608	41,376	-	-	-	-	-
Tuition (Other Than Special Schools)	5,883	-	24,693	21,228	111,924	-	-	-	-	-
Investment Earnings	10,292	10,338	16,728	37,998	35,980	27,638	27,638	16,390	23,173	169,049
Miscellaneous Income	423,179	383,599	388,062	379,017	378,113	419,303	419,303	363,783	305,889	296,383
Adjustment to Capital Assets	-	-	-	-	-	-	-	-	-	-
N.J. School Development Authority Grants	-	-	-	-	-	-	-	-	-	-
Refunding Bond Proceeds	(58,000)	-	-	-	-	-	-	-	-	-
Transfers and Other Special Items	-	-	(3,208)	(1,858)	(2,783)	(99,401)	(99,401)	-	-	-
Total Governmental Activities	<u>9,714,650</u>	<u>9,942,308</u>	<u>10,174,065</u>	<u>10,375,460</u>	<u>10,716,928</u>	<u>10,771,091</u>	<u>10,771,091</u>	<u>11,425,726</u>	<u>11,794,334</u>	<u>12,322,144</u>
Business-Type Activities:										
Transfers	-	-	3,208	1,658	2,783	-	-	-	-	-
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>3,208</u>	<u>1,658</u>	<u>2,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total District-Wide	<u>\$ 9,714,650</u>	<u>\$ 9,942,308</u>	<u>\$ 10,177,273</u>	<u>\$ 10,377,118</u>	<u>\$ 10,719,711</u>	<u>\$ 10,771,091</u>	<u>\$ 10,771,091</u>	<u>\$ 11,425,726</u>	<u>\$ 11,794,334</u>	<u>\$ 12,322,144</u>
Change in Net Position										
Governmental Activities	\$ 644,122	\$ 457,792	\$ 402,352	\$ 72,165	\$ 378,861	\$ 108,634	\$ 108,634	\$ 1,103,586	\$ 295,609	\$ 400,874
Business-Type Activities	(71)	606	146	3,545	(4,095)	2,858	2,858	128	(296)	(1,095)
Total District	<u>\$ 644,051</u>	<u>\$ 458,398</u>	<u>\$ 402,498</u>	<u>\$ 75,710</u>	<u>\$ 374,766</u>	<u>\$ 111,492</u>	<u>\$ 111,492</u>	<u>\$ 1,103,714</u>	<u>\$ 295,313</u>	<u>\$ 399,779</u>

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
					Restated	Restated				
General Fund										
Restricted	\$ 2,899,343	\$ 2,946,787	\$ 2,893,283	\$ 2,693,255	\$ 1,851,274	\$ 1,197,263	\$ 1,781,591	\$ 1,799,916	\$ 1,934,269	\$ 2,298,052
Assigned	73,758	205,847	429,589	66,327	371,145	165,346	74,914	441,882	572,125	499,426
Unassigned	210,835	210,835	210,038	264,649	318,997	201,981	296,960	332,908	(92,691)	(485,933)
Total General Fund	<u>\$ 3,183,936</u>	<u>\$ 3,363,469</u>	<u>\$ 3,532,910</u>	<u>\$ 3,024,231</u>	<u>\$ 2,541,416</u>	<u>\$ 1,564,590</u>	<u>\$ 2,153,465</u>	<u>\$ 2,574,706</u>	<u>\$ 2,413,703</u>	<u>\$ 2,311,545</u>
All Other Governmental Funds										
Restricted										
Capital Projects Fund	\$ 412,333	\$ 295,228	\$ 295,228	\$ 295,228	\$ 295,228	\$ 195,826	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund						60,934	60,279	43,869	6,792	13,869
Debt Service Fund	1,322	867	491	2,401	6,684	222,727	216,043	-	-	-
Total All Other Governmental Funds	<u>\$ 413,655</u>	<u>\$ 296,095</u>	<u>\$ 295,719</u>	<u>\$ 297,629</u>	<u>\$ 301,912</u>	<u>\$ 479,487</u>	<u>\$ 276,322</u>	<u>\$ 43,869</u>	<u>\$ 6,792</u>	<u>\$ 13,869</u>
Total Fund Balances	<u>\$ 3,597,591</u>	<u>\$ 3,659,564</u>	<u>\$ 3,828,629</u>	<u>\$ 3,321,860</u>	<u>\$ 2,843,328</u>	<u>\$ 2,044,077</u>	<u>\$ 2,429,787</u>	<u>\$ 2,618,575</u>	<u>\$ 2,420,495</u>	<u>\$ 2,325,414</u>

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Property Tax Levy	\$ 9,455,652	\$ 9,626,581	\$ 9,808,896	\$ 9,995,134	\$ 10,229,155	\$ 10,423,551	\$ 11,057,644	\$ 11,045,553	\$ 11,463,272	\$ 11,856,712
Tuition Charges	5,893		24,893	21,228	111,924	87,885	39,000	69,000	127,045	88,000
Rentals						263,000	282,970	299,356	249,111	177,435
Interest Earnings	10,292	10,339	16,728	37,998	35,980	27,638	16,022	16,390	23,173	169,049
Miscellaneous	438,148	421,633	439,172	379,017	378,113	156,302	82,605	108,816	63,390	242,012
State Sources	1,124,261	1,285,099	1,201,682	2,127,938	2,155,944	2,055,238	2,393,295	3,401,405	3,821,128	4,136,297
Federal Sources	208,102	209,268	200,306	221,538	198,717	254,318	291,909	405,446	436,901	532,238
Total Revenues	11,242,348	11,552,920	11,691,677	12,782,853	13,109,833	13,267,932	14,163,445	15,345,966	16,184,020	17,201,743
Expenditures										
Instruction										
Regular Instruction	3,203,690	3,159,371	2,961,991	3,044,898	3,033,049	4,551,849	4,712,660	5,248,705	5,978,832	5,891,562
Special Education Instruction	945,170	838,078	988,939	951,391	1,013,704	3,487,301	3,376,002	3,746,955	4,210,081	4,428,041
Other Instruction	212,749	205,684	226,684	237,577	205,591	311,538	372,352	271,454	243,638	260,864
School Sponsored Activities and Athletics							6,189	105,436	108,506	120,158
Support Services:										
Tuition	844,871	1,283,738	1,164,478	1,436,658	1,775,755					
Student & Inst. Related Services	1,012,781	1,168,802	1,288,391	1,245,779	1,244,726	1,983,533	2,109,371	2,235,817	2,219,388	2,553,160
School Administrative Services	395,783	244,809	219,689	234,336	240,785	369,830	381,939	386,659	627,965	532,634
General Administrative Services	399,966	521,687	598,429	601,818	563,673	510,934	487,860	471,557	513,428	525,486
Business Services						318,857	336,184	359,192	383,545	405,440
Plant Operations and Maintenance	738,215	782,218	756,119	799,719	826,742	966,800	956,358	1,054,389	1,117,307	1,261,207
Pupil Transportation	123,068	170,748	131,091	137,179	159,957	185,471	128,940	220,108	466,714	519,138
Employee Benefits	2,203,109	2,240,916	2,280,235	3,309,612	3,223,571	-	-	-	-	-
Capital Outlay	322,318	425,726	475,810	861,328	720,645	994,786	491,430	654,106	125,396	417,184
Debt Service:										
Principal	325,000	325,000	335,000	340,000	345,000	350,000	355,000	350,000	345,000	350,000
Interest and Other Charges	165,419	106,060	94,350	87,650	80,850	73,950	63,450	52,800	42,300	31,950
Total Expenditures	10,892,139	11,472,837	11,521,206	13,287,945	13,434,048	14,104,849	13,777,735	15,157,178	16,382,100	17,296,824
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>350,209</u>	<u>80,083</u>	<u>170,471</u>	<u>(505,092)</u>	<u>(324,215)</u>	<u>(836,917)</u>	<u>385,710</u>	<u>188,788</u>	<u>(198,080)</u>	<u>(95,081)</u>
Other Financing Sources (Uses)										
Other Sources/Uses						(99,401)				
Transfers In	414,503	266	225	2,176	4,508	986	195,826	28	29	-
Transfers Out	(414,503)	(266)	(3,433)	(3,833)	(7,290)	(986)	(195,826)	(28)	(29)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(3,208)</u>	<u>(1,657)</u>	<u>(2,782)</u>	<u>(99,401)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	\$ 350,209	\$ 80,083	\$ 167,263	\$ (506,749)	\$ (326,997)	\$ (936,318)	\$ 385,710	\$ 188,788	\$ (198,080)	\$ (95,081)
Debt Service as a Percentage of Noncapital Expenditures	4.64%	3.90%	3.89%	3.44%	3.35%	3.23%	3.15%	2.78%	2.38%	2.26%

**NORWOOD BOARD OF EDUCATION
GENERAL FUND
OTHER MISCELLANEOUS LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Fiscal Year Ended June 30,</u>	<u>Rentals</u>	<u>Interest</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2015	\$ 369,018	\$ 9,692	\$ 5,883	\$ 54,161	\$ 438,754
2016	344,330	10,071		39,269	393,670
2017	344,935	16,503	154,893	43,127	559,458
2018	329,884	35,822	21,228	46,733	433,667
2019	325,106	31,472	111,924	53,007	521,509
2020	263,000	26,652	87,855	156,302	533,809
2021	282,970	15,445	39,000	80,809	418,224
2022	299,356	16,362	69,000	64,427	449,145
2023	249,111	23,144	127,045	56,778	456,078
2024	177,435	169,049	88,000	118,948	553,432

Source: District Records

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

	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2015	8,850,100	988,459,100	44,300	71,289,200	97,395,300	16,500,000	1,182,538,000		1,182,538,000	1,240,810,250	0.567
2016	11,878,400	990,623,100	44,300	69,189,200	97,173,900	16,500,000	1,185,408,900		1,185,408,900	1,291,038,183	0.820
2017	8,763,400	996,442,100	44,300	65,125,900	97,167,600	16,500,000	1,184,043,300		1,184,043,300	1,298,979,351	0.855
2018	8,213,100	999,496,600	44,300	63,525,800	96,999,600	16,500,000	1,184,779,400		1,184,779,400	1,274,815,010	0.854
2019	8,991,100	1,000,494,000	44,300	82,870,900	100,799,100	16,500,000	1,209,699,400		1,209,699,400	1,305,700,439	0.854
2020	8,555,900	1,003,243,300	44,300	81,331,300	95,983,200	16,500,000	1,205,658,000		1,205,658,000	1,300,794,605	0.891
2021	6,244,400	1,008,455,300	44,300	82,173,500	95,983,200	16,500,000	1,209,400,700		1,209,400,700	1,317,628,166	0.920
2022	7,502,500	1,013,979,700	44,300	88,605,100	99,977,000	16,500,000	1,226,608,600		1,226,608,600	1,349,485,012	0.918
2023	5,658,500	1,019,321,500	44,300	91,382,800	99,977,000	22,597,600	1,238,981,700		1,238,981,700	1,444,466,079	0.942
2024	5,253,800	1,021,147,600	44,300	97,480,400	99,977,000	16,500,000	1,240,403,100		1,240,403,100	1,516,756,053	0.980

Source: County Abstract of Ratables

^a Tax rates are per \$100

**NORWOOD BOARD OF EDUCATION
PROPERTY TAX RATES (ROUNDED)
PER \$100 OF ASSESSED VALUATION
LAST TEN YEARS
(Unaudited)**

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Regional School District Note (1)</u>	<u>Municipal</u>	<u>Municipal Open Space</u>	<u>County</u>	<u>County Open Space</u>
2015	2.281		1.357	0.671		0.253	
2016	2.374		1.424	0.682		0.268	
2017	2.430		1.466	0.690		0.274	
2018	2.442		1.471	0.708		0.263	
2019	2.444		1.475	0.707		0.262	
2020	2.517	\$ 0.891	0.641	0.711	\$ 0.010	0.253	\$ 0.011
2021	2.575	0.914	0.658	0.719	0.010	0.263	0.011
2022	2.584	0.918	0.663	0.728	0.009	0.255	0.011
2023	2.645	0.942	0.673	0.742	0.009	0.267	0.012
2024	2.749	0.980	0.684	0.790	0.009	0.273	0.013

Source: Tax Duplicate, Borough of Norwood

Note (1) - Years 2011 through 2019 are combined local and regional school tax rates

**NORWOOD BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND TEN YEARS AGO
(Unaudited)**

Taxpayer	2024		2014	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
SHP VI NORWOOD LLC DL	\$ 22,385,100	1.80%	INFORMATION NOT AVAILABLE	
BUCKINGHAM AT NORWOOD REAL ESTATE	21,337,400	1.72%		
NORWOOD ASSOCIATES II LLC	16,500,000	1.33%		
525 LIVINGSTON DFT 2017 LLC	13,541,300	1.09%		
335 CHESTNUT STREET LLC	9,198,200	0.74%		
AREIT NORWOOD STORAGE LLC	7,419,100	0.60%		
LIFE STORAGE LP	6,310,900	0.51%		
445PROPERTY COMPANY LLC NJ ETAL	6,097,600	0.49%		
355 CHESTNUT ASSOC.C/O SANZAI,A.	5,024,000	0.41%		
WINPAK CONTROL GROUP INC	4,199,900	0.34%		
	<u>\$ 112,013,500</u>	<u>9.03%</u>		

Source: Municipal Tax Assessor

**NORWOOD BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST NINE FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	9,626,561	9,626,561	100.00%	-
2017	9,808,896	9,808,896	100.00%	-
2018	9,995,134	9,995,134	100.00%	-
2019	10,229,155	10,229,155	100.00%	-
2020	10,423,551	10,423,551	100.00%	-
2021	11,057,644	11,057,644	100.00%	-
2022	11,045,553	11,045,553	100.00%	-
2023	11,463,272	11,463,272	100.00%	-
2024	11,856,712	11,856,712	100.00%	-

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Population	Per Capita
	General Obligation Bonds	Debt Authorized But Not Issued			
2015	3,810,000		3,810,000	5,869	649
2016	3,485,000		3,485,000	5,858	595
2017	3,150,000		3,150,000	5,895	534
2018	2,810,000		2,810,000	5,806	484
2019	2,465,000		2,465,000	5,793	426
2020	2,115,000		2,115,000	5,793	365
2021	1,760,000		1,760,000	5,595	315
2022	1,410,000		1,410,000	5,700	247
2023	1,065,000		1,065,000	5,729	186
2024	715,000		715,000	5,729 (Est.)	125

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property
	General Obligation Bonds	Deductions		
2015	3,810,000		3,810,000	0.32%
2016	3,485,000		3,485,000	0.29%
2017	3,150,000		3,150,000	0.27%
2018	2,810,000		2,810,000	0.24%
2019	2,465,000		2,465,000	0.20%
2020	2,115,000		2,115,000	0.18%
2021	1,760,000		1,760,000	0.15%
2022	1,410,000		1,410,000	0.11%
2023	1,065,000		1,065,000	0.09%
2024	715,000		715,000	0.06%

Source: District records

**NORWOOD BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR YEAR ENDED DECEMBER 31, 2023
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Norwood Board of Education	\$ 1,065,000	\$ 1,065,000	
Northern Valley Regional School District	1,004,383	1,004,383	
Borough of Norwood	<u>13,988,107</u>	<u>396,278</u>	<u>\$ 13,591,829</u>
	<u>\$ 16,057,490</u>	<u>\$ 2,465,661</u>	<u>13,591,829</u>
Overlapping Debt Apportioned to the Municipality:			
Bergen County: (2) and (3)			
County of Bergen (A)			10,927,294
Bergen County Utilities Authority (BCUA) - Water Pollution			<u>1,809,988</u>
			<u>12,737,282</u>
Total Direct and Overlapping Debt			<u>\$ 26,329,111</u>

Sources:

- (1) Borough of Norwood Annual Debt Statement, December 31, 2023
- (2) BCUA audit, December 31, 2023
- (3) County of Bergen Debt Statement, December 31, 2023

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt limit	\$ 49,727,111	\$ 49,902,891	\$ 50,895,959	\$ 51,357,625	\$ 51,267,458	\$ 51,463,391	\$ 38,597,544	\$ 39,413,481	\$ 26,389,155	\$ 42,704,592
Total net debt applicable to limit	<u>3,810,000</u>	<u>3,485,000</u>	<u>3,150,000</u>	<u>2,810,000</u>	<u>2,465,000</u>	<u>2,115,000</u>	<u>1,760,000</u>	<u>1,410,000</u>	<u>1,065,000</u>	<u>715,000</u>
Legal debt margin	<u>\$ 45,917,111</u>	<u>\$ 46,417,891</u>	<u>\$ 47,745,959</u>	<u>\$ 48,547,625</u>	<u>\$ 48,802,458</u>	<u>\$ 49,348,391</u>	<u>\$ 36,837,544</u>	<u>\$ 38,003,481</u>	<u>\$ 25,324,155</u>	<u>\$ 41,989,592</u>
Total net debt applicable to the limit as a percentage of debt limit	7.66%	6.98%	6.19%	5.47%	4.81%	5.46%	3.64%	3.58%	4.04%	1.67%

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized valuation basis	
	2022	\$ 1,515,017,975
	2021	1,427,450,948
	2020	<u>1,327,990,227</u>
		<u>\$ 4,270,459,150</u>
Average equalized valuation of taxable property		\$ 1,423,486,383
Debt limit (3 % of average equalization value)		42,704,592
Total Net Debt Applicable to Limit		<u>715,000</u>
Legal debt margin		<u>\$ 41,989,592</u>

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

**NORWOOD BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income - Bergen County</u>	<u>Population</u>
2015	4.0%	77,666	5,869
2016	3.4%	79,145	5,858
2017	3.6%	81,483	5,895
2018	3.0%	85,951	5,831
2019	2.6%	89,456	5,831
2020	7.8%	91,972	5,793
2021	5.0%	97,343	5,595
2022	3.0%	97,138	5,700
2023	3.4%	Not Available	5,729
2024	Not Available	Not Available	5,729 *

* Estimate

Source: NJ Department of Labor, US Bureau of the Census
School District Records

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

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Instruction										
Regular	46	46	46	45	43	47	43	42	42	45
Special Education	13	13	13	13	13	13	15	14	13	14
Other Instruction	11	11	11	9	13	13	16	17	17	7
Support Services:										
Student & Instruction Related Services	5	5	5	5	5	5	5	5	7	15
General Administration	3	3	3	3	3	3	3	3	2	2
School Administrative Services	3	3	3	3	3	3	3	3	3	2
Other Administrative Services	3	3	3	2	3	3	3	3	2	
Central Services									3	3
Plant Operations and Maintenance	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	7.0	8.5
Pupil Transportation										
Other Support Services										
Total	<u>90.5</u>	<u>90.5</u>	<u>90.5</u>	<u>86.5</u>	<u>89.5</u>	<u>93.5</u>	<u>94.5</u>	<u>93.5</u>	<u>96.0</u>	<u>96.0</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	<u>Pupil/Teacher Ratio</u>		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary				
2015	589	10,077,571	17,110	#DIV/0!	55	3:11	587.00	565.00	#DIV/0!	96.25%
2016	614	10,614,141	17,287	1.04%	55	3:11	613.00	611.70	4.43%	99.79%
2017	624	10,614,245	17,010	-1.60%	55	3:11	623.00	621.10	1.63%	99.70%
2018	599	11,998,965	20,032	17.76%	58	3:10	593.00	571.00	-4.82%	96.29%
2019	601	12,287,553	20,445	2.06%	53	3:10	594.90	573.70	0.32%	96.44%
2020	631	12,718,939	20,157	-1.41%	60	3:10	608.00	584.00	2.20%	96.05%
2021	629	12,867,855	20,458	1.49%	58	1:11	611.00	600.80	0.49%	98.33%
2022	621	15,869,404	25,555	24.91%	56	1:11	614.60	598.20	0.59%	97.33%
2023	605	15,869,404	26,230	2.64%	55	1:11	598.00	585.30	-2.70%	97.88%
2024	581	16,547,947	28,482	8.58%	55	1:11	595.47	584.33	-0.42%	98.13%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
 - b Operating expenditures equal total expenditures less debt service and capital outlay.
 - c Cost per pupil represents operating expenditures divided by enrollment.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>District Building</u>										
<u>Elementary</u>										
Square Feet	82,891	82,891	82,891	82,891	82,891	82,891	82,891	82,891	82,891	82,891
Capacity (students) - N/A										
Enrollment	589.0	614.0	624.0	599.0	598.0	618.0	629.0	621.0	621.0	581.0
<u>Other</u>										
Square Feet	4,176	4,176	4,176	4,176	4,176	4,176	4,176	4,176	4,176	4,176
Number of Schools at June 30, 2024										
Elementary = 1										

Source: District Records

N/A = Not Available

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
School Facilities										
Elementary School	\$ 211,127	\$ 251,735	\$ 235,984	\$ 251,222	\$ 282,271	\$ 314,972	\$ 321,938	\$ 281,498	\$ 228,095	\$ 277,869
Administrative Offices	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Grand Total	<u>\$ 211,127</u>	<u>\$ 251,735</u>	<u>\$ 235,984</u>	<u>\$ 251,222</u>	<u>\$ 282,271</u>	<u>\$ 314,972</u>	<u>\$ 321,938</u>	<u>\$ 281,498</u>	<u>\$ 228,095</u>	<u>\$ 277,869</u>

Source: School District Records

**NORWOOD BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2024
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
Northeast Bergen County School Board Insurance Group:		
Property - Blanket Building and Contents	\$ 19,179,305	\$ 5,000
Boiler and Machinery	250,000	
Comprehensive General Liability	2,000,000	
Employee Benefits Liability	1,000,000/2,000,000	5,000
Environmental Legal Liability	4,000,000	25,000
Commercial Automobile Liability	1,000,000	
Safety National Casualty Company Workers Compensation (Employer's Liability)	1,000,000	
Darwin National Assu. School Board Legal Liability	1,000,000	
American Alternatives Insurance Company Commercial Umbrella Liability	10,000,000	
Selective Insurance Company of America Employee Dishonesty	100,000	5,000
Fireman's Fund Insurance Company Excess Liability Coverages	40,000,000	
Surety Bonds:		
School Business Administrator/Board Secretary	50,000	

Source: School District's records

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Norwood Board of Education
Norwood, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Norwood Board of Education as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Norwood Board of Education's basic financial statements and have issued our report thereon dated November 13, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

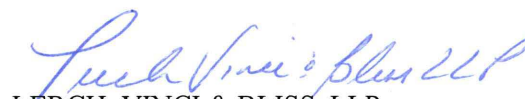
Report on Compliance and Other Matters


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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Norwood Board of Education in a separate report entitled "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 13, 2024.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Norwood Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Norwood Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
November 13, 2024



LERCH, VINCI & BLISS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Norwood Board of Education
Norwood, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Norwood Board of Education's compliance with the types of compliance requirements identified as subject to audit in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Norwood Board of Education's major state programs for the fiscal year ended June 30, 2024. The Norwood Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Norwood Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major and state programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Grants, State Grants and State Aid. Our responsibilities under those standards and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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 state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.


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

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

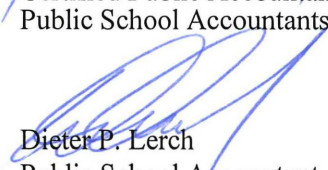
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities of the Norwood Board of Education, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated November 13, 2024, which contained unmodified on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
November 13, 2024

NORWOOD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2023	Carryover	Cash Received	Budgetary Expenditures	Adjustment	June 30, 2024			Memo GAAP Receivable
											(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education														
Passed-Through State Department of Education														
Special Revenue Fund:														
I.D.E.A. Part B, Basic	84.027	H027A230100	IDEA520024	7/1/23-9/30/24	\$ 166,344			\$ 154,878	\$ 166,344		\$ (11,466)			\$ 11,466
I.D.E.A. Part B, Preschool	84.173	H173A210114	IDEA520024	7/1/22-9/30/23	9,049			9,049	9,049					
ARP I.D.E.A. Part B, Basic	84.027X	H027X210100		7/1/21-9/30/22	26,024	\$ (26,024)		26,024						
ARP I.D.E.A. Part B, Preschool	84.173X	H173X210114		7/1/21-9/30/22	2,223	(2,223)	-	2,223	-	-	-	-	-	-
Subtotal IDEA Cluster						(28,247)	-	192,174	175,393	-	(11,466)	-	-	11,466
ESEA Title IA	84.010	S010A230030	ESEA520024	7/1/23-9/30/24	61,003			23,102	41,119		(37,901)	\$ 19,884		17,875
ESEA Title IA	84.010	S010A220030	ESEA520023	7/1/22-9/30/23	25,204	(8,872)	\$ (142)	9,014	-	-	-	-	-	-
Subtotal ESEA Cluster						(8,872)	(142)	32,116	41,119	-	(37,901)	19,884	-	17,875
ESSER II - Learning Acceleration	84.425D	S425D210027		3/13/20-9/30/23	25,000	(2,002)		5,833	3,831	-	-	-		-
ESSER II - Mental Health	84.425D	S425D210027		3/13/20-9/30/23	45,000	(3,389)		15,257	11,868	-	-	-		-
ARP - ESSER III	84.425U	S425U210027		3/13/20-9/30/24	394,229	(51,112)		149,764	162,358		(105,933)	42,227		63,706
ARP - Accelerated Learning Coach	84.425U	S425U210027		3/13/20-9/30/24	54,185	(5,610)		19,210	20,400		(7,085)	285		6,800
ARP - Evidence Based Summer	84.425U	S425U210027		3/13/20-9/30/24	40,000	-		22,897	30,555	\$ (1,000)	(16,023)	7,365		8,658
ARP - Evidence Based Comprehensive	84.425U	S425U210027		3/13/20-9/30/24	40,000	(20,492)		39,843	20,508	1,000	(157)	-		157
ARP - NJTSS Mental Health	84.425U	S425U210027		3/13/20-9/30/24	45,000	-	-	16,227	16,227	-	(28,773)	28,773	-	-
Subtotal ESSER Cluster						(82,605)	-	269,031	265,747	-	(157,971)	78,650	-	79,321
Alyssa's Law				7/1/19-6/30/20	32,000	279	-	-	-	-	-	-	\$ 279	-
Total U.S. Department of Education						(119,445)	(142)	493,321	482,259	-	(207,338)	98,534	279	108,662

Note: This schedule was not subject to a Federal Single Audit.

NORWOOD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2023			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2024			MEMO	
				(Accounts Receivable)	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<u>State Department of Education</u>														
<u>General Fund</u>														
Special Education	24-495-034-5120-089	7/1/23-6/30/24	\$ 685,522				\$ 634,843	\$ 685,522		\$ (50,679)				\$ 685,522
Special Education	23-495-034-5120-089	7/1/22-6/30/23	594,104	\$ (51,749)			51,749							
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	52,474				48,595	52,474		(3,879)				52,474
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	52,474	(4,571)			4,571							
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	51,914				48,076	51,914		(3,838)				51,914
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	41,806	(3,641)			3,641							
Additional Nonpublic Transportation Aid	N/A	7/1/23-6/30/24	5,040					5,040		(5,040)			\$ (5,040)	5,040
Additional Nonpublic Transportation Aid	N/A	7/1/22-6/30/23	5,291	(5,291)			5,291							
Extraordinary Aid	24-100-034-5120-473	7/1/23-6/30/24	706,446					706,446		(706,446)				706,446
Extraordinary Aid	23-100-034-5120-473	7/1/22-6/30/23	766,576	(766,576)			766,576			-				
On-Behalf TPAF Pension	24-495-034-5094-002	7/1/23-6/30/24	1,713,321				1,713,321	1,713,321						1,713,321
On-Behalf TPAF NCGI Premium	24-100-034-5094-004	7/1/23-6/30/24	19,539				19,539	19,539						19,539
On-Behalf TPAF Post Retirement Contrib.	24-495-034-5094-001	7/1/23-6/30/24	471,621				471,621	471,621						471,621
On-Behalf TPAF LTDI	24-100-034-5094-004	7/1/23-6/30/24	799				799	799						799
Reimbursed TPAF Social Security Contrib.	23-495-034-5094-003	7/1/23-6/30/24	366,785				349,991	366,785		(16,794)			(16,794)	366,785
Reimbursed TPAF Social Security Contrib.	22-495-034-5094-003	7/1/22-6/30/23	361,329	(34,987)	-	-	34,987	-	-	-	-	-	-	-
Total General Fund				(866,815)	-	-	4,153,600	4,073,461	-	(786,676)	-	-	(21,834)	4,073,461
<u>Special Revenue Fund</u>														
Climate Change Grant			6,660	-	\$ 863	-	-	863	-	-	-	-	-	863
Total Special Revenue Fund				-	863	-	-	863	-	-	-	-	-	863
Total State Financial Assistance				(866,815)	863	-	4,153,600	4,074,324	-	(786,676)	-	-	(21,834)	4,074,324
Less:														
State Financial Assistance Not														
Subject to Single Audit Determination														
<u>General Fund</u>														
On-Behalf TPAF Pension	24-495-034-5094-002	7/1/23-6/30/24	1,713,321				\$ (1,713,321)	\$ (1,713,321)						(1,713,321)
On-Behalf TPAF NCGI Premium	24-100-034-5094-004	7/1/23-6/30/24	19,539				(19,539)	(19,539)						(19,539)
On-Behalf TPAF Post Retirement Contrib.	24-495-034-5094-001	7/1/23-6/30/24	471,621				(471,621)	(471,621)						(471,621)
On-Behalf TPAF LTDI	24-100-034-5094-004	7/1/23-6/30/24	799	-	-	-	(799)	(799)	-	-	-	-	-	(799)
Total State Financial Assistance Subject to Single Audit				\$ (866,815)	\$ 863	\$ -	\$ 1,948,320	\$ 1,869,044	\$ -	\$ (786,676)	\$ -	\$ -	\$ (21,834)	\$ 1,869,044

**NORWOOD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 REPORTING ENTITY

The Norwood Board of Education (the “Board” or the “District”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

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

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$61,695 for the general fund and an increase of \$50,257 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,135,156	\$ 4,135,156
Special Revenue Fund	\$ 532,238	1,141	533,379
Total Awards and Financial Assistance	<u>\$ 532,238</u>	<u>\$ 4,136,297</u>	<u>\$ 4,668,535</u>

**NORWOOD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$366,785 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2024. The amount reported as TPAF Pension System Contributions in the amount of \$1,732,860, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$471,621 and TPAF Long-Term Disability Insurance in the amount of \$799 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2024.

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

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

**NORWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Part II – Schedule of Financial Statement Findings

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

There are none.

**NORWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

CURRENT YEAR FEDERAL AWARDS

Not Applicable

**NORWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

CURRENT YEAR STATE AWARDS

There are none.