

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

Nutley, New Jersey

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

**Prepared by
Business Office**

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INTRODUCTORY SECTION



Nutley Public Schools

Michael DeVita

Business Administrator/Board Secretary

371 Franklin Avenue - 2nd Floor

Nutley, New Jersey 07110

November 4, 2024

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

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Nutley Board of Education (the "Board" or "District") for the fiscal year ended June 30, 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 Nutley Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

REPORTING ENTITY AND ITS SERVICES

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, advanced placement courses, bilingual instruction in Spanish, English as a second language, vocational as well as special education for handicapped youngsters. The District completed the 2023/2024 fiscal year with an enrollment of 4,209 which is 157 students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal</u> <u>Year</u>	<u>Student</u> <u>Enrollment</u>	<u>Percent</u> <u>Change</u>
2023/2024	4,209	3.87%
2022/2023	4,052	0.72%
2021/2022	4,023	1.4%
2020/2021	3,966	(2.0%)
2019/2020	4,046	(0.6%)
2018/2019	4,068	0.24%
2017/2018	4,058	(0.42%)
2016/2017	4,075	1.22%
2015/2016	4,026	0.52%
2014/2015	4,005	(0.37%)

ECONOMIC CONDITION AND OUTLOOK

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

RELEVANT FINANCIAL POLICIES

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

RELEVANT FINANCIAL POLICIES (continued)

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

INTERNAL ACCOUNTING CONTROLS

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs.

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

BUDGETARY CONTROLS

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2024.

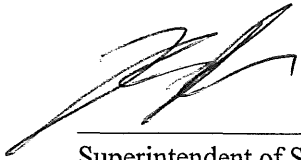
OTHER INFORMATION

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

ACKNOWLEDGEMENTS

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

Respectfully submitted,



Superintendent of Schools



Business Administrator/
Board Secretary

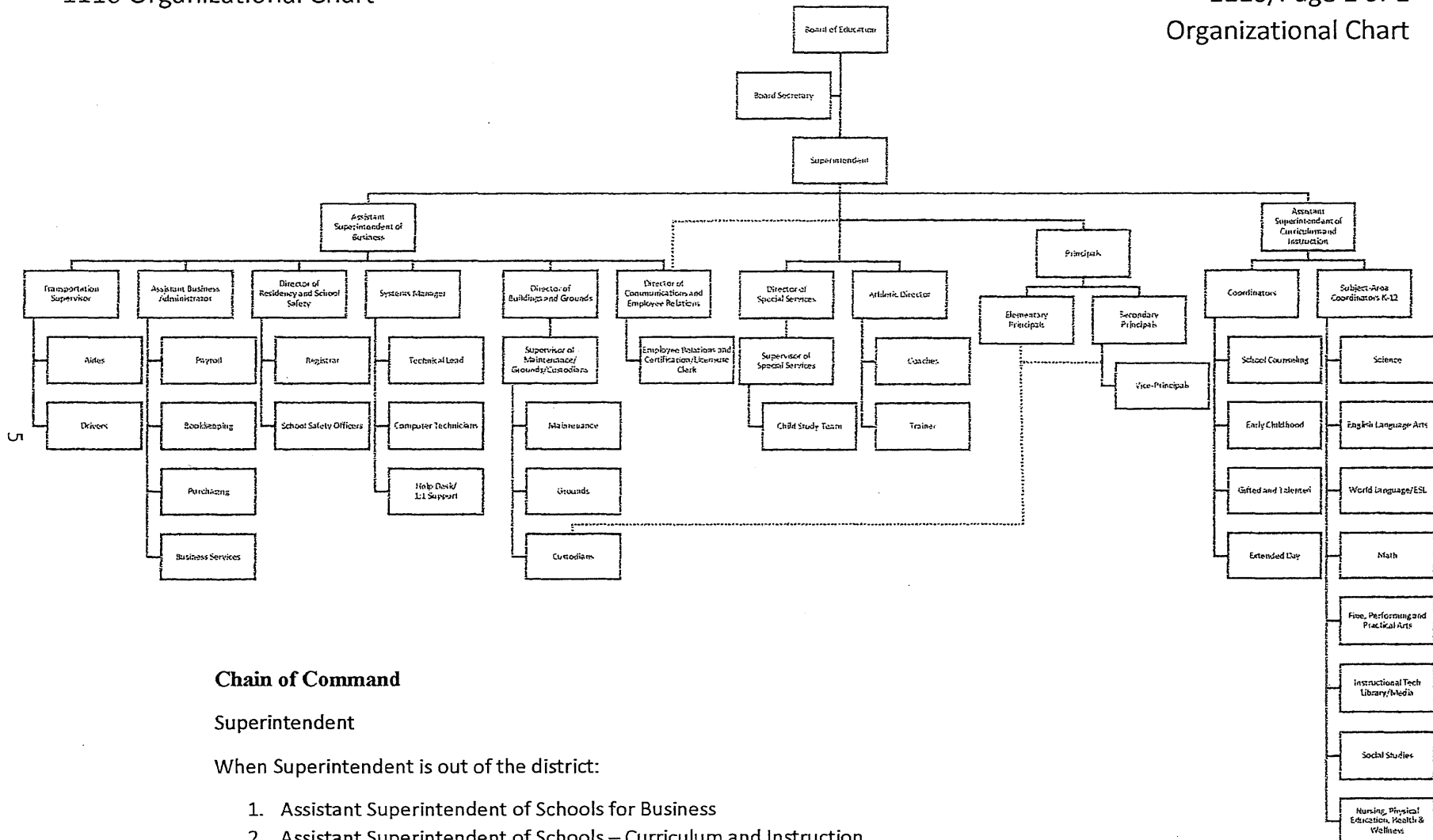
POLICY

1110 Organizational Chart

Nutley Public Schools
Administration

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Organizational Chart



Chain of Command

Superintendent

When Superintendent is out of the district:

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

Approved: Oct 17 2022

**NUTLEY BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2024**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mr. Salvatore Ferraro	2026
Mr. Salvatore Balsamo	2026
Mr. Joe Battaglia	2024
Mrs. Lisa Danchak-Martin	2026
Dr. Thomas D'Elia	2025
Mr. Daniel Friginals	2024
Mr. Charles W. Kucinski	2025
Mrs. Theresa Quirk	2025
Mr. Nicholas Scotti	2024

Other Officials

Kent Bania, Superintendent of Schools

David DiPisa, Assistant Superintendent of Business / Board Secretary (July 1, 2023 - June 29, 2024)

Belgica Polanco, Assistant Business Administrator, Acting Business Administrator/Board Secretary (effective May 7, 2024)

Janine Loconsolo, Assistant Superintendent of Curriculum and Instruction

Joanne Wilson, Treasurer of School Monies

NUTLEY BOARD OF EDUCATION
Consultants and Advisors

Board Attorney

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

Special Counsel

Chasan, Lamparello, Mallon & Capuzzo
300 Lighting Way
Secaucus, NJ 07094

Independent Auditors

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

Official Depository

TD Bank
575 Kingsland Street
Nutley, NJ 07110

BCB Bank
591-595 Avenue C
Bayonne, NJ 07002

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Nutley Board of Education, as of and for the fiscal year ended June 30, 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 and each major fund of the Nutley 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 Nutley Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 4, 2024 on our consideration of the Nutley Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Nutley Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Nutley Board of Education's internal control over financial reporting and compliance.



LERCH, VINCI & BLISS, LLP

Certified Public Accountants
Public School Accountants



Gary J. Vinci

Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 4, 2024

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

This section of Nutley Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2023-2024) and the prior year (2022-2023) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-2024 fiscal year include the following:

- The assets and deferred outflows of resources of the Nutley Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$6,298,684 (net position).
- Overall District revenues were \$97,299,400. General revenues accounted for \$70,734,010 or 73% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$26,565,390 of total revenues.
- The School District had \$99,439,375 in expenses for governmental activities; only \$23,934,714 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$70,718,983 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$1,425,996 a decrease of \$10,626 when compared to the ending fund balance at June 30, 2023 of \$1,436,622.
- The General Fund unassigned fund balance (deficit) (GAAP Basis) at June 30, 2024 is \$(1,577,153) an increase of \$1,352,953 when compared with the ending fund balance (deficit) of \$(2,930,106) at June 30, 2023. Additionally, the District's total General Fund fund balance was \$175,837 at June 30, 2024 which was an increase of \$1,416,137 from the June 30, 2023 ending fund balance (deficit) of \$(1,240,300).
- The General Fund unassigned budgetary fund balance at June 30, 2024 was \$1,627,665 which represents an increase of \$1,077,665 when compared to the ending unassigned fund balance at June 30, 2023 of \$550,000.

NUTLEY BOARD OF EDUCATION

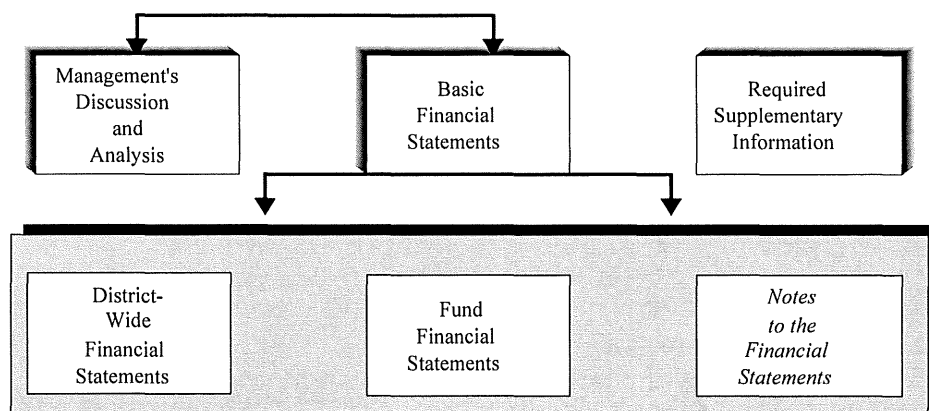
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Major Features of the District-Wide and Fund Financial Statements

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

NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

District-Wide Financial Statements

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

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

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

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

- *Governmental Activities* – Most of the District's basic services are included here, such as regular instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids and property taxes finance most of these activities.
- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund and Extended Day Program are included here.

Fund Financial Statements

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

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

NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The District has two kinds of funds:

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

Notes to the Financial Statements

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

Other Information

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

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

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

NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$6,298,684 and \$11,395,736 as of June 30, 2024 and 2023, respectively, as shown below.

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

Statement of Net Position As of June 30, 2024 and 2023

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>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 and Other Assets	\$ 12,106,291	\$ 6,316,990	\$ 557,715	\$ 360,883	\$ 12,664,006	\$ 6,677,873
Capital Assets	<u>57,982,275</u>	<u>57,526,534</u>	<u>374,711</u>	<u>415,662</u>	<u>58,356,986</u>	<u>57,942,196</u>
Total Assets	<u>70,088,566</u>	<u>63,843,524</u>	<u>932,426</u>	<u>776,545</u>	<u>71,020,992</u>	<u>64,620,069</u>
Deferred Outflows of Resources						
Deferred Amounts of Refunding of Debt	1,085,771	1,275,682			1,085,771	1,275,682
Deferred Amount of Net Pension Liability	<u>759,574</u>	<u>872,942</u>	<u>-</u>	<u>-</u>	<u>759,574</u>	<u>872,942</u>
Total Deferred Outflows of Resources	<u>1,845,345</u>	<u>2,148,624</u>	<u>-</u>	<u>-</u>	<u>1,845,345</u>	<u>2,148,624</u>
Total Assets and Deferred Outflows of Resources	<u>71,933,911</u>	<u>65,992,148</u>	<u>932,426</u>	<u>776,545</u>	<u>72,866,337</u>	<u>66,768,693</u>
Liabilities						
Long-Term Liabilities	53,750,369	46,813,199			53,750,369	46,813,199
Other Liabilities	<u>11,100,228</u>	<u>5,332,408</u>	<u>298,002</u>	<u>240,719</u>	<u>11,398,230</u>	<u>5,573,127</u>
Total Liabilities	<u>64,850,597</u>	<u>52,145,607</u>	<u>298,002</u>	<u>240,719</u>	<u>65,148,599</u>	<u>52,386,326</u>
Deferred Inflows of Resources						
Deferred Amount of Net Pension Liability	<u>1,419,054</u>	<u>2,986,631</u>	<u>-</u>	<u>-</u>	<u>1,419,054</u>	<u>2,986,631</u>
Total Deferred Inflows of Resources	<u>1,419,054</u>	<u>2,986,631</u>	<u>-</u>	<u>-</u>	<u>1,419,054</u>	<u>2,986,631</u>
Total Liabilities and Deferred Inflows of Resources	<u>66,269,651</u>	<u>55,132,238</u>	<u>298,002</u>	<u>240,719</u>	<u>66,567,653</u>	<u>55,372,957</u>
Net Position:						
Net Investment in Capital Assets	31,511,914	28,720,886	374,711	415,662	31,886,625	29,136,548
Restricted	3,138,859	3,093,542			3,138,859	3,093,542
Unrestricted	<u>(28,986,513)</u>	<u>(20,954,518)</u>	<u>259,713</u>	<u>120,164</u>	<u>(28,726,800)</u>	<u>(20,834,354)</u>
Total Net Position	<u>\$ 5,664,260</u>	<u>\$ 10,859,910</u>	<u>\$ 634,424</u>	<u>\$ 535,826</u>	<u>\$ 6,298,684</u>	<u>\$ 11,395,736</u>

NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years ended 2024 and 2023 are as follows:

Changes in Net Position For the Fiscal Years Ended June 30, 2024 and 2023						
	<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	\$ 578,789	\$ 237,787	\$ 2,190,084	\$ 1,986,120	\$ 2,768,873	\$ 2,223,907
Operating Grants and Contributions	22,447,984	22,519,332	440,592	463,705	22,888,576	22,983,037
Capital Grants and Contributions	907,941	317,447			907,941	317,447
General Revenues						
Property Taxes	64,820,809	63,623,669			64,820,809	63,623,669
State Aid	5,559,427	5,305,639			5,559,427	5,305,639
Other	338,747	393,154	15,027	24,429	353,774	417,583
Total Revenues	<u>94,653,697</u>	<u>92,397,028</u>	<u>2,645,703</u>	<u>2,474,254</u>	<u>97,299,400</u>	<u>94,871,282</u>
Expenses						
Instruction						
Regular	38,701,444	38,348,261			38,701,444	38,348,261
Special Education	19,864,039	18,491,397			19,864,039	18,491,397
Other Instruction	2,050,166	1,747,349			2,050,166	1,747,349
School Sponsored Activities and Athletics	2,041,918	1,927,134			2,041,918	1,927,134
Support Services						
Student and Instruction Related Services	13,609,215	12,288,317			13,609,215	12,288,317
General Administrative Services	1,685,615	2,075,164			1,685,615	2,075,164
School Administrative Services	5,642,588	4,892,923			5,642,588	4,892,923
Plant Operations and Maintenance	9,110,736	8,687,963			9,110,736	8,687,963
Pupil Transportation	3,411,689	3,283,721			3,411,689	3,283,721
Business and Other Support Services	2,218,196	1,790,564			2,218,196	1,790,564
Interest and Other Charges on Long-Term Debt	1,103,769	1,158,745			1,103,769	1,158,745
Food Services Program			1,835,012	1,819,888	1,835,012	1,819,888
Extended Day Program	-	-	1,122,065	1,422,062	1,122,065	1,422,062
Total Expenses	<u>99,439,375</u>	<u>94,691,538</u>	<u>2,957,077</u>	<u>3,241,950</u>	<u>102,396,452</u>	<u>97,933,488</u>
Change in Net Position	(4,785,678)	(2,294,510)	(311,374)	(767,696)	(5,097,052)	(3,062,206)
Transfers	(409,972)		409,972			
Net Position, Beginning of Year	<u>10,859,910</u>	<u>13,154,420</u>	<u>535,826</u>	<u>1,303,522</u>	<u>11,395,736</u>	<u>14,457,942</u>
Net Position, End of Year	<u>\$ 5,664,260</u>	<u>\$ 10,859,910</u>	<u>\$ 634,424</u>	<u>\$ 535,826</u>	<u>\$ 6,298,684</u>	<u>\$ 11,395,736</u>

NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities

The financial position of the District declined in 2023-2024, however due to an advance in state aid of \$9 million, the financial statements on a budgetary basis show financial improvement. Maintaining existing programs with enrollment changes, the provision of a multitude of special programs/services for disabled pupils, and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

Total and Net Cost of Governmental Activities. The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2024 and 2023.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Instruction				
Regular	\$ 38,701,444	\$ 38,348,261	\$ 31,754,576	\$ 30,124,532
Special Education	19,864,039	18,491,397	10,675,869	10,343,037
Other Instruction	2,050,166	1,747,349	1,407,201	1,151,514
School Sponsored Activities and Athletics	2,041,918	1,927,134	1,551,711	1,431,404
Support Services				
Student and Instruction Related Services	13,609,215	12,288,317	9,668,909	8,913,490
General Administration	1,685,615	2,075,164	1,566,898	1,934,677
School Administration Services	5,642,588	4,892,923	5,203,422	4,368,828
Plant Operation and Maintenance	9,110,736	8,687,963	7,750,927	7,901,743
Pupil Transportation	3,411,689	3,283,721	2,694,912	2,617,455
Business Services	2,218,196	1,790,564	2,126,467	1,671,547
Interest and Other Charges on Long-Term Debt	1,103,769	1,158,745	1,103,769	1,158,745
Total	<u>\$ 99,439,375</u>	<u>\$ 94,691,538</u>	<u>\$ 75,504,661</u>	<u>\$ 71,616,972</u>

NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$1,425,996 a decrease of \$10,626 from last year's fund balance of \$1,436,622.

Revenues and other financing sources for the District's governmental funds were \$113,151,722 total expenditures and other financing uses were \$113,162,348.

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

Revenues of the General Fund were \$94,024,585 for the fiscal year ended June 30, 2024. State sources amounted to \$31,024,102, federal sources totaled \$120,214 and local sources were \$62,880,269.

Expenditures of the General Fund were \$100,950,145. Instructional expenditures were \$67,308,597, expenditures for support services were \$32,747,169, capital expenditures totaled \$231,266 and debt service expenditures totaled \$663,113 for the fiscal year ended June 30, 2024.

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

Revenues of the Special Revenue Fund were \$4,839,589 for the fiscal year ended June 30, 2024. State sources amounted to \$2,475,554, federal sources totaled \$2,008,261 and local sources were \$355,774.

Expenditures of the Special Revenue Fund were \$5,760,089. Instructional expenditures were \$2,156,227, expenditures for support services were \$3,095,386 and capital expenditures totaled \$508,476 for the fiscal year ended June 30, 2024.

Capital Projects - The capital projects expenditures exceeded revenues by \$1,419,213 decreasing the fund balance from \$1,277,932 at June 30, 2023 to a deficit of \$(141,281) at June 30, 2024.

Proprietary Funds

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

NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2023 encumbrances.
- Appropriation of prior year unbudgeted extraordinary aid

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2024 and 2023 amounts to \$58,356,986 and \$57,942,196 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, right-to use buildings, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2023-2024 amounted to \$2,402,755 for governmental activities and \$40,951 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2024 and 2023.

	Governmental		Business- Type		Total	
	<u>Activities</u>		<u>Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 444,337	\$ 444,337			\$ 444,337	\$ 444,337
Buildings	54,862,191	54,777,383	\$ 68,847	\$ 75,732	54,931,038	54,853,115
Right-To-Use Buildings	1,102,843	835,582			1,102,843	835,582
Machinery and Equipment	1,572,904	1,469,232	305,864	339,930	1,878,768	1,809,162
Total	<u>\$ 57,982,275</u>	<u>\$ 57,526,534</u>	<u>\$ 374,711</u>	<u>\$ 415,662</u>	<u>\$ 58,356,986</u>	<u>\$ 57,942,196</u>

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

NUTLEY BOARD OF EDUCATION

Management's Discussion and Analysis

LONG TERM LIABILITIES

At June 30, 2024, the District's long-term liabilities consisted of compensated absences payable of \$1,474,429, serial bonds of \$26,390,696 (including unamortized premium), capital leases of \$1,052,907, capital and other financing agreements of \$454,510, state aid advance loan payable \$9,000,000, accrued liability for insurance claims of \$1,755,000 and net pension liability of \$13,622,827 totaling \$53,750,369. This is in comparison to long-term liabilities at June 30, 2023 of \$46,813,199 or an increase of \$6,937,170.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2024-2025 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 9,661,332	\$ 880,387	\$ 10,541,719
Restricted Assets			
Cash and Cash Equivalents Held by Fiscal Agent	510,712		510,712
Receivables, net			
Receivables from Other Governments	1,344,021	50,843	1,394,864
Other	87,675	102,247	189,922
Inventory		14,266	14,266
Other Assets	12,523		12,523
Internal Balances	490,028	(490,028)	-
Capital Assets			
Not Being Depreciated	444,337		444,337
Being Depreciated, Net	<u>57,537,938</u>	<u>374,711</u>	<u>57,912,649</u>
Total Assets	<u>70,088,566</u>	<u>932,426</u>	<u>71,020,992</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	759,574		759,574
Deferred Amounts on Refundings of Debt	<u>1,085,771</u>	-	<u>1,085,771</u>
Total Deferred Outflows of Resources	<u>1,845,345</u>	-	<u>1,845,345</u>
Total Assets and Deferred Outflows of Resources	<u>71,933,911</u>	<u>932,426</u>	<u>72,866,337</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	8,778,474	244,225	9,022,699
Payable to State and Federal Governments	262,016		262,016
Claims and Judgements Payable	510,712		510,712
Loans Payable	361,785		361,785
Accrued Interest Payable	419,933		419,933
Unearned Revenue	767,308	53,777	821,085
Noncurrent Liabilities			
Due Within One Year	3,021,890		3,021,890
Due Beyond One Year	<u>50,728,479</u>	-	<u>50,728,479</u>
Total Liabilities	<u>64,850,597</u>	<u>298,002</u>	<u>65,148,599</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>1,419,054</u>	-	<u>1,419,054</u>
Total Deferred Inflows of Resources	<u>1,419,054</u>	-	<u>1,419,054</u>
Total Liabilities and Deferred Inflows of Resources	<u>66,269,651</u>	<u>298,002</u>	<u>66,567,653</u>
NET POSITION			
Net Investment in Capital Assets	31,511,914	374,711	31,886,625
Restricted for:			
Capital Projects	713,718		713,718
Other Purposes	2,425,141		2,425,141
Unrestricted	<u>(28,986,513)</u>	<u>259,713</u>	<u>(28,726,800)</u>
Total Net Position	<u>\$ 5,664,260</u>	<u>\$ 634,424</u>	<u>\$ 6,298,684</u>

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

**NUTLEY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 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	\$ 38,701,444		\$ 6,946,868		\$ (31,754,576)		\$ (31,754,576)
Special Education	19,864,039	16,114	9,172,056		(10,675,869)		(10,675,869)
Other Instruction	2,050,166		642,965		(1,407,201)		(1,407,201)
School Sponsored Activities and Athletics	2,041,918	253,438	236,769		(1,551,711)		(1,551,711)
Support Services							
Student and Instruction Related Services	13,609,215		3,940,306		(9,668,909)		(9,668,909)
General Administrative Services	1,685,615		118,717		(1,566,898)		(1,566,898)
School Administrative Services	5,642,588		439,166		(5,203,422)		(5,203,422)
Plant Operations and Maintenance	9,110,736	309,237	142,631	907,941	(7,750,927)		(7,750,927)
Pupil Transportation	3,411,689		716,777		(2,694,912)		(2,694,912)
Business Services	2,218,196		91,729		(2,126,467)		(2,126,467)
Interest on Long-Term Debt and Other Charges	1,103,769	-	-	-	(1,103,769)	-	(1,103,769)
 Total Governmental Activities	 99,439,375	 578,789	 22,447,984	 907,941	 (75,504,661)	 -	 (75,504,661)
Business-Type Activities							
Food Service	1,835,012	1,015,522	440,592			\$ (378,898)	(378,898)
Extended Day	1,122,065	1,174,562	-	-	-	52,497	52,497
 Total Business-Type Activities	 2,957,077	 2,190,084	 440,592	 -	 -	 (326,401)	 (326,401)
 Total Primary Government	 \$ 102,396,452	 \$ 2,768,873	 \$ 22,888,576	 \$ 907,941	 (75,504,661)	 (326,401)	 (75,831,062)

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

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

	Net (Expense) Revenue and Changes in Net Position		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Balance, Carry Forward	\$ (75,504,661)	\$ (326,401)	\$ (75,831,062)
General Revenues			
Property Taxes			
General Purposes	62,216,171		62,216,171
Debt Service	2,604,638		2,604,638
State Aid			
Unrestricted	4,726,052		4,726,052
Restricted for Debt Service	833,375		833,375
Miscellaneous Income	338,747	15,027	353,774
Transfers	<u>(409,972)</u>	<u>409,972</u>	<u>-</u>
Total General Revenues	<u>70,309,011</u>	<u>424,999</u>	<u>70,734,010</u>
Change in Net Position	(5,195,650)	98,598	(5,097,052)
Net Position, Beginning of Year	<u>10,859,910</u>	<u>535,826</u>	<u>11,395,736</u>
Net Position, End of Year	<u>\$ 5,664,260</u>	<u>\$ 634,424</u>	<u>\$ 6,298,684</u>

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

FUND FINANCIAL STATEMENTS

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 7,611,943	\$ 2,008,514		\$ 40,875	\$ 9,661,332
Cash Held by Fiscal Agent	510,712				510,712
Receivables, Net					
Receivables from Other Governments	390,190	953,831			1,344,021
Other	80,259	7,416			87,675
Deposits	12,523				12,523
Due from Other Funds	579,825	-	-	-	579,825
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 9,185,452</u>	<u>\$ 2,969,761</u>	<u>\$ -</u>	<u>\$ 40,875</u>	<u>\$ 12,196,088</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 7,023,035	\$ 690,548	\$ 51,484		\$ 7,765,067
Accrued Salaries and Wages	158,931				158,931
Due to Other Funds			89,797		89,797
Intergovernmental Payable	100,676	161,340			262,016
Payroll Deductions and Withholdings Payable	854,476				854,476
Claims and Judgements Payable	510,712				510,712
Loans Payable	361,785				361,785
Unearned Revenue	-	767,308	-	-	767,308
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>9,009,615</u>	<u>1,619,196</u>	<u>141,281</u>	<u>-</u>	<u>10,770,092</u>
Fund Balances					
Restricted					
Capital Reserve	677,663				677,663
Maintenance Reserve	634,682				634,682
Unemployment Compensation Reserve	399,019				399,019
Student Activities		187,144			187,144
Scholarship Awards		1,163,421			1,163,421
Capital Projects			(141,281)		(141,281)
Debt Service				\$ 40,875	40,875
Assigned					
Encumbrances	41,626				41,626
Unassigned	(1,577,153)	-	-	-	(1,577,153)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>175,837</u>	<u>1,350,565</u>	<u>(141,281)</u>	<u>40,875</u>	<u>1,425,996</u>
Total Liabilities and Fund Balances	<u>\$ 9,185,452</u>	<u>\$ 2,969,761</u>	<u>\$ -</u>	<u>\$ 40,875</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$97,445,873 and the accumulated depreciation is \$39,463,598. 57,982,275

The District has financed capital assets through the issuance of serial bonds. The interest accrual at year end is: (419,933)

Long term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 2) (53,750,369)

Deferred Inflows and Outflows related to the debt refundings and net pension liability are not reported in the funds. (See Note 2) 426,291

\$ 5,664,260

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Taxes	\$ 62,216,171			\$ 2,604,638	\$ 64,820,809
Tuition	16,114				16,114
Interest	95,073				95,073
Miscellaneous	552,911	\$ 355,774	\$ 700,000	-	1,608,685
Total - Local Sources	62,880,269	355,774	700,000	2,604,638	66,540,681
State Sources	31,024,102	2,475,554		833,375	34,333,031
Federal Sources	120,214	2,008,261	-	-	2,128,475
Total Revenues	94,024,585	4,839,589	700,000	3,438,013	103,002,187
EXPENDITURES					
Current					
Regular Instruction	42,237,206	1,252,026			43,489,232
Special Education Instruction	21,139,262	288,124			21,427,386
Other Instruction	1,968,188	339,555			2,307,743
School-Sponsored Activities and Athletics	1,963,941	276,522			2,240,463
Support Services					
Student and Instructional Related Services	11,397,103	2,993,265			14,390,368
General Administrative Services	1,741,647				1,741,647
School Administrative Services	6,109,700				6,109,700
Plant Operations and Maintenance	8,113,584	22,932	459		8,136,975
Pupil Transportation	3,351,143	79,189			3,430,332
Business Services	2,033,992				2,033,992
Debt Service					
Principal	520,604			2,455,000	2,975,604
Interest	142,509			969,053	1,111,562
Capital Outlay	231,266	508,476	2,118,754	-	2,858,496
Total Expenditures	100,950,145	5,760,089	2,119,213	3,424,053	112,253,500
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(6,925,560)	(920,500)	(1,419,213)	13,960	(9,251,313)
OTHER FINANCING SOURCES (USES)					
Advance State Aid Payment	9,000,000				9,000,000
Proceeds from Capital Lease		400,114			400,114
Proceeds from Other Financing Agreements	250,545				250,545
Transfers In		498,876			498,876
Transfers Out	(908,848)	-	-	-	(908,848)
Total Other Financing Sources (Uses)	8,341,697	898,990	-	-	9,240,687
Net Change in Fund Balances	1,416,137	(21,510)	(1,419,213)	13,960	(10,626)
Fund Balance, Beginning of Year	(1,240,300)	1,372,075	1,277,932	26,915	1,436,622
Fund Balance, End of Year	\$ 175,837	\$ 1,350,565	\$ (141,281)	\$ 40,875	\$ 1,425,996

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

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

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ (10,626)**

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

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

Capital Outlay	\$ 2,858,496	
Depreciation Expense	<u>(2,402,755)</u>	
		455,741

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

Compensated Absences		(11,149)
Accrued Liability for Insurance Claims		<u>(434,000)</u>

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

Repayment of Debt Principal		
Serial Bonds	2,455,000	
Capital Leases	194,712	
Capital and Other Financing Financing Agreements	325,892	
State Aid Advance Loan Proceeds	(9,000,000)	
Proceeds from Capital Lease	(400,114)	
Proceeds from Other Financing Agreements	<u>(250,545)</u>	
		(6,675,055)

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

Amortization of Premium	165,597	
Amortization of Deferred Amount on Refunding of Debt	<u>(189,911)</u>	
		(24,314)

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

Decrease in Pension Expense- Public Employees' Retirement System		1,485,358
Increase in Pension Expense - Essex County Pension Fund		<u>(13,712)</u>

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

Decrease in Accrued Interest		<u>32,107</u>
------------------------------	--	---------------

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ (5,195,650)**

**NUTLEY BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

	<u>Food Service</u>	<u>Extended Day</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
ASSETS			
Cash and Cash Equivalents	\$ 394,659	\$ 485,728	\$ 880,387
Intergovernmental Accounts Receivable			
State	2,921		2,921
Federal	47,922		47,922
Other Accounts Receivable	102,247		102,247
Inventory	<u>14,266</u>	<u>-</u>	<u>14,266</u>
Total Current Assets	<u>562,015</u>	<u>485,728</u>	<u>1,047,743</u>
Capital Assets			
Building Improvements	82,617		82,617
Machinery and Equipment	602,088		602,088
Less: Accumulated Depreciation	<u>(309,994)</u>	<u>-</u>	<u>(309,994)</u>
Total Capital Assets, Net	<u>374,711</u>	<u>-</u>	<u>374,711</u>
Total Assets	<u>936,726</u>	<u>485,728</u>	<u>1,422,454</u>
LIABILITIES			
Liabilities			
Accounts Payable	223,777	20,448	244,225
Due to Other Funds	90,028	400,000	490,028
Unearned Revenue	<u>53,777</u>	<u>-</u>	<u>53,777</u>
Total Liabilities	<u>367,582</u>	<u>420,448</u>	<u>788,030</u>
NET POSITION			
Investment in Capital Assets	374,711		374,711
Unrestricted	<u>194,433</u>	<u>65,280</u>	<u>259,713</u>
Total Net Position	<u>\$ 569,144</u>	<u>\$ 65,280</u>	<u>\$ 634,424</u>

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

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

	<u>Food Service</u>	<u>Extended Day</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
OPERATING REVENUES			
Charges for Services			
Daily Sales			
Reimbursable Programs	\$ 502,524		\$ 502,524
Non-Reimbursable Programs	452,768		452,768
Miscellaneous	60,230	\$ 1,174,562	1,234,792
	<u>1,015,522</u>	<u>1,174,562</u>	<u>2,190,084</u>
Total Operating Revenues			
	<u>1,015,522</u>	<u>1,174,562</u>	<u>2,190,084</u>
OPERATING EXPENSES			
Salaries and Wages	836,647	744,797	1,581,444
Employee Benefits	86,758	67,115	153,873
Cost of Sales			-
Reimbursable Programs	333,539		333,539
Non-Reimbursable Programs	320,807		320,807
Supplies	58,349		58,349
Purchased Services	63,280	300,000	363,280
Other	94,681	10,153	104,834
Depreciation	40,951	-	40,951
	<u>1,835,012</u>	<u>1,122,065</u>	<u>2,957,077</u>
Total Operating Expenses			
	<u>1,835,012</u>	<u>1,122,065</u>	<u>2,957,077</u>
Operating Income (Loss)	<u>(819,490)</u>	<u>52,497</u>	<u>(766,993)</u>
NONOPERATING REVENUES (EXPENSES)			
State Sources			
State School Lunch Program	14,958		14,958
State Breakfast	110		110
Federal Sources			
Federal School Lunch Program	240,146		240,146
Food Distribution Program	81,210		81,210
School Breakfast Program	4,783		4,783
Covid Supply Chain Assistance	95,118		95,118
P-EBT	653		653
Local Food for Schools	3,614		3,614
Interest Income	6,574	8,453	15,027
	<u>447,166</u>	<u>8,453</u>	<u>455,619</u>
Total Nonoperating Revenues			
	<u>447,166</u>	<u>8,453</u>	<u>455,619</u>
Change in Net Position	(372,324)	60,950	(311,374)
Transfer In	409,972		409,972
Net Position, Beginning of Year	531,496	4,330	535,826
	<u>531,496</u>	<u>4,330</u>	<u>535,826</u>
Net Position, End of Year	\$ 569,144	\$ 65,280	\$ 634,424
	<u>\$ 569,144</u>	<u>\$ 65,280</u>	<u>\$ 634,424</u>

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

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

	<u>Food Service</u>	<u>Extended Day</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts (Payments) from/to Customers	\$ 975,096	\$ 1,174,562	\$ 2,149,658
Payments for Employees	(923,405)	(791,464)	(1,714,869)
Payments to Suppliers	<u>(755,120)</u>	<u>(310,153)</u>	<u>(1,065,273)</u>
Net Cash Provided By (Used For) Operating Activities	<u>(703,429)</u>	<u>72,945</u>	<u>(630,484)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Cash Received from Interfund Transactions	500,000	300,000	800,000
State and Federal Sources	<u>317,436</u>	<u>-</u>	<u>317,436</u>
Net Cash Provided By Non-Capital Financing Activities	<u>817,436</u>	<u>300,000</u>	<u>1,117,436</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	<u>6,574</u>	<u>8,453</u>	<u>15,027</u>
Net Cash Provided By Investing Activities	<u>6,574</u>	<u>8,453</u>	<u>15,027</u>
Net Change in Cash and Cash Equivalents	120,581	381,398	501,979
Cash and Cash Equivalents, Beginning of Year	<u>274,078</u>	<u>104,330</u>	<u>378,408</u>
Cash and Cash Equivalents, End of Year	<u>\$ 394,659</u>	<u>\$ 485,728</u>	<u>\$ 880,387</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ (819,490)	\$ 52,497	\$ (766,993)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities			
Depreciation	40,951		40,951
USDA Commodities	81,210		81,210
(Increase) Decrease in Accounts Receivable	(43,957)		(43,957)
(Increase) Decrease in Inventories	1,022		1,022
Increase (Decrease) in Accounts Payable	33,304	20,448	53,752
Increase (Decrease) in Unearned Revenue	<u>3,531</u>	<u>-</u>	<u>3,531</u>
Total Adjustments	<u>116,061</u>	<u>20,448</u>	<u>136,509</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ (703,429)</u>	<u>\$ 72,945</u>	<u>\$ (630,484)</u>
Non-Cash Financing Activities			
Fair Value of Food Distribution Program - National School Lunch	<u>\$ 81,210</u>		

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 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.

**NUTLEY 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 funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**NUTLEY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 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 and proprietary activities. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

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

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

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

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

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

4. *Restricted Assets*

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and their use is limited for the settlement of health insurance claims.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost except for intangible right-to-use leased assets and intangible right-to-use IT subscription assets, the measurement of which is discussed in Note 1. E.9. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

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

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

6. *Deferred Outflows/Inflows of Resources*

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. *Compensated Absences*

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

8. *Pensions*

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

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

9. *Leases*

Leases Payable

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

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

10. *Financing Agreements*

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Long-Term Obligations

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

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

12. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

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

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

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

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

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

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

13. Fund Balance Policies

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 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 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.

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 are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

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

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the district-wide statement of net position

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

Bonds Payable	\$ 25,450,000
Unamortized Premium	940,696
Leases	1,052,907
Capital Financing Agreements	112,529
Other Financing Agreements	341,981
Compensated Absences Payable	1,474,429
State Aid Advance Loan Payable	9,000,000
Accrued Liability for Insurance Claims	1,755,000
Net Pension Liability	
Public Employees' Retirement System	13,485,495
Essex County	<u>137,332</u>
Net Adjustment to Reduce Fund Balance - Total Governmental Funds to Arrive at Net Position - Governmental Activities	<u>\$ 53,750,369</u>

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

Deferred Inflows of Resources	
Deferred Amount on Net Pension Liability	\$ 1,419,054
Deferred Outflows of Resources	
Deferred Amounts on Debt Refundings	(1,085,771)
Deferred Amount on Net Pension Liability	<u>(759,574)</u>
Net Adjustment to Increase Fund Balance - Total Governmental Funds to Arrive at Net Position - Governmental Activities	<u>\$ (426,291)</u>

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2023/2024. Also, during 2023/2024 the Board increased the original budget of the general fund by \$290,769 and the special revenue fund by \$4,749,320. The increases were funded by the additional appropriation of unassigned fund balance, capital reserve, maintenance reserve, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances.

During the fiscal year, the Board authorized and approved fund balance withdrawals from unassigned fund balance of \$274,812 from the General Fund.

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

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

B. Excess Expenditures Over Appropriations

The District overexpended several individual budget appropriations resulting in expenditures exceeding available appropriations by \$4,205,761. This is exclusive of the on-behalf TPAF appropriations and non-budgeted other financing agreements. The General Fund Budgetary Comparison schedule (Exhibit C-1) details the various budget accounts that were overexpended at June 30, 2024. The variances were offset with additional financial resources available from a state aid advance of \$9,000,000 from the State of New Jersey.

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Deficit Fund Equity

The District has an unassigned fund balance deficit of \$1,577,153 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 Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

The District has an accumulated deficit of \$141,281 in the Capital Projects Fund as of June 30, 2024. The District expects to eliminate this deficit in the 2024/2025 fiscal year.

D. Capital Reserve

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

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

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

Balance, July 1, 2023	\$ 21,258
Increased by:	
2023/24 Deposits	<u>656,405</u>
Balance, June 30, 2024	<u>\$ 677,663</u>

The June 30, 2024 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$37,335,215.

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Maintenance Reserve

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

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

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

Balance, July 1, 2023	\$ 40
Increased by:	
2023/24 Deposits	<u>634,642</u>
Balance, June 30, 2024	<u>\$ 634,682</u>

The June 30, 2024 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$3,269,992.

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2024, the book value of the Board's deposits was \$11,052,431 and bank and brokerage firm balances of the Board's deposits amounted to \$15,403,454. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 13,753,398
Uninsured and Collateralized	<u>1,650,056</u>
	<u>\$ 15,403,454</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2024 the Board’s bank balance of \$1,650,056 was exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Fair Value</u>
Uninsured and Collateralized:	
Collateral held by Board's Agent in the Board's name	\$ 510,712
Collateral held by pledging financial institution's trust department but not in the Board's name	<u>1,139,344</u>
	<u>\$ 1,650,056</u>

Investments

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

At June 30, 2024, the Board had no outstanding investments.

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

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

NOTE 4 DETAILED NOTES ON ALL FUNDS

B. Receivables

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

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts	\$ 80,259	\$ 7,416	\$ 102,247	\$ 189,922
Intergovernmental				
Federal		953,831	47,922	1,001,753
State	390,190	-	2,921	393,111
Gross Receivables	470,449	961,247	153,090	1,584,786
Less: Allowance for				
Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 470,449</u>	<u>\$ 961,247</u>	<u>\$ 153,090</u>	<u>\$ 1,584,786</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:

Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>\$ 767,308</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 767,308</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 444,337	-	-	\$ 444,337
Total Capital Assets, Not Being Depreciated	444,337	-	-	444,337
Capital Assets, Being Depreciated:				
Buildings and Improvements	87,144,375	\$ 2,052,075		89,196,450
Right-to-Use Buildings	928,424	400,114		1,328,538
Machinery and Equipment	6,228,863	406,307	\$ (158,622)	6,476,548
Total Capital Assets Being Depreciated	94,301,662	2,858,496	(158,622)	97,001,536
Less Accumulated Depreciation for:				
Buildings and Improvements	(32,366,992)	(1,967,267)		(34,334,259)
Right-to-Use Buildings	(92,842)	(132,853)		(225,695)
Machinery and Equipment	(4,759,631)	(302,635)	158,622	(4,903,644)
Total Accumulated Depreciation	(37,219,465)	(2,402,755)	158,622	(39,463,598)
Total Capital Assets, Being Depreciated, net	57,082,197	455,741	-	57,537,938
Governmental Activities Capital Assets, net	\$ 57,526,534	\$ 455,741	\$ -	\$ 57,982,275
	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Building Improvements	\$ 82,617			\$ 82,617
Machinery and Equipment	602,088	-	-	602,088
Total Capital Assets Being Depreciated	684,705	-	-	684,705
Less Accumulated Depreciation for:				
Building Improvements	(6,885)	\$ (6,885)		(13,770)
Machinery and Equipment	(262,158)	(34,066)	-	(296,224)
Total Accumulated Depreciation	(269,043)	(40,951)	-	(309,994)
Total Capital Assets, Being Depreciated, net	415,662	(40,951)	-	374,711
Business-Type Activities Capital Assets, net	\$ 415,662	\$ (40,951)	\$ -	\$ 374,711

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

Instruction

Regular	\$ 458,353
Total Instruction	<u>458,353</u>

Support Services

Student and Instruction Related Services	203,166
General Administration	39,856
School Administration	2,599
Operations and Maintenance of Plant	1,290,844
Student Transportation	126,731
Business Services	<u>281,206</u>
Total Support Services	<u>1,944,402</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 2,402,755</u>
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Business-Type Activities:

Food Service Fund	<u>\$ 40,951</u>
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Total Depreciation Expense-Business-Type Activities	<u>\$ 40,951</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	Capital Projects Fund	\$ 89,797
General Fund	Food Service Enterprise Fund	90,028
General Fund	Extended Day Enterprise Fund	<u>400,000</u>
		<u>\$ 579,825</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.

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers (Continued)

Interfund Transfers

	Transfer In:		
	Special Revenue Fund	Food Service Enterprise Fund	Total
Transfer Out:			
General Fund	\$ 498,876	\$ 409,972	\$ 908,848

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

F. Leases

Leases Payable

On October 20, 2022, the District entered into a five year lease agreement as lessee for the use of office space for its Board of Education Offices. An initial lease liability was recorded in the amount of \$928,424. The lease has an interest rate of 5.09%. The District is required to make monthly payments ranging from \$17,235 to \$18,237. At the conclusion of the initial five year lease term the District has the option to renew the lease for additional five year terms. As of June 30, 2024 the value of the lease liability was \$679,766. The building has a five year estimated useful life. The value of the right -to-use asset as of June 30, 2024 is \$928,424 and has accumulated depreciation of \$185,684.

In the 2023/2024 fiscal year, the District entered into a five year lease agreement as lessee for the use of classroom space for its Preschool Program. An initial lease liability was recorded in the amount of \$400,114. The lease has an interest rate of 4.89%. The District is required to make monthly payments ranging from \$7,025 to \$9,019, inclusive of interest. At the conclusion of the initial lease term the District has the option to renew the lease for an additional five year term. As of June 30, 2024 the value of the lease liability was \$373,141. The building has a five year estimated useful life. The value of the right -to-use asset as of June 30, 2024 is \$400,114 and has accumulated depreciation of \$40,011.

Governmental Activities:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 262,653	\$ 50,663	\$ 313,316
2026	280,570	37,791	318,361
2027	299,468	23,979	323,447
2028	210,216	7,434	217,650
Total	\$ 1,052,907	\$ 119,867	\$ 1,172,774

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements

Capital Financing Agreements

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

Capital financing agreements at June 30, 2024 are comprised of the following:

\$155,563, fiscal year 2019 Agreement for the acquisition of school buses for a term of 5 years due in annual principal installments of \$30,411 through August 1, 2024 interest at 3.90%	\$ 31,411
\$397,974, fiscal year 2021 Agreement issued the acquisition of school buses, maintenance vehicles and equipment due in annual principal installments of \$81,118 through December 15, 2024 interest at 1.659%.	<u>81,118</u>
Total	<u>\$ 112,529</u>

Other Financing Agreements

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

Other financing agreements at June 30, 2024 are comprised of the following:

\$614,104, Fiscal year 2021 Agreement for the purchase of MacBook Air's and Imac Computers for a term of 4 years due in annual principal installments of \$154,072 through July, 2024, interest free	\$ 154,072
\$250,545, Fiscal year 2024 Agreement for the purchase of MacBook's and Ipad's for a term of 4 years due in annual principal installments of \$62,636 to \$62,637 through July, 2024, interest free	<u>187,909</u>
	<u>\$ 341,981</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements (Continued)

Other Financing Agreements (Continued)

The maturity schedule of the remaining capital and other financing agreement payments for principal and interest is as follows:

Governmental Activities:

Fiscal Year Ended June 30,	<u>Capital Agreements</u>		<u>Other Agreements</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2025	\$ 112,529	\$ 2,596	\$ 216,708	\$ 331,833
2026			62,636	62,636
2027	-	-	62,637	62,637
	<u>\$ 112,529</u>	<u>\$ 2,596</u>	<u>\$ 341,981</u>	<u>\$ 457,106</u>

H. Long-Term Debt

General Obligation Bonds

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

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

\$30,445,000, 2015 Refunding Bonds, due in annual installments of \$1,660,000 to \$3,380,000 through July 15, 2032, interest at 2.5% to 5.0%	\$ 21,515,000
\$4,695,000, 2022 Refunding Bonds, due in annual installments of \$625,000 to \$675,000 through August 15, 2029, interest at 2.24%	<u>3,935,000</u>
	<u>\$ 25,450,000</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt (Continued)

General Obligation Bonds (Continued)

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

Governmental Activities:

Fiscal Year Ended June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 2,330,000	\$ 894,490	\$ 3,224,490
2026	2,635,000	810,176	3,445,176
2027	2,710,000	720,412	3,430,412
2028	2,790,000	627,172	3,417,172
2029	2,885,000	525,068	3,410,068
2030-2033	<u>12,100,000</u>	<u>1,001,900</u>	<u>13,101,900</u>
	<u>\$ 25,450,000</u>	<u>\$ 4,579,218</u>	<u>\$ 30,029,218</u>

Advance State Aid Payment

In June 2024, the Board entered into a loan agreement with the State of New Jersey in the amount of \$9,000,000 pursuant to N.J.S.A. 18A:7A-56 in the form of an advancement of state aid to provide funds to eliminate the unassigned budgetary fund deficit in the General Fund. The State aid advance loan is being repaid annually by the school district through automatic reductions in the State aid provided to the school district. The term of the loan repayment is ten (10) years which will begin in the 2025/2026 school year at a minimum amount of \$900,000 per year, but may be for a shorter term as determined by the State Treasurer. At any time during the term of the repayment the State Treasurer, in consultation with the Commissioner of Education, may determine to impose interest on the unpaid balance. The State Treasurer has not imposed interest during the 2023/2024 school year.

The Board's schedule of principal and interest for the State Aid Advance Loan outstanding is as follows:

Governmental Activities:

Fiscal Year Ending June 30,	<u>State Aid Advance Loan</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2026	\$ 900,000		\$ 900,000
2027	900,000		900,000
2028	900,000		900,000
2029	900,000		900,000
2030	900,000		900,000
2031-2035	<u>4,500,000</u>	<u>-</u>	<u>4,500,000</u>
Total	<u>\$ 9,000,000</u>	<u>\$ -</u>	<u>\$ 9,000,000</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt (Continued)

Statutory Borrowing Power

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

4% of Equalized Valuation Basis (Municipal)	\$ 189,076,332
Less: Net Debt Issued	<u>25,450,000</u>
Remaining Borrowing Power	<u>\$ 163,626,332</u>

I. 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 <u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2024</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 27,905,000		\$ 2,455,000	\$ 25,450,000	\$ 2,330,000
Add: Unamortized Premium	<u>1,106,293</u>	<u>-</u>	<u>165,597</u>	<u>940,696</u>	<u>-</u>
	29,011,293	-	2,620,597	26,390,696	2,330,000
Capital Lease	847,505	\$ 400,114	194,712	1,052,907	262,653
Capital Financing Agreements	222,532		110,003	112,529	112,529
Other Financing Agreements	307,325	250,545	215,889	341,981	216,708
State Aid Advance Loan Payable		9,000,000		9,000,000	
Net Pension Liability					
PERS - State of NJ	13,522,914		37,419	13,485,495	
Essex County	117,350	19,982		137,332	
Accrued Liability for Insurance Claims	1,321,000	16,368,818	15,934,818	1,755,000	
Compensated Absences Payable	<u>1,463,280</u>	<u>112,679</u>	<u>101,530</u>	<u>1,474,429</u>	<u>100,000</u>
Governmental Activity					
Long-Term Liabilities	<u>\$ 46,813,199</u>	<u>\$ 26,152,138</u>	<u>\$ 19,214,968</u>	<u>\$ 53,750,369</u>	<u>\$ 3,021,890</u>

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

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

J. Short-Term Debt

The Board's short-term activity for the fiscal year ended June 30, 2024 was as follows:

Loans Payable

The Board issued loans to temporarily finance the delayed state aid payment received subsequent to the fiscal year end. The Board's short-term debt activity for the fiscal year ended June 30, 2024 was as follows:

<u>Purpose</u>	<u>Rate</u> <u>%</u>	<u>Maturity</u> <u>Date</u>	<u>Balance,</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2024</u>
Delayed State Aid Loan	5%	9/1/2024	\$ -	\$ 361,785	\$ -	\$ 361,785

NOTE 5 OTHER INFORMATION

A. Risk Management

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

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

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

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

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

Estimates of claims payable and of claims incurred, but not reported (IBNR) at June 30, 2024, are reported as accrued liability for insurance claims. These estimates were determined based on claim information supplied by the actuary. The unpaid claims liability of \$2,265,000 reported at June 30, 2024 is based on the requirements of the Governmental Accounting Standards Board which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

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

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

Changes in the balances of claims liabilities for the health insurance plan for the fiscal years ended June 30, 2024 and 2023 are as follows:

Governmental Activities:	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023
Unpaid Claims, Beginning of Year	\$ 1,767,849	\$ 1,273,000
Incurred Claims	16,432,681	15,790,452
Claim Payments	<u>(15,934,818)</u>	<u>(15,295,603)</u>
Unpaid Claims, End of Year	<u>\$ 2,265,712</u>	<u>\$ 1,767,849</u>
General Fund:		
Claims and Judgements Payable	\$ 510,712	\$ 446,849
Long-Term Liabilities:		
Accrued Liability for Insurance Claims	<u>1,755,000</u>	<u>1,321,000</u>
	<u>\$ 2,265,712</u>	<u>\$ 1,767,849</u>

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

Fiscal Year Ended June 30,	Employee Contributions	Amount Reimbursed	Ending Balance
2024	\$ 88,422	\$ 69,100	\$ 399,019
2023	82,689	17,999	395,322
2022	200,232	34,819	390,635

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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

Teachers’ Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, 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.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement 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 PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. 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.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 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, 2024 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:

Fiscal Year Ended June 30,		PERS	On-Behalf TPAF	DCRP
2024	\$	1,244,358	\$ 12,285,463	\$ 10,943
2023		1,129,986	11,468,100	12,340
2022		1,101,766	11,896,440	10,459

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

NOTE 5 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 State contributed \$5,955, \$5,329 and \$5,535, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,600,795 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 both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense 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 \$13,485,495 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 .09310 percent, which was an increase of .00349 percent from its proportionate share measured as of June 30, 2022 of .08961 percent.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$241,000 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, 2023. 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:

	2023	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 128,939	\$ 55,124
Changes of Assumptions	29,625	817,279
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	62,102	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>516,196</u>	<u>546,651</u>
Total	<u>\$ 736,862</u>	<u>\$ 1,419,054</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	\$ (768,306)
2025	(438,425)
2026	514,489
2027	259
2028	9,791
Thereafter	<u>-</u>
	<u>\$ (682,192)</u>

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District’s total pension liability for the June 30, 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.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 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%

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 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>\$ 17,555,245</u>	<u>\$ 13,485,495</u>	<u>\$ 10,021,600</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.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense 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 more than the actuarial determined amount.

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

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$3,468,904 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 \$141,201,243. 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 .27669 percent, which was a decrease of .00827 percent from its proportionate share measured as of June 30, 2022 of .28496 percent.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 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.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 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.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 166,501,888</u>	<u>\$ 141,201,243</u>	<u>\$ 119,892,086</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 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.

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

Plan Description

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

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

Benefits Provided

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

Contributions

The Plan’s contractually required contribution rate for the fiscal year ended June 30, 2023 was 88.51% of covered payroll, actuarially determined as an amount that is expected to finance costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Plan provisions and contribution requirements are established by contractually required provision. District contributions to the Plan amounted to \$6,860 for fiscal year 2024.

At June 30, 2024, the District reported in the statement of net position (accrual basis) a liability of \$137,332 for its proportionate share of the ECPF net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2023, the District’s proportionate share was .43612 percent, which was an increase of .06322 percent from its proportionate share measured as of June 30, 2022 of .37290.

For the year ended June 30, 2024, the District recognized in the district wide statement of activities (accrual basis) a pension expense of \$6,344 for ECPF. At June 30, 2024, the District reported deferred outflows of resources related to ECPF from the following sources in the amount of \$22,712.

	<u>Deferred Outflows of Resources</u>
Net Difference Between Projected and Actual	
On Pension Plan Investments	\$ <u>22,712</u>

Actuarial Assumptions

The District’s total pension liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00%
Salary Increases	3.00%
Investment Rate of Return	5.00%
Cost-of-living adjustments	2.00%

- Mortality rates:
 - Active members, inactive members and healthy retirees:
110% of PubG-2010 mortality tables with MP-2018 mortality projection.
 - Disabled retirees:
110% of PubNS-2010 mortality tables with MP-2018 mortality projection.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

Long-Term Rate of Return

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target assets allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2023 and 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Real Rate of Return*</u>	
	<u>2023</u>	<u>2022</u>
U.S. Fixed Income	2.01%	0.70%
U.S. Domestic Equity	7.31%	6.70%

* Net of 2% inflation assumption.

Discount Rate

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

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2024	June 30, 2023	5.00%
2023	June 30, 2022	5.00%

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the ECPF net pension liability calculated using the discount rate of 5.00% as well as what the District's proportionate share of the ECPF net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.0 percent) or 1-percentage-point higher (6.0 percent) than the current rate:

	<u>Decrease (4.0%)</u>	<u>Discount Rate (5.0%)</u>	<u>Increase (6.0%)</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 210,232</u>	<u>\$ 137,332</u>	<u>\$ 74,301</u>

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

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

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

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

Plan Membership

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Measurement Focus and Basis of Accounting

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

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

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 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, 2022 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 2023.

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 \$3,343,653, \$3,012,642 and \$2,779,489, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense 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.

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$3,811,722. 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 \$138,686,607. 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 .26486 percent, which was an increase of .00108 percent from its proportionate share measured as of June 30, 2022 of .26378 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.

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% 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, 2023 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	\$ 133,594,771
Changes Recognized for the Fiscal Year:	
Service Cost	5,846,942
Interest on the Total OPEB Liability	4,884,373
Differences Between Expected and Actual Experience	(2,236,735)
Changes of Assumptions	279,535
Gross Benefit Payments	(3,807,448)
Contributions from the Member	125,169
Net Changes	5,091,836
Balance, June 30, 2023 Measurement Date	\$ 138,686,607

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.

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.65%, 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>\$ 162,586,237</u>	<u>\$ 138,686,607</u>	<u>\$ 119,497,978</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>\$ 115,131,265</u>	<u>\$ 138,686,607</u>	<u>\$ 169,508,832</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.

F. Tax Abatements

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

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

NOTE 6 RECENT HEALTHCARE DEVELOPMENTS

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION PART II

BUDGETARY COMPARISON SCHEDULES

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Taxes	\$ 62,216,171		\$ 62,216,171	\$ 62,216,171	
Tuition - Individuals			-	16,114	\$ 16,114
Rents and Royalties	898,410		898,410	309,237	(589,173)
Interest on Unemployment				3,697	3,697
Interest			-	91,376	91,376
Transfer from Other Funds	248,876		248,876		(248,876)
Fines and Forfeitures	227,725		227,725		(227,725)
Unrestricted Miscellaneous	1,336,033	-	1,336,033	243,674	(1,092,359)
Total Revenues - Local Sources	64,927,215	-	64,927,215	62,880,269	(2,046,946)
State Sources					
Equalization Aid	4,460,081		4,460,081	4,460,081	
Special Education Aid	4,290,620		4,290,620	4,290,620	
Security Aid	81,159		81,159	81,159	
Transportation Aid	588,055		588,055	588,055	
Extraordinary Aid	2,456,057		2,456,057	2,843,033	386,976
Advance State Aid Payment				9,000,000	9,000,000
Other State Aid				250,000	250,000
On-Behalf TPAF					
Normal Pension				12,146,934	12,146,934
NCGI Contribution				138,529	138,529
Long Term Disability Insurance				5,955	5,955
Post Retirement Contribution				3,343,653	3,343,653
Social Security Contributions	-	-	-	2,600,795	2,600,795
Total State Sources	11,875,972	-	11,875,972	39,748,814	27,872,842
Federal Sources					
Medicaid Reimbursement	101,218	-	101,218	120,214	18,996
Total Federal Sources	101,218	-	101,218	120,214	18,996
Total Revenues	76,904,405	-	76,904,405	102,749,297	25,844,892
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers:					
Kindergarten	1,501,977	(3,743)	1,498,234	1,498,234	-
Grades 1 - 5	8,038,818	(421,467)	7,617,351	7,769,503	(152,152)
Grades 6 - 8	5,011,494	(296,182)	4,715,312	4,712,519	2,793
Grades 9 - 12	7,611,827	26,063	7,637,890	7,569,554	68,336
Home Instruction:					
Salaries of Teachers	44,006	10,931	54,937	35,453	19,484
Purchased Professional-Educational Services	60,000	95,800	155,800	106,280	49,520
Other Objects	10,000	(10,000)			-
Regular Programs - Undistributed Instruction:					
Rentals		314,503	314,503	314,503	-
Other Purchased Services	50,000	(3,202)	46,798		46,798
General Supplies	1,655,125	(244,339)	1,410,786	1,277,641	133,145
General Supplies - Non-Budgeted				250,545	(250,545)
Textbooks	270,552	(70,789)	199,763	178,683	21,080
Other Objects	7,920	(1,339)	6,581	2,999	3,582
Total Regular Programs - Instruction	24,261,719	(603,764)	23,657,955	23,715,914	(57,959)
Special Education - Instruction					
Learning and/or Language Disabilities					
Salaries of Teachers	610,440	115,138	725,578	723,481	2,097
Other Salaries for Instruction	671,949	(68,546)	603,403	563,450	39,953
General Supplies	7,200	(356)	6,844	6,844	-
Other Objects	400	(400)	-	-	-
Total Learning and/or Language Disabilities	1,289,989	45,836	1,335,825	1,293,775	42,050
Resource Room/Resource Center					
Salaries of Teachers	3,921,979	(198,607)	3,723,372	3,723,047	325
General Supplies	20,000	(3,800)	16,200	15,940	260
Total Resource Room/Resource Center	3,941,979	(202,407)	3,739,572	3,738,987	585

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

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Special Education - Instruction (Continued)					
Autism					
Salaries of Teachers	\$ 821,020	\$ (57,520)	\$ 763,500	\$ 689,717	\$ 73,783
Other Salaries for Instruction	653,194	212,161	865,355	863,079	2,276
General Supplies	13,500	(5,794)	7,706	7,174	532
Other Objects	250	(250)	-	-	-
Total Autism	<u>1,487,964</u>	<u>148,597</u>	<u>1,636,561</u>	<u>1,559,970</u>	<u>76,591</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	67,180	128,142	195,322	195,142	180
Other Salaries for Instruction	194,697	(22,822)	171,875	171,736	139
General Supplies	10,500	(4,234)	6,266	5,472	794
Other Objects	-	-	-	-	-
Total Preschool Disabilities - Part-Time	<u>272,377</u>	<u>101,086</u>	<u>373,463</u>	<u>372,350</u>	<u>1,113</u>
Preschool Disabilities - Full-Time					
Salaries of Teachers	373,400	12,845	386,245	390,431	(4,186)
Other Salaries for Instruction	356,598	(26,379)	330,219	329,523	696
General Supplies	7,200	(5,028)	2,172	2,129	43
Total Preschool Disabilities - Full-Time	<u>737,198</u>	<u>(18,562)</u>	<u>718,636</u>	<u>722,083</u>	<u>(3,447)</u>
Total Special Education - Instruction	<u>7,729,507</u>	<u>74,550</u>	<u>7,804,057</u>	<u>7,687,165</u>	<u>116,892</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	502,460	113,777	616,237	616,237	-
General Supplies	2,000	(1,600)	400	337	63
Total Basic Skills/Remedial - Instruction	<u>504,460</u>	<u>112,177</u>	<u>616,637</u>	<u>616,574</u>	<u>63</u>
Bilingual Education - Instruction					
Salaries of Teachers	374,150	(12,760)	361,390	361,345	45
General Supplies	-	300	300	285	15
Total Bilingual Education - Instruction	<u>374,150</u>	<u>(12,460)</u>	<u>361,690</u>	<u>361,630</u>	<u>60</u>
School Sponsored Co/Extra Curricular Activities - Instruction					
Salaries of Teachers	190,636	34,591	225,227	278,166	(52,939)
Purchased Services	1,200	2,000	3,200	2,200	1,000
Supplies and Materials	16,500	(6,500)	10,000	9,833	167
Other Objects	14,500	-	14,500	13,314	1,186
Total School Sponsored Co/Extra Curricular Activities-Instr.	<u>222,836</u>	<u>30,091</u>	<u>252,927</u>	<u>303,513</u>	<u>(50,586)</u>
School Sponsored Athletics - Instruction					
Salaries	602,886	(36,700)	566,186	546,980	19,206
Purchased Services	97,315	14,609	111,924	108,359	3,565
Supplies and Materials	108,700	(4,492)	104,208	95,609	8,599
Other Objects	239,535	(40,502)	199,033	199,220	(187)
Total Athletics - Instruction	<u>1,048,436</u>	<u>(67,085)</u>	<u>981,351</u>	<u>950,168</u>	<u>31,183</u>
Before and After School Programs - Instruction					
Salaries	82,280	-	82,280	79,812	2,468
Supplies and Materials	20,000	(19,000)	1,000	-	1,000
Total Before and After School Programs	<u>102,280</u>	<u>(19,000)</u>	<u>83,280</u>	<u>79,812</u>	<u>3,468</u>
Total Instruction	<u>34,243,388</u>	<u>(485,491)</u>	<u>33,757,897</u>	<u>33,714,776</u>	<u>43,121</u>

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within State - Special		\$ 138,400	\$ 138,400	\$ 138,400	-
Tuition to County Vocational School District - Regular		17,733	17,733	17,733	-
Tuition to CSSD and Regional Day School	\$ 247,915	(83,935)	163,980	163,980	-
Tuition to PSD W/I State	6,357,656	960,671	7,318,327	7,243,448	\$ 74,879
Tuition - State Facilities	41,075	-	41,075	41,075	-
Total Instruction (Tuition)	6,646,646	1,032,869	7,679,515	7,604,636	74,879
Health Services					
Salaries	777,877	(35,646)	742,231	745,031	(2,800)
Purchased Professional and Technical Services	60,000	(13,538)	46,462	35,037	11,425
Supplies and Materials	45,000	(23,070)	21,930	22,229	(299)
Total Health Services	882,877	(72,254)	810,623	802,297	8,326
Other Supp. Svcs.-					
Speech, OT, PT and Related Services					
Salaries	830,040	(91,595)	738,445	737,058	1,387
Purchased Professional Educational Services	400,000	(400,000)	-	9,650	(9,650)
Supplies and Materials	10,500	(2,806)	7,694	7,694	-
Total Speech, OT, PT and Related Services	1,240,540	(494,401)	746,139	754,402	(8,263)
Other Supp. Svcs.-Extraord. Serv.					
Salaries	682,982	(88,835)	594,147	566,469	27,678
Purchased Professional-Educational Services	25,000	(23,702)	1,298	1,298	-
Supplies and Materials	25,000	(25,000)	-	-	-
Total Other Support Svcs.-Extraordinary Services	732,982	(137,537)	595,445	567,767	27,678
Other Supp. Svcs.-Guidance					
Salaries of Other Professional Staff	1,322,468	49,381	1,371,849	1,371,849	-
Salaries of Secretarial and Clerical Assistants	118,760	(4,308)	114,452	114,710	(258)
Purchased Professional-Educational Services	350,000	(100,359)	249,641	249,641	-
Other Purchased Services	1,600	(1,250)	350	350	-
Supplies and Materials	24,032	12,675	36,707	36,707	-
Total Other Support Services-Guidance	1,816,860	(43,861)	1,772,999	1,773,257	(258)
Other Supp. Svcs.-Child Study Teams					
Salaries of Other Professional Staff	1,869,727	455,644	2,325,371	2,325,371	-
Other Purchased Services	6,625	1,808	8,433	8,433	-
Supplies and Materials	16,082	(5,179)	10,903	10,903	-
Total Other Support Services-Child Study Teams	1,892,434	452,273	2,344,707	2,344,707	-
Improvement of Instruction					
Salaries of Other Professional Staff	27,555	(20,880)	6,675	6,675	-
Salaries of Secretarial and Clerical Assist.	153,872	-	153,872	153,872	-
Purchased Professional Educational Services	1,175	(1,175)	-	-	-
Other Purchased Professional and Technical Services		1,958	1,958	3,054	(1,096)
Other Purchased Services	2,850	(2,850)	-	-	-
Supplies and Materials	5,000	(3,274)	1,726	1,726	-
Other Objects	-	200	200	200	-
Total Improvement of Instruction	190,452	(26,021)	164,431	165,527	(1,096)
Educational Media Services/ School Library					
Salaries	705,960	(118,965)	586,995	586,995	-
Other Purchased Services	15,000	(3,816)	11,184	11,138	46
Supplies and Materials	78,205	78,845	157,050	157,050	-
Other Objects	5,000	(5,000)	-	-	-
Total Educational Media Services/ School Library	804,165	(48,936)	755,229	755,183	46
Instructional Staff Training Services					
Salaries of Other Professional Staff	1,750	(1,705)	45	45	-
Purchased Professional Educational Services	20,520	(1,725)	18,795	18,395	400
Other Purchased Services	12,000	(1,643)	10,357	9,837	520
Total Instructional Staff Training Services	34,270	(5,073)	29,197	28,277	920

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

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Support Services General Administration					
Salaries	\$ 753,461	\$ (49,175)	\$ 704,286	\$ 704,286	-
Salaries of State Monitors		-		11,136	\$ (11,136)
Legal Services	150,000	52,775	202,775	232,763	(29,988)
Audit Fees	50,000	66,550	116,550	128,753	(12,203)
Purchased Technical Services		4,902	4,902	4,902	-
Communications/Telephone	85,280	(6)	85,274	91,496	(6,222)
BOE Other Purchased Services	10,100	(2,454)	7,646	7,646	-
Miscellaneous Purchased Services		100	100	100	-
General Supplies	12,500	(5,187)	7,313	7,313	-
Judgments Against the School Entity		-	-	20,000	(20,000)
Miscellaneous Expenditures	11,750	(7,165)	4,585	4,585	-
BOE Membership Dues and Fees	29,150	245	29,395	29,395	-
Total Support Services General Administration	1,102,241	60,585	1,162,826	1,242,375	(79,549)
Support Services School Administration					
Salaries of Principals/Assistant Principals/Prog Dir	1,421,224	(30,411)	1,390,813	1,462,379	(71,566)
Salaries of Other Professional Staff	1,414,739	(43,922)	1,370,817	1,430,225	(59,408)
Salaries of Secretarial and Clerical Assistants	587,519	(16,023)	571,496	571,496	-
Other Purchased Services	225,500	64,068	289,568	289,568	-
Supplies and Materials	42,750	14,498	57,248	58,114	(866)
Other Objects	57,700	2,475	60,175	63,067	(2,892)
Total Support Services School Administration	3,749,432	(9,315)	3,740,117	3,874,849	(134,732)
Central Services					
Salaries	703,698	(44,878)	658,820	658,820	-
Purchased Professional Services	120,000	154,147	274,147	277,470	(3,323)
Miscellaneous Purchased Services	22,675	(17,483)	5,192	6,662	(1,470)
Supplies and Materials	9,000	356	9,356	9,356	-
Miscellaneous Expenditures	3,000	(285)	2,715	2,745	(30)
Total Undistributed Expenditures - Central Services	858,373	91,857	950,230	955,053	(4,823)
Admin. Info. Tech.					
Salaries	428,089	5,335	433,424	433,424	-
Supplies and Materials	9,000	(5,215)	3,785	3,785	-
Total Undistributed Expenditures - Admin. Info. Technology	437,089	120	437,209	437,209	-
Required Maintenance for School Facilities					
Salaries	531,523	(17,365)	514,158	514,158	-
Cleaning, Repair and Maintenance Services	371,000	54,078	425,078	395,112	29,966
General Supplies	303,000	242,071	545,071	560,888	(15,817)
Other Objects	3,000	(3,000)	-	-	-
Total Undistributed Expend.-Required Main for School Facilities	1,208,523	275,784	1,484,307	1,470,158	14,149
Custodial Services					
Salaries	2,084,972	(67,049)	2,017,923	2,030,625	(12,702)
Salaries of Non-Instructional Aides		-			-
Cleaning, Repair and Maintenance Services	110,000	(36,168)	73,832	73,832	-
Rental of Land & Bldg. Oth. Than Lease Purch. Agreement	177,500	70,657	248,157	251,057	(2,900)
Other Purchased Property Services		35,459	35,459	35,459	-
Insurance	400,000	(41,824)	358,176	470,029	(111,853)
Miscellaneous Purchased Services	7,500	5,379	12,879	12,719	160
General Supplies	72,000	(22,175)	49,825	49,825	-
Energy (Natural Gas)	205,200	(37,809)	167,391	331,814	(164,423)
Energy (Electricity)	712,500	70,000	782,500	966,666	(184,166)
Energy (Gasoline)	40,000	(22,566)	17,434	17,434	-
Other Objects	-	320	320	320	-
Total Undistributed Expenditures-Custodial Services	3,809,672	(45,776)	3,763,896	4,239,780	(475,884)

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

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Care & Upkeep of Grounds					
Salaries	\$ 406,125	\$ (69,020)	\$ 337,105	\$ 334,849	\$ 2,256
Cleaning, Repair, and Maintenance Services	45,000	(6,067)	38,933	38,540	393
General Supplies	25,000	(6,168)	18,832	18,832	-
Total Undistributed Expend.- Care & Upkeep of Grounds	476,125	(81,255)	394,870	392,221	2,649
Security					
Salaries	492,307	78,810	571,117	571,117	-
Purchased Professional and Technical Services	105,000	(76,049)	28,951	28,951	-
General Supplies	24,500	(16,889)	7,611	7,611	-
Total Undistributed Expenditures-Security	621,807	(14,128)	607,679	607,679	-
Student Transportation Services					
Salaries for Non Instructional Aides	15,000	(14,109)	891	-	891
Salaries for Pupil Trans (Bet Home & Sch)-Reg.	15,000	(43)	14,957	14,957	-
Salaries for Pupil Trans (Bet Home & Sch)-Sp Ed.	1,111,708	(28,000)	1,083,708	1,399,359	(315,651)
Salaries for Pupil Trans (Other Than Bet Home & Sch)	55,000	-	55,000	66,834	(11,834)
Other Purchased Professional and Technical Services		705	705	895	(190)
Cleaning, Repair and Maintenance Services	200,000	12,291	212,291	212,291	-
Lease Purchase Payments - School Buses	135,000	(55,334)	79,666	79,666	-
Contract. Serv. - Aid in Lieu Pymts-Charter Sch	4,000	(4,000)	-	-	-
Contr Serv(Oth. Than Bet Home & Sch)-Vend	30,000	(9,757)	20,243	20,243	-
Contr Serv(Special Education Stds.)-Vendors	525,000	27,953	552,953	774,247	(221,294)
Contr Serv(Special Education Stds.)-Joint Agreement		-	-	-	-
Miscellaneous Purch. Services- Transportation	37,000	(1,312)	35,688	35,674	14
General Supplies	66,500	30,189	96,689	96,582	107
Other Objects	5,000	2,652	7,652	7,822	(170)
Total Undist. Expend.-Student Transportation Services	2,199,208	(38,765)	2,160,443	2,708,570	(548,127)
Unallocated Employee Benefits					
Social Security Contributions	830,000	(4,484)	825,516	1,024,408	(198,892)
Other Retirement Contributions - PERS	1,203,644	40,714	1,244,358	1,244,358	-
Other Retirement Contributions - Regular	18,000	1,860	19,860	17,803	2,057
Unemployment Compensation	18,000	(18,000)	-	-	-
Workmens Compensation	250,000	-	250,000	278,332	(28,332)
Health Benefits	11,737,036	(165,658)	11,571,378	14,732,435	(3,161,057)
Tuition Reimbursements	46,000	17,909	63,909	63,909	-
Other Employee Benefits	455,000	66,268	521,268	525,650	(4,382)
Total Unallocated Employee Benefits	14,557,680	(61,391)	14,496,289	17,886,895	(3,390,606)
On-Behalf TPAF - Non Budget					
Pension System Contributions-Normal				12,146,934	(12,146,934)
NCGI Premium				138,529	(138,529)
Long Term Disability Insurance				5,955	(5,955)
Post Retirement Benefits				3,343,653	(3,343,653)
Social Security Contributions	-	-	-	2,600,795	(2,600,795)
Total TPAF Pension and Social Security Contributions	-	-	-	18,235,866	(18,235,866)
Total Undistributed Expenditures	43,261,376	834,775	44,096,151	66,846,708	(22,750,557)
Total Current Expenditures	77,504,764	349,284	77,854,048	100,561,484	(22,707,436)
CAPITAL OUTLAY					
Equipment					
School Buses	168,815	62,451	231,266	231,266	-
Facilities Acquisition and Construction Services					
Construction Services	66,520	(66,520)	-	-	-
Assessment for Debt Service on SDA Funding	88,649	-	88,649	88,649	-
Total - Capital Outlay Expenditures	323,984	(4,069)	319,915	319,915	-
Transfer of Funds to Charter Schools	84,010	-	84,010	68,746	15,264

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
Total Expenditures - General Fund	\$ 77,912,758	\$ 345,215	\$ 78,257,973	\$ 100,950,145	\$ (22,692,172)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(1,008,353)	(345,215)	(1,353,568)	1,799,152	3,152,720
Other Financing Sources (Uses)					
Proceeds from Other Financing Agreements				250,545	250,545
Transfer to Special Revenue Fund	(248,876)	54,446	(194,430)	(498,876)	304,446
Transfer to Food Service Enterprise Fund	-	-	-	(409,972)	409,972
Total Other Financing Sources	(248,876)	54,446	(194,430)	(658,303)	964,963
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other					
Financing Uses	(1,257,229)	(290,769)	(1,547,998)	1,140,849	4,117,683
Fund Balance, Beginning of Year	2,239,806	-	2,239,806	2,239,806	-
Fund Balance, End of Year	\$ 982,577	\$ (290,769)	\$ 691,808	\$ 3,380,655	\$ 2,688,847
Recapitulation of Fund Balance					
Restricted					
Capital Reserve				\$ 677,663	
Maintenance Reserve				634,682	
Unemployment Compensation Reserve				399,019	
Assigned					
Encumbrances				41,626	
Unassigned				<u>1,627,665</u>	
Fund Balance (Budgetary Basis)				3,380,655	
Reconciliation to Governmental Fund Statements (GAAP)					
2023/2024 State Aid Payments Not Recognized on a GAAP Basis				<u>(3,204,818)</u>	
Fund Balance per Governmental Funds (GAAP Basis)				<u>\$ 175,837</u>	

**NUTLEY BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 1,872,064	\$ 1,255,186	\$ 3,127,250	\$ 2,425,835	\$ (701,415)
Federal		2,546,014	2,546,014	2,010,658	(535,356)
Local Sources					
Miscellaneous	-	448,120	448,120	355,274	(92,846)
Total Revenues	1,872,064	4,249,320	6,121,384	4,791,767	(1,329,617)
EXPENDITURES					
Instruction					
Salaries of Teachers	447,620	555,646	1,003,266	841,627	161,639
Other Salaries for Instruction	215,585	87,188	302,773	214,670	88,103
Purchased Professional/Educational Services		563,256	563,256	401,115	162,141
Tuition		83,570	83,570	83,570	-
General Supplies		192,718	192,718	141,715	51,003
Textbooks		38,559	38,559	37,683	876
Other Objects		115,241	115,241	64,925	50,316
Student Activities and Athletics	-	276,522	276,522	276,522	-
Total Instruction	663,205	1,912,700	2,575,905	2,061,827	514,078
Support Services					
Salaries of Program Directors		18,700	18,700	450	18,250
Salaries of Supervisors of Instruction	136,099	-	136,099	130,865	5,234
Salaries of Other Professional Staff	154,860	-	154,860	24,309	130,551
Other Salaries	15,000	142,158	157,158	148,420	8,738
Salaries of Community Parent Involvement		4,000	4,000	4,000	-
Salaries of Master Teachers	95,500	-	95,500	95,500	-
Employee Benefits	240,380	218,961	459,341	349,370	109,971
Purchased Education Svcs - Contracted Pre-K	605,506	384,086	989,592	631,874	357,718
Other Purchased Professional Education Svcs	10,000	-	10,000	10,000	-
Purchased Professional/Educational Services		1,620,625	1,620,625	1,472,630	147,995
Other Purchased Services		32,761	32,761	26,621	6,140
Cleaning, Repairs and Maintenance	23,390	98,521	121,911	37,682	84,229
Rentals	36,000	(36,000)	-	-	-
Travel	1,000	21,203	22,203	9,260	12,943
Transportation		79,189	79,189	79,189	-
Supplies and Materials	40,000	13,192	53,192	44,433	8,759
Miscellaneous Expenditures - Scholarships	-	27,361	27,361	27,361	-
Total Support Services	1,357,735	2,624,757	3,982,492	3,091,964	890,528
Facilities Acquisition and Construction					
Building Improvements		-	-	96,499	(96,499)
Instructional Equipment	100,000	(38,137)	61,863	61,863	-
Right-to-Use Asset Acquired Under Capital Lease (Non-Budget)	-	-	-	400,114	(400,114)
Total Facilities Acquisition	100,000	(38,137)	61,863	558,476	(496,613)
Total Expenditures	2,120,940	4,499,320	6,620,260	5,712,267	907,993
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(248,876)	(250,000)	(498,876)	(920,500)	(421,624)
Other Financing Sources					
Transfer In	248,876	250,000	498,876	498,876	-
Proceeds from Capital Lease Agreement	-	-	-	400,114	400,114
Total Other Financing Sources	248,876	250,000	498,876	898,990	400,114
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources	-	-	-	(21,510)	(21,510)
Fund Balances, Beginning of Year	1,372,075	-	1,372,075	1,372,075	-
Fund Balances, End of Year	\$ 1,372,075	\$ -	\$ 1,372,075	\$ 1,350,565	\$ (21,510)

**NUTLEY 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 revenues (budgetary basis)	C-1 \$ 102,749,297	C-2 \$ 4,791,767
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Add: June 30, 2023 Encumbrances		51,167
Less: June 30, 2024 Encumbrances		(3,345)
State Aid payments recognized for GAAP Statements, not recognized for budgetary purposes.	3,480,106	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.	(3,204,818)	-
State Aid Advance recognized for budgetary purposes, not recognized for GAAP statements.	<u>(9,000,000)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	B-2 \$ <u>94,024,585</u>	B-2 \$ <u>4,839,589</u>
Uses/Outflows of Resources		
Actual expenditures (budgetary basis)	C-1 \$ 100,950,145	C-2 \$ 5,712,267
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Add: June 30, 2023 Encumbrances		51,167
Less: June 30, 2024 Encumbrances	<u>-</u>	<u>(3,345)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2 \$ <u>100,950,145</u>	B-2 \$ <u>5,760,089</u>

REQUIRED SUPPLEMENTARY INFORMATION PART III

PENSION AND OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

	<u>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)	0.09310%	0.08961%	0.09408%	0.09370%	0.09343%	0.09711%	0.09389%	0.09757%	0.09695%	0.09608%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 13,485,495	\$ 13,522,914	\$ 11,144,983	\$ 15,279,442	\$ 16,834,508	\$ 19,121,430	\$ 21,856,981	\$ 28,898,604	\$ 21,763,777	\$ 17,988,448
District's Covered-Employee Payroll	\$ 7,292,943	\$ 6,708,886	\$ 6,756,645	\$ 6,739,622	\$ 6,647,060	\$ 6,638,316	\$ 6,633,093	\$ 6,498,740	\$ 6,571,992	\$ 6,569,878
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	184.91%	201.57%	164.95%	226.71%	253.26%	288.05%	329.51%	444.68%	331.16%	273.80%
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%	47.93%	52.08%

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

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

	<u>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	\$ 1,244,358	\$ 1,129,986	\$ 1,101,766	\$ 1,024,993	\$ 908,795	\$ 965,979	\$ 869,826	\$ 866,833	\$ 833,527	\$ 792,054
Contributions in Relation to the Contractually Required Contributions	<u>1,244,358</u>	<u>1,129,986</u>	<u>1,101,766</u>	<u>1,024,993</u>	<u>908,795</u>	<u>965,979</u>	<u>869,826</u>	<u>866,833</u>	<u>833,527</u>	<u>792,054</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered- Employee Payroll	\$ 7,770,239	\$ 7,292,943	\$ 6,708,886	\$ 6,756,645	\$ 6,739,622	\$ 6,647,060	\$ 6,638,316	\$ 6,633,093	\$ 6,498,740	\$ 6,571,992
Contributions as a Percentage of Covered-Employee Payroll	16.01%	15.49%	16.42%	15.17%	13.48%	14.53%	13.10%	13.07%	12.83%	12.05%

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

	<u>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)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated With the District	<u>141,201,243</u>	<u>147,024,817</u>	<u>128,760,892</u>	<u>184,814,212</u>	<u>171,322,226</u>	<u>173,098,747</u>	<u>184,723,672</u>	<u>213,178,883</u>	<u>168,635,838</u>	<u>146,676,355</u>
Total	<u>\$ 141,201,243</u>	<u>\$ 147,024,817</u>	<u>\$ 128,760,892</u>	<u>\$ 184,814,212</u>	<u>\$ 171,322,226</u>	<u>\$ 173,098,747</u>	<u>\$ 184,723,672</u>	<u>\$ 213,178,883</u>	<u>\$ 168,635,838</u>	<u>\$ 146,676,355</u>
District's Covered-Employee Payroll	\$ 35,229,849	\$ 32,345,435	\$ 31,671,208	\$ 30,888,916	\$ 29,324,891	\$ 29,838,161	\$ 29,130,675	\$ 27,882,556	\$ 27,968,425	\$ 26,006,174
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

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

**NUTLEY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 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 5D.

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

Postemployment Health Benefit Plan

Last Seven Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
Service Cost	\$ 5,846,942	\$ 7,684,217	\$ 9,124,587	\$ 5,025,548	\$ 4,711,430	\$ 5,145,343	\$ 6,183,524
Interest on Total OPEB Liability	4,884,373	3,540,409	4,085,909	3,954,608	4,857,983	5,209,364	4,504,970
Changes of Benefit Terms			(167,647)				-
Differences Between Expected and Actual Experience	(2,236,735)	4,095,092	(31,865,186)	31,121,565	(20,910,038)	(12,645,671)	-
Changes of Assumptions	279,535	(35,837,996)	155,393	32,749,842	1,632,111	(14,049,762)	(18,751,543)
Gross Benefit Payments	(3,807,448)	(3,506,880)	(3,218,551)	(3,121,265)	(3,360,205)	(3,273,806)	(3,432,841)
Contribution from the Member	<u>125,169</u>	<u>112,502</u>	<u>104,457</u>	<u>94,605</u>	<u>99,606</u>	<u>113,148</u>	<u>126,406</u>
Net Change in Total OPEB Liability	5,091,836	(23,912,656)	(21,781,038)	69,824,903	(12,969,113)	(19,501,384)	(11,369,484)
Total OPEB Liability - Beginning of Year	<u>133,594,771</u>	<u>157,507,427</u>	<u>179,288,465</u>	<u>109,463,562</u>	<u>122,432,675</u>	<u>141,934,059</u>	<u>153,303,543</u>
Total OPEB Liability - End of Year	<u>\$ 138,686,607</u>	<u>\$ 133,594,771</u>	<u>\$ 157,507,427</u>	<u>\$ 179,288,465</u>	<u>\$ 109,463,562</u>	<u>\$ 122,432,675</u>	<u>\$ 141,934,059</u>
District's Proportionate Share of OPEB Liability	-	-	-	-	-	-	-
State's Proportionate Share of OPEB Liability	<u>\$ 138,686,607</u>	<u>\$ 133,594,771</u>	<u>\$ 157,507,427</u>	<u>\$ 179,288,465</u>	<u>\$ 109,463,562</u>	<u>\$ 122,432,675</u>	<u>\$ 141,934,059</u>
Total OPEB Liability - End of Year	<u>\$ 138,686,607</u>	<u>\$ 133,594,771</u>	<u>\$ 157,507,427</u>	<u>\$ 179,288,465</u>	<u>\$ 109,463,562</u>	<u>\$ 122,432,675</u>	<u>\$ 141,934,059</u>
District's Covered-Employee Payroll	<u>\$ 42,522,792</u>	<u>\$ 39,054,321</u>	<u>\$ 38,427,853</u>	<u>\$ 37,628,538</u>	<u>\$ 35,971,951</u>	<u>\$ 36,476,477</u>	<u>\$ 35,763,768</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>

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

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

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

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

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SPECIAL REVENUE FUND

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

	Page 2 Subtotal	Page 3 Subtotal	Page 4 Subtotal	Page 5 Subtotal	Total
REVENUES					
State Sources	\$ 1,933,175	\$ 492,660			\$ 2,425,835
Federal Sources	-		\$ 1,630,772	\$ 379,886	2,010,658
Other	355,274	-	-	-	355,274
Total Revenues	2,288,449	492,660	1,630,772	379,886	4,791,767
EXPENDITURES					
Instruction:					
Salaries of Teachers	494,001		229,498	118,128	841,627
Other Salaries for Instruction	160,451			54,219	214,670
Purchased Professional Educational Services	33,397	286,877	80,841		401,115
Tuition			-	83,570	83,570
General Supplies	68,828		47,597	25,290	141,715
Textbooks		37,683			37,683
Other Objects	64,925				64,925
Student Activities and Athletics	276,522	-	-	-	276,522
Total Instruction	1,098,124	324,560	357,936	281,207	2,061,827
Support Services					
Salaries of Program Directors			450		450
Salaries of Supervisors of Instruction	130,865				130,865
Salaries of Other Professional Staff	24,309				24,309
Other Salaries	28,914		70,798	48,708	148,420
Salaries of Community Parent Involvement Spec.	4,000				4,000
Salaries of Master Teachers	95,500				95,500
Employee Benefits	240,418		96,157	12,795	349,370
Purchased Education Svcs - Contracted Pre-K	631,874				631,874
Other Purchased Professional Education Services	10,000				10,000
Purchased Professional Educational Services	303,611	126,087	1,042,932	-	1,472,630
Other Purchased Services			26,621		26,621
Cleaning, Repairs and Maintenance	37,682		-		37,682
Rentals	-				-
Travel			9,260		9,260
Transportation		42,013	-	37,176	79,189
Supplies and Materials	29,678		14,755	-	44,433
Other Objects	-				-
Miscellaneous Expenditures - Scholarships	27,361	-	-	-	27,361
Total Support Services	1,564,212	168,100	1,260,973	98,679	3,091,964
Facilities Acquisition and Construction Services					
Building Improvements	96,499			-	96,499
Instructional Equipment	50,000		11,863	-	61,863
Capital Lease - Non-Budgeted	400,114	-	-	-	400,114
Total Facilities Acquisition	546,613	-	11,863	-	558,476
Total Expenditures	3,208,949	492,660	1,630,772	379,886	5,712,267
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(920,500)	-	-	-	(920,500)
Other Financing Sources					
Transfer In	498,876				498,876
Proceeds from Capital Lease Agreement	400,114	-	-	-	400,114
Total Other Financing Sources	898,990	-	-	-	898,990
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources	(21,510)	-	-	-	(21,510)
Fund Balances, Beginning of Year	1,372,075	-	-	-	1,372,075
Fund Balances, End of Year	1,350,565	-	-	-	1,350,565
Recapitulation of Fund Balance					
Student Activity					\$ 187,144
Scholarship Awards					1,163,421
					\$ 1,350,565

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

	<u>Preschool Education</u>	<u>SDA Emergent Capital Needs</u>	<u>Student Mental Health</u>	<u>Nonpublic Technology</u>	<u>Nonpublic Security</u>	<u>Other</u>	<u>Student Activities</u>	<u>Scholarships</u>	<u>Sub-Total</u>
REVENUES									
State Sources	\$ 1,669,654	\$ 111,249		\$ 32,497	\$ 119,775				\$ 1,933,175
Federal Sources									-
Other	-	-	-	-	-	\$ 72,901	\$ 253,438	\$ 28,935	355,274
Total Revenues	1,669,654	111,249	-	32,497	119,775	72,901	253,438	28,935	2,288,449
EXPENDITURES									
Instruction:									
Salaries of Teachers	489,627					4,374			494,001
Other Salaries for Instruction	160,451								160,451
Purchased Professional-Educational Services				32,497		900			33,397
General Supplies					66,164	2,664			68,828
Other Objects						64,925			64,925
Student Activities and Athletics	-	-	-	-	-	-	276,522	-	276,522
Total Instruction	650,078	-	-	32,497	66,164	72,863	276,522	-	1,098,124
Support Services									
Salaries of Program Directors	130,865								130,865
Salaries of Other Professional Staff	24,309								24,309
Other Salaries	28,914								28,914
Salaries of Community Parent Involvement Spec.	4,000								4,000
Salaries of Master Teachers	95,500								95,500
Personnel Services - Employee Benefits	240,380					38			240,418
Purchased Education Svcs - Contracted Pre-K	631,874								631,874
Other Purchased Professional Education Services	10,000								10,000
Purchased Professional Educational Services			\$ 250,000		53,611				303,611
Cleaning, Repairs and Maintenance	22,932	14,750							37,682
Rentals	-								-
Supplies and Materials	29,678								29,678
Miscellaneous Expenditures - Scholarships	-	-	-	-	-	-	-	27,361	27,361
Total Support Services	1,218,452	14,750	250,000	-	53,611	38	-	27,361	1,564,212
Facilities Acquisition and Construction Services									
Building Improvements		96,499							96,499
Instructional Equipment	50,000	-	-	-	-	-	-	-	50,000
Capital Lease - Non-Budgeted	400,114	-	-	-	-	-	-	-	400,114
Total Facilities Acquisition	450,114	96,499	-	-	-	-	-	-	546,613
Total Expenditures	2,318,644	111,249	250,000	32,497	119,775	72,901	276,522	27,361	3,208,949
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(648,990)	-	(250,000)	-	-	-	(23,084)	1,574	(920,500)
Other Financing Sources									
Transfers In	248,876		250,000						498,876
Proceeds from Capital Lease Agreement	400,114	-	-	-	-	-	-	-	400,114
Total Other Financing Sources	648,990	-	250,000	-	-	-	-	-	898,990
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources	-	-	-	-	-	-	(23,084)	1,574	(21,510)
Fund Balances, Beginning of Year	-	-	-	-	-	-	210,228	1,161,847	1,372,075
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 187,144	\$ 1,163,421	\$ 1,350,565

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

	<u>N.J. Nonpublic Auxiliary</u>				<u>NJ Nonpublic Handicapped</u>			<u>Nonpublic</u>	<u>Sub-Total</u>
	<u>Nonpublic</u>	<u>Compensatory</u>	<u>ESL</u>	<u>Transportation</u>	<u>Supplemental</u>	<u>Examination/</u>	<u>Corrective</u>	<u>Nursing</u>	
	<u>Textbooks</u>	<u>Education</u>			<u>Instruction</u>	<u>Classification</u>	<u>Speech</u>		
REVENUES									
State Sources	\$ 37,683	\$ 220,482	\$ 9,156	\$ 42,013	\$ 34,361	\$ 46,268	\$ 22,878	\$ 79,819	\$ 492,660
Federal Sources									-
Other	-	-	-	-	-	-	-	-	-
Total Revenues	<u>37,683</u>	<u>220,482</u>	<u>9,156</u>	<u>42,013</u>	<u>34,361</u>	<u>46,268</u>	<u>22,878</u>	<u>79,819</u>	<u>492,660</u>
EXPENDITURES									
Instruction:									
Purchased Professional Educational Services		220,482	9,156		34,361		22,878		286,877
Textbooks	<u>37,683</u>	-	-	-	-	-	-	-	<u>37,683</u>
Total Instruction	<u>37,683</u>	<u>220,482</u>	<u>9,156</u>	-	<u>34,361</u>	-	<u>22,878</u>	-	<u>324,560</u>
Support Services									
Purchased Professional Educational Services	-	-	-	-	-	46,268		79,819	126,087
Transportation				42,013					42,013
Supplies and Materials	-	-	-	-	-	-	-	-	-
Total Support Services	-	-	-	<u>42,013</u>	-	<u>46,268</u>	-	<u>79,819</u>	<u>168,100</u>
Facilities Acquisition and Instructional Equipment	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition									
Total Expenditures	<u>37,683</u>	<u>220,482</u>	<u>9,156</u>	<u>42,013</u>	<u>34,361</u>	<u>46,268</u>	<u>22,878</u>	<u>79,819</u>	<u>492,660</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Title I	Title II A	Title III	Title III Immigrant	Title IV	Perkins Vocational Education	IDEA B Basic	ARP IDEA Basic	ARP IDEA Preschool	IDEA Preschool	Sub-Total
REVENUES											
State Sources											
Federal Sources	\$ 380,705	\$ 79,214	\$ 10,686	\$ 426	\$ 31,310	\$ 23,635	\$ 1,024,181	\$ 15,671	\$ 17,740	\$ 47,204	\$ 1,630,772
Other	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	380,705	79,214	10,686	426	31,310	23,635	1,024,181	15,671	17,740	47,204	1,630,772
EXPENDITURES											
Instruction:											
Salaries of Teachers	226,023		1,700			1,775					229,498
Purchased Professional Educational Services						8,592		7,305	17,740	47,204	80,841
Tuition											-
General Supplies	18,557	-	524	-	4,722	405	23,389	-	-	-	47,597
Total Instruction	244,580	-	2,224	-	4,722	10,772	23,389	7,305	17,740	47,204	357,936
Support Services											
Salaries of Program Directors			450								450
Other Salaries	41,150	16,848			12,800						70,798
Employee Benefits	94,975		1,182								96,157
Purchased Professional Educational Services		40,953			3,500	1,000	989,113	8,366			1,042,932
Other Purchased Services		12,153	6,830		7,638						26,621
Cleaning, Repairs and Maintenance											-
Travel		9,260									9,260
Transportation								-	-	-	-
Supplies and Materials				426	2,650		11,679				14,755
Other Objects	-	-	-	-	-	-	-	-	-	-	-
Total Support Services	136,125	79,214	8,462	426	26,588	1,000	1,000,792	8,366	-	-	1,260,973
Facilities Acquisition and Construction Services											
Instructional Equipment	-	-	-	-	-	11,863	-	-	-	-	11,863
Total Facilities Acquisition	-	-	-	-	-	11,863	-	-	-	-	11,863
Total Expenditures	380,705	79,214	10,686	426	31,310	23,635	1,024,181	15,671	17,740	47,204	1,630,772
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	High Impact Tutoring	ACSERS	ESSER II		ARP			Sub-Total
			Learning Acceleration	Mental Health	ESSER	Evidence Based Summer Learning	Mental Health	
REVENUES								
State Sources								
Federal Sources	\$ 121,349	\$ 223,465	\$ 10,096	\$ 510	\$ 21,734	\$ 2,524	\$ 208	\$ 379,886
Other	-	-	-	-	-	-	-	-
Total Revenues	121,349	223,465	10,096	510	21,734	2,524	208	379,886
EXPENDITURES								
Instruction:								
Salaries of Teachers	91,980		4,414		21,734			118,128
Other Salaries for Instruction		54,219						54,219
Purchased Professional Educational Services								-
Tuition		83,570						83,570
Other Purchased Services								-
General Supplies	25,290							25,290
Textbooks								-
Other Objects	-	-	-	-	-	-	-	-
Total Instruction	117,270	137,789	4,414	-	21,734	-	-	281,207
Support Services								
Salaries of Program Directors								-
Other Salaries		48,500					208	48,708
Employee Benefits	4,079		5,682	510		2,524		12,795
Purchased Professional Educational Services								-
Other Purchased Services								-
Cleaning, Repairs and Maintenance								-
Travel								-
Transportation		37,176						37,176
Supplies and Materials								-
Other Objects	-	-	-	-	-	-	-	-
Total Support Services	4,079	85,676	5,682	510	-	2,524	208	98,679
Facilities Acquisition and Construction Services								
Building Improvements	-							-
Instructional Equipment								-
Non-Instructional Equipment	-	-	-	-	-	-	-	-
Total Facilities Acquisition	-	-	-	-	-	-	-	-
Total Expenditures	121,349	223,465	10,096	510	21,734	2,524	208	379,886
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**NUTLEY BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF EXPENDITURES - PRESCHOOL EDUCATION AID
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	\$ 447,620	\$ 20,650	\$ 468,270	\$ 489,627	\$ (21,357)
Other Salaries for Instruction	215,585	32,969	248,554	160,451	88,103
Total Instruction	663,205	53,619	716,824	650,078	66,746
Support Services					
Salaries of Program Directors	136,099	-	136,099	130,865	5,234
Salaries of Other Professional Staff	154,860	-	154,860	24,309	130,551
Other Salaries	15,000	13,914	28,914	28,914	
Salaries of Community Parent Involvement Specialists		4,000	4,000	4,000	
Salaries of Master Teachers	95,500	-	95,500	95,500	-
Personnel Services - Employee Benefits	240,380	-	240,380	240,380	-
Purchased Education Services - Contracted Pre-K	605,506	384,086	989,592	631,874	357,718
Other Purchased Professional Ed. Services	10,000	-	10,000	10,000	
Cleaning, Repair and Maintenance Svcs	23,390	-	23,390	22,932	458
Rentals	36,000	(36,000)		-	-
Travel	1,000	-	1,000		1,000
Supplies and Materials	40,000	(10,000)	30,000	29,678	322
Total Support Services	1,357,735	356,000	1,713,735	1,218,452	495,283
Facilities Acquisition and Construction					
Instructional Equipment	100,000	(50,000)	50,000	50,000	-
Total Facilities Acquisition and Construction	100,000	(50,000)	50,000	50,000	-
Total Expenditures	\$ 2,120,940	\$ 359,619	\$ 2,480,559	\$ 1,918,530	\$ 562,029

Calculation of Budget Carryover

Total 2023-2024 Preschool Education Aid Allocation	\$ 1,872,064
Add Actual Preschool Education Carryover (June 30, 2023)	359,619
Add: Budgeted Transfer from General Fund	248,876
Total Preschool Education Aid Funds Available for 2023-2024 Budget	2,480,559
Less: 2023-2024 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	2,480,559
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2024	-
Add: June 30, 2024 Unexpended Preschool Education Aid	562,029
2023-2024 Carryover - Preschool Education Aid /Preschool Programs	\$ 562,029
2023-2024 Preschool Education Aid Carryover Budgeted in 2024-2025	\$ -

CAPITAL PROJECTS FUND

**NUTLEY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Project Description</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2024</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Nutley High School Oval Project	\$ 1,930,000	\$ 1,906,096		\$ 23,904
Yantacaw School Secure Entrance	1,225,271	1,171,711	\$ 61,891	(8,331)
Nutley High School Media Center	1,397,265	196,546	1,357,483	(156,764)
John Walker Middle School Parking Lot	376,556	364,405		12,151
District Wide Capital Projects	<u>700,000</u>	<u>-</u>	<u>699,839</u>	<u>161</u>
	<u>\$ 5,629,092</u>	<u>\$ 3,638,758</u>	<u>\$ 2,119,213</u>	<u>\$ (128,879)</u>
Project Balances, June 30, 2024				\$ (128,879)
Interest on Capital Financing Agreement				402
Cancelled SDA Grant				<u>(12,804)</u>
Fund Balance, June 30, 2024				<u>\$ (141,281)</u>
Recapitulation of Fund Balance				
Restricted for Capital Projects				
Restricted for Capital Financing Agreement				\$ 402
Available for Capital Projects				<u>(141,683)</u>
Total Fund Balance - Restricted for Capital Projects				<u>\$ (141,281)</u>

NUTLEY BOARD OF EDUCATION
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Revenues and Other Financing Sources

Township Contribution	\$ <u>700,000</u>
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Total Revenues and Other Financing Sources	<u>700,000</u>
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Expenditures and Other Financing Uses

Construction Services	<u>2,119,213</u>
-----------------------	------------------

Total Expenditures and Other Financing Uses	<u>2,119,213</u>
---	------------------

Excess of Expenditures and Other Financing Uses Over Revenues and Other Financing Sources	(1,419,213)
--	-------------

Fund Balance, Beginning of Year	<u>1,277,932</u>
---------------------------------	------------------

Fund Balance, End of Year	<u>\$ (141,281)</u>
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NUTLEY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
NUTLEY HIGH SCHOOL OVAL PROJECT
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 1,930,000	-	\$ 1,930,000	\$ 1,930,000
 Total Revenues and Other Financing Sources	 1,930,000	 -	 1,930,000	 1,930,000
 Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	72,427		72,427	80,000
Acquisition of Equipment	42,616		42,616	42,616
Construction Services	1,791,053	-	1,791,053	1,807,384
 Total Expenditures and Other Financing Uses	 1,906,096	 -	 1,906,096	 1,930,000
 Excess (Deficiency) of Revenues over (under) Expenditures	 \$ 23,904	 \$ -	 \$ 23,904	 \$ -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	N/A
Original Authorized Cost	\$ 300,000
Revised Authorized Cost	\$ 1,930,000

NUTLEY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
YANTACAW SCHOOL SECURE ENTRANCE
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 1,225,271	\$ -	\$ 1,225,271	\$ 1,225,271
Total Revenues and Other Financing Sources	<u>1,225,271</u>	<u>-</u>	<u>1,225,271</u>	<u>1,225,271</u>
Expenditures and Other Financing Uses				
Construction Services	<u>1,171,711</u>	<u>61,891</u>	<u>1,233,602</u>	<u>1,225,271</u>
Total Expenditures and Other Financing Uses	<u>1,171,711</u>	<u>61,891</u>	<u>1,233,602</u>	<u>1,225,271</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 53,560</u>	<u>\$ (61,891)</u>	<u>\$ (8,331)</u>	<u>\$ -</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	N/A
Original Authorized Cost	\$ 600,000
Revised Authorized Cost	\$ 1,225,271

NUTLEY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
NUTLEY HIGH SCHOOL MEDIA CENTER
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 1,397,265	\$ -	\$ 1,397,265	\$ 1,397,265
Total Revenues and Other Financing Sources	<u>1,397,265</u>	<u>-</u>	<u>1,397,265</u>	<u>1,397,265</u>
Expenditures and Other Financing Uses				
Construction Services	<u>196,546</u>	<u>1,357,483</u>	<u>1,554,029</u>	<u>1,397,265</u>
Total Expenditures and Other Financing Uses	<u>196,546</u>	<u>1,357,483</u>	<u>1,554,029</u>	<u>1,397,265</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 1,200,719</u>	<u>\$ (1,357,483)</u>	<u>\$ (156,764)</u>	<u>\$ -</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	N/A
Original Authorized Cost	\$ 200,000
Revised Authorized Cost	\$ 1,397,265

NUTLEY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
PARKING LOT - JOHN WALKER MIDDLE SCHOOL
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 376,556	\$ -	\$ 376,556	\$ 376,556
Total Revenues and Other Financing Sources	<u>376,556</u>	<u>-</u>	<u>376,556</u>	<u>376,556</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	35,644		35,644	47,795
Acquisition of Property	<u>328,761</u>	<u>-</u>	<u>328,761</u>	<u>328,761</u>
Total Expenditures and Other Financing Uses	<u>364,405</u>	<u>-</u>	<u>364,405</u>	<u>376,556</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 12,151</u>	<u>\$ -</u>	<u>\$ 12,151</u>	<u>\$ -</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	N/A
Original Authorized Cost	\$ 1,000,000
Revised Authorized Cost	\$ 376,556

NUTLEY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
DISTRICT WIDE CAPITAL PROJECTS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenues and Other Financing Sources				
Township Contribution	\$ -	\$ 700,000	\$ 700,000	\$ 700,000
Total Revenues and Other Financing Sources	-	700,000	700,000	700,000
Expenditures and Other Financing Uses				
Construction Services	-	699,839	699,839	700,000
Total Expenditures and Other Financing Uses	-	699,839	699,839	700,000
Excess (Deficiency) of Revenues over (under) Expenditures	\$ -	\$ 161	\$ 161	\$ -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	N/A
Original Authorized Cost	\$ 700,000
Revised Authorized Cost	\$ 700,000

PROPRIETARY FUND

EXHIBIT G-1

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

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**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Annual Date</u>	<u>Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2023</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance June 30, 2024</u>
Series 2013 Refunding Bonds	1/03/2013	1,860,000				\$ 185,000		\$ 185,000	
Series 2015 Refunding Bonds	4/8/2015	30,445,000	7/15/24	1,660,000	2.75-5.00 %				
			7/15/25	1,960,000	3.00-5.00				
			7/15/26	2,040,000	3.50				
			7/15/27	2,135,000	4.00				
			7/15/28	2,245,000	4.00				
			7/15/29	2,360,000	4.00				
			7/15/30	2,475,000	4.00				
			7/15/31	3,260,000	4.00				
			7/15/32	3,380,000	4.00	23,095,000	-	1,580,000	\$ 21,515,000
Series 2022 Refunding Bonds	5/17/2022	4,695,000	8/15/24	670,000	2.24				
			8/15/25	675,000	2.24				
			8/15/26	670,000	2.24				
			8/15/27	655,000	2.24				
			8/15/28	640,000	2.24				
			8/15/29	625,000	2.24	4,625,000	\$ -	690,000	3,935,000
						<u>\$ 27,905,000</u>	<u>\$ -</u>	<u>\$ 2,455,000</u>	<u>\$ 25,450,000</u>

**NUTLEY BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Issue</u>	<u>Balance, July 1, 2023</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance, June 30, 2024</u>
<u>Capital Financing Agreements</u>					
School Buses (2)	\$ 155,563	\$ 61,620		\$ 30,209	\$ 31,411
School Buses (3) and Maint. Vehicles and Equipment	397,974	<u>160,912</u>	<u>-</u>	<u>79,794</u>	<u>81,118</u>
		<u>222,532</u>	<u>-</u>	<u>110,003</u>	<u>112,529</u>
<u>Other Financing Agreements</u>					
Apple MacBooks and Ipads	250,545		\$ 250,545	62,636	187,909
Apple MacBooks and IMacs	614,104	<u>307,325</u>	<u>-</u>	<u>153,253</u>	<u>154,072</u>
		<u>307,325</u>	<u>250,545</u>	<u>215,889</u>	<u>341,981</u>
		<u>\$ 529,857</u>	<u>\$ 250,545</u>	<u>\$ 325,892</u>	<u>\$ 454,510</u>

NUTLEY 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					
Property Taxes	\$ 2,604,638		\$ 2,604,638	\$ 2,604,638	
State Sources					
Debt Service Aid	<u>833,375</u>	<u>-</u>	<u>833,375</u>	<u>833,375</u>	<u>-</u>
Total Revenues	<u>3,438,013</u>	<u>-</u>	<u>3,438,013</u>	<u>3,438,013</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Principal	2,604,639	-	2,604,639	2,455,000	\$ 149,639
Interest	<u>833,375</u>	<u>-</u>	<u>833,375</u>	<u>969,053</u>	<u>(135,678)</u>
Total Expenditures	<u>3,438,014</u>	<u>-</u>	<u>3,438,014</u>	<u>3,424,053</u>	<u>13,961</u>
Excess (Deficit) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>13,960</u>	<u>13,961</u>
Excess (Deficit) of Revenues Over (Under) Expenditures And other Financing Sources (Uses)	(1)	-	(1)	13,960	13,961
Fund Balance, Beginning of Year	<u>1</u>	<u>-</u>	<u>1</u>	<u>26,915</u>	<u>26,914</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,875</u>	<u>\$ 40,875</u>

EXHIBIT I-4

NUTLEY BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED
INFORMATION TECHNOLOGY ARRANGEMENTS
FOR THE FISCAL YEAR JUNE 30, 2024

NOT APPLICABLE

EXHIBIT I-5

LONG-TERM DEBT
SCHEDULE OF CAPITAL LEASE PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Description</u>	<u>Date of Lease</u>	<u>Amount of Issue</u>	<u>Annual Payments</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2023</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2024</u>
			<u>Year</u>	<u>Amount</u>					
Lease - 371 Franklin Avenue	10/20/2022	\$ 928,424	2024/2025	178,915	5.09 %				
			2025/2026	190,697					
			2026/2027	203,119					
			2027/2028	107,035					
						\$ 847,505		\$ 167,739	\$ 679,766
Lease - St. Paul's Church	7/1/2023	400,114	2024/2025	83,738	4.89 %				
			2025/2026	89,873					
			2026/2027	96,348					
			2027/2028	103,182					
						-	\$ 400,114	26,973	373,141
						<u>\$ 847,505</u>	<u>\$ 400,114</u>	<u>\$ 194,712</u>	<u>\$ 1,052,907</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	As of June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net Investment In Capital Assets	\$ 18,540,094	\$ 19,313,537	\$ 20,801,024	\$ 20,707,017	\$ 22,071,442	\$ 23,328,725	\$ 25,042,001	\$ 26,479,892	\$ 28,720,886	\$ 31,511,914
Restricted	3,492,729	4,864,909	5,012,012	5,060,927	3,394,063	5,202,669	5,508,604	5,353,951	3,093,542	3,138,859
Unrestricted	(16,363,514)	(16,909,567)	(20,671,996)	(21,503,149)	(20,654,477)	(19,732,367)	(21,987,483)	(18,679,423)	(20,954,518)	(28,986,513)
Total Governmental Activities Net Position	\$ 5,669,309	\$ 7,268,879	\$ 5,141,040	\$ 4,264,795	\$ 4,811,028	\$ 8,799,027	\$ 8,563,122	\$ 13,154,420	\$ 10,859,910	\$ 5,664,260
Business-Type Activities										
Investment In Capital Assets	\$ 98,186	\$ 90,147	\$ 77,694	\$ 109,349	\$ 97,257	\$ 72,493	\$ 103,023	\$ 395,250	\$ 415,662	\$ 374,711
Unrestricted	786,662	1,038,986	1,241,168	1,417,498	1,270,929	825,345	936,602	908,272	120,164	259,713
Total Business-Type Activities Net Position	\$ 884,848	\$ 1,129,133	\$ 1,318,862	\$ 1,526,847	\$ 1,368,186	\$ 897,838	\$ 1,039,625	\$ 1,303,522	\$ 535,826	\$ 634,424
District-Wide										
Net Investment In Capital Assets	\$ 18,638,280	\$ 19,403,684	\$ 20,878,718	\$ 20,816,366	\$ 22,168,699	\$ 23,401,218	\$ 25,145,024	\$ 26,875,142	\$ 29,136,548	\$ 31,886,625
Restricted	3,492,729	4,864,909	5,012,012	5,060,927	3,394,063	5,202,669	5,508,604	5,353,951	3,093,542	3,138,859
Unrestricted	(15,576,852)	(15,870,581)	(19,430,828)	(20,085,651)	(19,383,548)	(18,907,022)	(21,050,881)	(17,771,151)	(20,834,354)	(28,726,800)
Total District Net Position	\$ 6,554,157	\$ 8,398,012	\$ 6,459,902	\$ 5,791,642	\$ 6,179,214	\$ 9,696,865	\$ 9,602,747	\$ 14,457,942	\$ 11,395,736	\$ 6,298,684

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

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

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

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 33,504,690	\$ 34,587,775	\$ 39,615,017	\$ 39,630,862	\$ 36,846,477	\$ 36,022,418	\$ 42,044,190	\$ 36,431,664	\$ 38,348,261	\$ 38,701,444
Special Education	12,894,166	12,965,002	14,753,414	16,024,335	15,955,511	16,067,749	18,282,125	17,381,210	18,491,397	19,864,039
Other Instruction	1,411,766	1,598,362	1,845,551	1,891,637	1,587,816	1,556,551	1,783,365	1,664,833	1,747,349	2,050,166
School Sponsored Activities And Athletics	1,666,089	1,777,672	1,853,132	1,934,689	1,962,757	1,860,377	1,922,767	1,942,315	1,927,134	2,041,918
Community Services	14,725	8,178	10,053	10,711	5,262	4,543	3,677	308,030		
Support Services										
Student And Instruction Related Services	8,502,186	9,071,293	10,525,535	10,983,302	10,760,509	11,057,920	12,146,861	11,647,484	12,288,317	13,609,215
General Administration	2,177,346	2,038,030	2,255,573	2,451,486	2,155,337	2,194,904	2,542,798	2,177,548	2,075,164	1,685,615
School Administrative Services	4,639,417	5,013,306	5,732,435	5,860,531	5,279,558	5,121,879	6,081,401	5,221,639	4,892,923	5,642,588
Plant Operations And Maintenance	5,647,257	5,807,656	6,513,129	7,453,672	6,973,333	6,271,313	7,703,075	7,155,029	8,687,963	9,110,736
Pupil Transportation	2,499,702	2,463,922	2,441,456	2,843,524	2,679,826	2,643,556	1,988,017	2,862,647	3,283,721	3,411,689
Business Services	1,436,409	1,650,848	1,796,514	1,772,934	1,669,012	1,450,238	1,905,005	1,605,939	1,790,564	2,218,196
Interest On Long-Term Debt	1,843,704	1,678,057	1,633,618	1,559,545	1,487,793	1,413,201	1,353,072	1,297,457	1,158,745	1,103,769
Total Governmental Activities Expenses	76,237,457	78,660,101	88,975,427	92,417,228	87,363,191	85,664,649	97,756,353	89,695,795	94,691,538	99,439,375
Business-Type Activities:										
Food Service	846,273	916,514	988,220	940,782	1,112,733	895,514	764,528	1,486,129	1,819,888	1,835,012
Extended Day	836,125	854,554	940,362	899,588	1,057,490	1,102,030	158,591	730,825	1,422,062	1,122,065
Athletic Camps	-	-	3,189	590	-	-	-	-	-	-
Total Business-Type Activities Expense	1,682,398	1,771,068	1,931,771	1,840,960	2,170,223	1,997,544	923,119	2,216,954	3,241,950	2,957,077
Total District Expenses	\$ 77,919,855	\$ 80,431,169	\$ 90,907,198	\$ 94,258,188	\$ 89,533,414	\$ 87,662,193	\$ 98,679,472	\$ 91,912,749	\$ 97,933,488	\$ 102,396,452
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 242,148	\$ 153,876	\$ 143,067	\$ 132,071	\$ 148,273	\$ 99,158	\$ 58,890	\$ 71,545	\$ 7,892	\$ 16,114
School Sponsored Activities							137,226	199,875	229,895	253,438
Other	44,970	9,100	10,000							309,237
Operating Grants And Contributions	16,734,781	19,664,224	25,544,164	28,962,962	23,778,116	21,064,189	30,145,758	24,477,442	22,519,332	22,447,984
Capital Grants And Contributions					275,552		11,870	393,948	317,447	907,941
Total Governmental Activities Program Revenues	17,021,899	19,827,200	25,697,231	29,095,033	24,201,941	21,163,347	30,353,744	25,142,810	23,074,566	23,934,714
Business-Type Activities:										
Charges For Services:										
Food Service	761,257	741,578	788,858	678,410	732,606	632,133	36,766	221,323	1,017,137	1,015,522
Extended Day	891,490	1,016,495	1,067,012	1,126,078	1,036,410	629,092		774,635	968,983	1,174,562
Athletic Camps	1,700									
Operating Grants And Contributions	230,530	257,066	265,290	241,031	226,275	272,525	1,030,712	1,483,865	463,705	440,592
Total Business Type Activities Program Revenues	1,884,977	2,015,139	2,121,160	2,045,519	1,995,291	1,533,750	1,067,478	2,479,823	2,449,825	2,630,676
Total District Program Revenues	\$ 18,906,876	\$ 21,842,339	\$ 27,818,391	\$ 31,140,552	\$ 26,197,232	\$ 22,697,097	\$ 31,421,222	\$ 27,622,633	\$ 25,524,391	\$ 26,565,390

NUTLEY 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	\$ (59,215,558)	\$ (58,832,901)	\$ (63,278,196)	\$ (63,322,195)	\$ (63,161,250)	\$ (64,501,302)	\$ (67,402,609)	\$ (64,552,985)	\$ (71,616,972)	\$ (75,504,661)
Business-Type Activities	202,579	244,071	189,389	204,559	(174,932)	(463,794)	144,359	262,869	(792,125)	(326,401)
Total District-Wide Net Expense	<u>\$ (59,012,979)</u>	<u>\$ (58,588,830)</u>	<u>\$ (63,088,807)</u>	<u>\$ (63,117,636)</u>	<u>\$ (63,336,182)</u>	<u>\$ (64,965,096)</u>	<u>\$ (67,258,250)</u>	<u>\$ (64,290,116)</u>	<u>\$ (72,409,097)</u>	<u>\$ (75,831,062)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 53,867,824	\$ 54,765,838	\$ 55,912,921	\$ 56,905,643	\$ 57,983,872	\$ 60,449,059	\$ 61,862,619	\$ 62,451,195	\$ 63,623,669	\$ 64,820,809
State Aid Unrestricted	4,421,065	4,436,197	4,454,961	4,579,410	4,499,607	4,840,795	4,882,351	4,875,860	4,481,786	4,726,052
Restricted Grants And Contributions	822,251	821,929	724,855	783,837	792,590	800,920	807,841	817,777	823,853	833,375
Miscellaneous Income	391,327	435,680	400,478	492,651	431,414	482,061	162,785	999,451	393,154	338,747
Loss on Disposal of Capital Assets	(22,215)	(27,173)	(52,079)							
Transfers										(409,972)
Total Governmental Activities	<u>59,480,252</u>	<u>60,432,471</u>	<u>61,441,136</u>	<u>62,761,541</u>	<u>63,707,483</u>	<u>66,572,835</u>	<u>67,715,596</u>	<u>69,144,283</u>	<u>69,322,462</u>	<u>70,309,011</u>
Business-Type Activities:										
Investment Earnings	\$ 140	\$ 214	\$ 340	\$ 5,019	\$ 16,271	\$ 7,821	\$ 1,090	\$ 1,028	\$ 24,429	\$ 15,027
Loss on Disposal of Capital Assets	(5,136)			(1,593)						
Transfers	-	-	-	-	-	-	-	-	-	409,972
Total Business-Type Activities	<u>(4,996)</u>	<u>214</u>	<u>340</u>	<u>3,426</u>	<u>16,271</u>	<u>7,821</u>	<u>1,090</u>	<u>1,028</u>	<u>24,429</u>	<u>424,999</u>
Total District-Wide	<u>\$ 59,475,256</u>	<u>\$ 60,432,685</u>	<u>\$ 61,441,476</u>	<u>\$ 62,764,967</u>	<u>\$ 63,723,754</u>	<u>\$ 66,580,656</u>	<u>\$ 67,716,686</u>	<u>\$ 69,145,311</u>	<u>\$ 69,346,891</u>	<u>\$ 70,734,010</u>
Change in Net Position										
Governmental Activities	\$ 264,694	\$ 1,599,570	\$ (1,837,060)	\$ (560,654)	\$ 546,233	\$ 2,071,533	\$ 312,987	\$ 4,591,298	\$ (2,294,510)	\$ (5,195,650)
Business-Type Activities	197,583	244,285	189,729	207,985	(158,661)	(455,973)	145,449	263,897	(767,696)	98,598
Total District	<u>\$ 462,277</u>	<u>\$ 1,843,855</u>	<u>\$ (1,647,331)</u>	<u>\$ (352,669)</u>	<u>\$ 387,572</u>	<u>\$ 1,615,560</u>	<u>\$ 458,436</u>	<u>\$ 4,855,195</u>	<u>\$ (3,062,206)</u>	<u>\$ (5,097,052)</u>

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

	As of June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ 5,248,019	\$ 5,884,777	\$ 5,840,207	\$ 6,261,721	\$ 4,605,954	\$ 4,794,385	\$ 3,053,596	\$ 2,772,907	\$ 416,620	\$ 1,711,364
Committed	999,913	1,163,964	273,620		1,023,126					
Assigned	405,188	1,351,514	199,860	159,378	200,180	2,703,174	1,181,095	1,257,442	1,273,186	41,626
Unassigned	394,823	396,003	445,357	287,560	92,768	(188,904)	1,621,390	1,238,876	(2,930,106)	(1,577,153)
Total General Fund	<u>\$ 7,047,943</u>	<u>\$ 8,796,258</u>	<u>\$ 6,759,044</u>	<u>\$ 6,708,659</u>	<u>\$ 5,922,028</u>	<u>\$ 7,308,655</u>	<u>\$ 5,856,081</u>	<u>\$ 5,269,225</u>	<u>\$ (1,240,300)</u>	<u>\$ 175,837</u>
All Other Governmental Funds										
Restricted	\$ 1,369,990	\$ 1,209,231	\$ 1,233,573	\$ 587,423	\$ 532,974	\$ 1,534,545	\$ 2,836,655	\$ 2,672,247	\$ 2,676,922	\$ 1,250,159
Unassigned					(129,999)					
Total All Other Governmental Funds	<u>\$ 1,369,990</u>	<u>\$ 1,209,231</u>	<u>\$ 1,233,573</u>	<u>\$ 587,423</u>	<u>\$ 402,975</u>	<u>\$ 1,534,545</u>	<u>\$ 2,836,655</u>	<u>\$ 2,672,247</u>	<u>\$ 2,676,922</u>	<u>\$ 1,250,159</u>

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

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Property Taxes	\$ 53,867,824	\$ 54,765,838	\$ 55,912,921	\$ 56,905,643	\$ 57,983,872	\$ 60,449,059	\$ 61,862,619	\$ 62,451,195	\$ 63,623,669	\$ 64,820,809
Tuition Charges	242,148	153,876	143,067	132,071	148,273	99,158	58,890	71,545	7,892	16,114
Transportation Fees	44,970	9,100	10,000							
Miscellaneous	413,059	471,012	470,029	581,787	490,797	566,455	457,399	1,217,655	803,426	1,703,758
State Sources	14,187,967	15,326,113	16,379,031	18,055,593	20,013,850	21,180,318	23,349,825	29,138,775	30,566,778	34,333,031
Federal Sources	1,318,310	1,433,829	1,339,648	1,416,828	1,491,597	1,279,087	2,194,894	3,648,251	3,414,052	2,128,475
Total Revenues	70,074,278	72,159,768	74,254,696	77,091,922	80,128,389	83,574,077	87,923,627	96,527,421	98,415,817	103,002,187
Expenditures										
Instruction										
Regular Instruction	29,014,834	29,057,613	30,934,879	30,720,504	32,237,099	32,952,481	35,540,418	38,902,323	41,717,510	43,489,232
Special Education Instruction	11,863,284	11,742,726	12,595,281	13,789,533	14,703,075	15,390,586	16,466,431	18,316,885	19,706,483	21,427,386
Other Instruction	1,193,421	1,338,495	1,422,373	1,471,613	1,396,479	1,437,930	1,512,964	1,781,768	1,906,782	2,307,743
School Sponsored Activities And Athletics	1,470,857	1,527,737	1,496,122	1,561,965	1,768,294	1,734,171	1,687,528	2,057,364	2,077,221	2,240,463
Community Services	12,655	6,813	7,729	8,312	4,812	4,189	3,126	308,680		
Support Services										
Student & Inst. Related Services	7,211,891	7,549,527	8,231,471	8,670,369	9,461,514	10,228,745	10,563,162	11,940,672	12,947,469	14,390,368
General Administration	1,430,737	1,497,630	1,522,821	1,634,925	1,548,708	1,523,749	1,754,591	1,749,888	1,625,416	1,741,647
School Administration	4,366,535	4,474,823	4,781,406	4,874,592	4,855,625	4,966,646	5,336,016	5,613,501	5,413,469	6,109,700
Plant Operations And Maintenance	5,495,831	5,436,951	5,700,202	6,536,563	6,467,137	5,906,324	6,759,421	6,782,208	8,289,263	8,136,975
Pupil Transportation	2,170,794	2,032,271	2,191,583	2,530,583	2,498,252	2,549,577	1,767,202	2,853,891	3,386,063	3,430,332
Other Support Services	1,456,747	1,538,732	1,567,357	1,516,272	1,565,601	1,458,653	1,682,469	1,738,409	1,931,732	2,033,992
Capital Outlay	1,748,011	829,680	2,213,115	941,756	1,330,919	1,312,387	1,683,349	1,314,449	2,937,993	2,858,496
Debt Service:										
Principal	1,821,106	2,181,739	1,967,132	2,042,350	2,122,602	2,209,807	2,358,200	2,626,675	2,770,120	2,975,604
Interest And Other Charges	2,242,733	1,442,475	1,636,097	1,565,000	1,493,322	1,421,683	1,357,188	1,352,534	1,139,570	1,111,562
Total Expenditures	71,499,436	70,657,212	76,267,568	77,864,337	81,453,439	83,096,928	88,472,065	97,339,247	105,849,091	112,253,500
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	<u>(1,425,158)</u>	<u>1,502,556</u>	<u>(2,012,872)</u>	<u>(772,415)</u>	<u>(1,325,050)</u>	<u>477,149</u>	<u>(548,438)</u>	<u>(811,826)</u>	<u>(7,433,274)</u>	<u>(9,251,313)</u>
Other Financing Sources (Uses)										
Payments to Escrow Agent	(32,947,950)							(4,634,438)		
Refunding Bond Proceeds	30,445,000							4,695,000		
State Aid Advance Loan Proceeds										9,000,000
Capital Leases and Fin. Agmts (Non-Budgeted)	135,761	85,000		75,880	78,419	155,563	397,974		928,424	650,659
Proceeds from Insurance Recoveries					275,552					
Premium On Bonds	2,722,042									
Transfers In	1,483	2,108	553,436	7,731	101,906	1,100,048	1,080,000	550,000	1,991,129	498,876
Transfers Out	(1,483)	(2,108)	(553,436)	(7,731)	(101,906)	(1,100,048)	(1,080,000)	(550,000)	(1,991,129)	(908,848)
Total Other Financing Sources (Uses)	354,853	85,000	-	75,880	353,971	155,563	397,974	60,562	928,424	9,240,687
Net Change In Fund Balances	\$ (1,070,305)	\$ 1,587,556	\$ (2,012,872)	\$ (696,535)	\$ (971,079)	\$ 632,712	\$ (150,464)	\$ (751,264)	\$ (6,504,850)	\$ (10,626)
Debt Service As A Percentage Of										
Noncapital Expenditures	5.83%	5.19%	4.87%	4.69%	4.51%	4.44%	4.28%	4.14%	3.80%	3.74%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30	<u>Interest</u>	<u>Tuition</u>	<u>Transportation</u>	<u>Rentals</u>	<u>Admissions</u>	<u>Health Benefit Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2015	\$ 10,160	\$ 242,148	\$ 44,970	\$ 184,488	\$ 6,627		\$ 188,569	\$ 676,962
2016	15,177	153,876	9,100	188,564	10,442		219,389	596,548
2017	38,732	143,067	10,000	195,668	9,553		153,089	550,109
2018	64,759	132,071		198,579	12,727		208,855	616,991
2019	105,403	148,273		189,736	12,331		116,806	572,549
2020	66,841	99,158		199,238	9,354		206,580	581,171
2021	17,725	58,890					145,033	221,648
2022	15,164	71,545		2,469	6,369	\$ 796,709	178,705	1,070,961
2023	165,034	7,892		14,160	13,884		194,190	395,160
2024	95,073	16,114		309,237	68,899		174,775	664,098

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Valuation	Total Direct School Tax Rate ^a
2015	\$ 25,537,800	\$ 2,600,236,500	\$ 433,136,000	\$ 12,845,700	\$ 168,110,400	\$ 3,239,866,400	\$ 9,200	\$ 3,239,875,600	\$ 3,554,993,213	\$ 1.596
2016	25,383,100	2,604,434,300	433,441,600	11,831,600	173,652,900	3,248,743,500		3,248,743,500	3,584,622,642	1.622
2017	30,582,100	2,610,651,100	430,209,400	11,831,600	170,801,200	3,254,075,400		3,254,075,400	3,655,443,047	1.679
2018	30,197,000	2,620,553,600	434,442,300	12,545,700	171,143,400	3,268,882,000	9,100	3,268,891,100	3,733,731,582	1.697
2019	30,168,900	2,629,433,000	420,826,700	12,545,700	171,143,400	3,264,117,700		3,264,117,700	3,821,256,966	1.768
2020	31,788,900	2,635,963,300	390,260,600	12,545,700	171,143,400	3,241,701,900	9,100	3,241,711,000	3,995,080,858	1.806
2021	30,546,600	2,642,920,600	397,245,800	12,475,700	170,377,200	3,253,565,900	9,100	3,253,575,000	4,235,556,102	1.936
2022	31,837,300	2,648,566,000	395,935,500	12,680,300	170,377,200	3,259,396,300	7,460	3,259,403,760	4,389,401,924	1.936
2023	51,174,000	4,039,084,100	547,013,200	20,364,400	310,379,600	4,968,015,300	10,000	4,968,025,300	4,695,291,109	1.293
2024	50,651,500	4,043,770,800	540,017,900	19,681,100	309,660,000	4,963,781,300	9,700	4,963,791,000	5,147,158,509	1.337

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

<u>Year</u>	<u>School District</u>	<u>Township</u>	<u>County</u>	<u>County Open Space</u>	<u>Total</u>
2015	\$1.596	\$1.176	\$0.527	\$0.017	\$3.316
2016	1.622	1.197	0.534	0.017	3.370
2017	1.679	1.190	0.550	0.017	3.473
2018	1.697	1.256	0.541	0.017	3.511
2019	1.768	1.283	0.539	0.018	3.608
2020	1.806	1.292	0.565	0.019	3.682
2021	1.936	1.283	0.605	0.020	3.844
2022	1.936	1.308	0.600	0.020	3.864
2023	1.293	0.878	0.391	0.014	2.576
2024	1.337	0.897	0.382	0.016	2.632

Source: Township of Nutley, Tax Assessor

* Revaluation effective for 2023

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

Taxpayer	2024	
	Taxable Assessed Value	% of Total District Net Assessed Value
HSRE Ideation Property Owner LLC	\$ 35,509,100	0.72%
PB Nutcliff Master, LLC	32,388,500	0.65%
GI TC Nutley LLC	31,589,000	0.64%
M&M @ E Centre St	29,979,400	0.60%
SF Nutley Properties Owner II, LLC	28,325,800	0.57%
432 Owners Inc.	28,050,000	0.57%
Village Manor Associates	28,029,100	0.56%
Public Service Electric & Gas	18,678,200	0.38%
SSEF, LLC	17,715,600	0.36%
Nutley Senior Citizen Housing Corp	16,183,400	0.33%
Total	\$ 266,448,100	5.37%

	2015	
	Taxable Assessed Value	% of Total District Net Assessed Value
Hoffman-LaRoche, Inc	\$ 225,515,504	6.96%
492 River Road Reckson	22,532,000	0.70%
Nutley Properties	18,616,000	0.57%
Village Manor Associates	17,324,300	0.53%
432 Owners Inc.	16,320,000	0.50%
M&M @ E Centre St	13,458,800	0.42%
Nutley Shop-Rite	11,293,600	0.35%
JERC Partners III	8,006,800	0.25%
NSP Management Co.	7,190,300	0.22%
River Road Associates	6,750,000	0.21%
Total	\$ 347,007,304	10.71%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 53,867,824	\$ 53,867,824	100.00%	N/A
2016	54,765,838	54,765,838	100.00%	N/A
2017	55,912,921	55,912,921	100.00%	N/A
2018	56,905,643	56,905,643	100.00%	N/A
2019	57,983,872	57,983,872	100.00%	N/A
2020	60,449,059	60,449,059	100.00%	N/A
2021	61,862,619	61,862,619	100.00%	N/A
2022	62,451,195	62,451,195	100.00%	N/A
2023	63,623,669	63,623,669	100.00%	N/A
2024	64,820,809	64,820,809	100.00%	N/A

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

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>			<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>	<u>Financing Agreements</u>			
2015	\$ 44,930,000		\$ 96,374	\$ 45,026,374	28,481	\$ 1,581
2016	42,805,000		124,635	42,929,635	28,504	1,506
2017	40,865,000		97,503	40,962,503	28,532	1,436
2018	38,865,000		131,033	38,996,033	28,542	1,366
2019	36,795,000		156,850	36,951,850	28,542	1,295
2020	34,655,000		242,606	34,897,606	28,557	1,222
2021	32,450,000		487,380	32,937,380	28,457	1,157
2022	30,315,000		809,058	31,124,058	29,786	1,045
2023	27,905,000	\$ 847,505	529,857	29,282,362	29,565	990
2024	25,450,000	1,052,907	454,510	26,957,417	29,538	913

Source: District records

NUTLEY 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	Per Capita
	General Obligation Bonds	Deductions			
2015	\$ 44,930,000		\$ 44,930,000	1.4%	\$ 1,578
2016	42,805,000		42,805,000	1.3%	1,502
2017	40,865,000		40,865,000	1.3%	1,432
2018	38,865,000		38,865,000	1.2%	1,362
2019	36,795,000		36,795,000	1.1%	1,289
2020	34,655,000		34,655,000	1.1%	1,214
2021	32,450,000		32,450,000	1.0%	1,140
2022	30,315,000		30,315,000	0.9%	1,018
2023	27,905,000		27,905,000	0.6%	944
2024	25,450,000		25,450,000	0.5%	862

Source: District records

**NUTLEY BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2024
(Unaudited)**

Net Direct Debt of School District as of June 30, 2024		\$ 25,450,000
Net Overlapping Debt of School District		
Township of Nutley	\$ 15,768,418	
Essex County	43,954,299	
Passaic Valley Sewerage Commission (B)	12,168,502	
North Jersey District Water Supply Commission (B)	<u>1,022,056</u>	
		<u>72,913,275</u>
Total Direct and Overlapping Debt as of June 30, 2024		<u>\$ 98,363,275</u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2023 equalized value by the total 2023 equalized value for Essex County.
- (B) Overlapping debt was computed based upon usage

Sources:

- (1) Township of Nutley 2023 Annual Debt Statement
- (2) Essex County 2023 Annual Debt Statement
- (3) Essex County Utilities Authority
- (4) North Jersey District Water Supply Commission
- (5) Passaic Valley Sewerage Commission

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 148,988,680	\$ 145,714,626	\$ 144,771,418	\$ 145,881,342	\$ 149,241,432	\$ 153,956,554	\$ 160,401,413	\$ 167,528,266	\$ 176,684,148	\$ 163,626,332
Total Net Debt Applicable To Limit	44,930,000	42,805,000	40,865,000	38,865,000	36,795,000	34,655,000	32,450,000	30,315,000	27,905,000	25,450,000
Legal Debt Margin	<u>\$ 104,058,680</u>	<u>\$ 102,909,626</u>	<u>\$ 103,906,418</u>	<u>\$ 107,016,342</u>	<u>\$ 112,446,432</u>	<u>\$ 119,301,554</u>	<u>\$ 127,951,413</u>	<u>\$ 137,213,266</u>	<u>\$ 148,779,148</u>	<u>\$ 138,176,332</u>
Total net debt applicable to the limit as a percentage of debt limit	30.16%	29.38%	28.23%	26.64%	24.65%	22.51%	20.23%	18.10%	15.79%	15.55%

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized Valuation Basis

2023	\$ 5,129,597,625
2022	4,689,778,849
2021	4,361,348,391
	<u>\$ 14,180,724,865</u>

Average Equalized Valuation of Taxable Property	\$ 4,726,908,288
Debt Limit (4 % of Average Equalization Value)	189,076,332
Total Net Debt Applicable to Limit	<u>25,450,000</u>
Legal Debt Margin	<u>\$ 163,626,332</u>

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

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2015	28,481	\$ 57,133	5.1%
2016	28,504	59,395	4.5%
2017	28,532	60,735	4.3%
2018	28,542	62,659	3.8%
2019	28,542	63,521	3.2%
2020	28,557	65,927	3.2%
2021	28,457	70,497	9.9%
2022	29,786	74,310	6.1%
2023	29,565	75,934	3.4%
2024	29,538	N/A	4.1%

Source: New Jersey State Department of Education

N/A - Information Not Available

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

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>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	231	240	240	239	245	251	252	261	259	262
Special Education	56	57	66	64	67	67	68	63	80	112
Support Services										
Student and Instruction Related Services	141	161	140	147	144	140	141	138	134	128
General Administration	5	5	5	5	5	5	5	4	5	4
School Administrative Services	22	22	22	10	21	21	21	22	23	22
Central Services	8	8	10	10	9	11	11	18	11	10
Administrative Information Technology	4	4	4	3	3	4	4	3	5	6
Plant Operations and Maintenance	37	39	41	42	43	41	40	45	42	42
Pupil Transportation	31	31	31	31	31	47	46	30	34	13
Other Support Services	23	23	24	22	24	24	24	50	34	26
Total	<u>558</u>	<u>590</u>	<u>583</u>	<u>573</u>	<u>592</u>	<u>611</u>	<u>612</u>	<u>634</u>	<u>627</u>	<u>625</u>

Source: District Personnel Records

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

Teacher/Pupil Ratio										Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
Fiscal Year	Enrollment	Operating Expenditures	(A)	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	Senior High School				
2015	4,003	\$ 65,687,586		\$ 16,410	4.99%	305.0	13	13	15	4,005	3,807	0.37%	95.06%
2016	4,038	66,203,318		16,395	-0.09%	334.0	14	13	15	4,026	3,826	0.52%	95.03%
2017	4,076	70,451,224		17,284	5.42%	319.0	12	13	14	4,075	3,856	1.22%	94.63%
2018	4,051	73,315,231		18,098	4.71%	316.0	10	12	13	4,058	3,832	-0.42%	94.43%
2019	4,063	76,506,596		18,830	4.04%	312.0	13	11	13	4,068	3,849	0.25%	94.62%
2020	4,046	78,153,051		19,316	2.58%	362.0	12	11	12	4,046	3,886	-0.54%	96.05%
2021	3,966	83,073,378		20,946	8.44%	377.0	12	11	12	3,966	3,836	-1.98%	96.72%
2022	4,023	92,045,589		22,880	18.45%	N/A	12	11	12	4,023	3,641	-0.57%	90.50%
2023	4,052	99,001,408		24,433	16.64%	339.0	12	11	12	4,024	3,736	1.46%	92.84%
2024	4,209	105,307,838		25,020	9.35%	326.0	14	10	12	4,208	3,856	4.60%	91.63%

Sources: District records

(A) Excludes Debt Service and Capital Outlay Expenditures

N/A - Not Available

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>District Building</u>										
<u>Nutley High School</u>										
Square Feet	192,260	192,260	192,260	192,260	192,260	192,260	192,260	192,260	192,260	192,260
Capacity (students)	910	910	910	910	910	910	910	910	910	910
Enrollment	1,242	1,244	1,230	1,210	1,216	1,179	1,144	1,157	1,132	1,190
<u>John H. Walker Middle School</u>										
Square Feet	128,036	128,036	128,036	128,036	128,036	128,036	128,036	128,036	128,036	128,036
Capacity (students)	413	413	413	413	413	413	413	413	413	413
Enrollment ^a	618	612	637	602	551	620	651	613	605	628
<u>Radcliffe Elementary School</u>										
Square Feet	45,305	45,305	45,305	45,305	45,305	45,305	45,305	45,305	45,305	45,305
Capacity (students)	413	413	413	413	413	413	413	413	413	413
Enrollment	338	326	330	357	352	353	340	353	363	349
<u>Yantacaw Elementary School</u>										
Square Feet	49,512	49,512	49,512	49,512	49,512	49,512	49,512	49,512	49,512	49,512
Capacity (students)	440	440	440	440	440	440	440	440	440	440
Enrollment	487	461	481	486	494	476	460	485	506	521
<u>Washington Elementary School</u>										
Square Feet	49,067	49,067	49,067	49,067	49,067	49,067	49,067	49,067	49,067	49,067
Capacity (students)	352	352	352	352	352	352	352	352	352	352
Enrollment	483	546	561	543	556	560	523	480	516	544
<u>Spring Garden Elementary School</u>										
Square Feet	51,155	51,155	51,155	51,155	51,155	51,155	51,155	51,155	51,155	51,155
Capacity (students)	379	379	379	379	379	379	379	379	379	379
Enrollment	351	359	366	367	397	396	399	440	429	530
<u>Lincoln Elementary School</u>										
Square Feet	56,342	56,342	56,342	56,342	56,342	56,342	56,342	56,342	56,342	56,342
Capacity (students)	463	463	463	463	463	463	463	463	463	463
Enrollment	484	490	471	486	497	462	449	452	436	447
<u>Other</u>										
Maintenance Warehouse										
Square Feet	5,386	5,386	5,386	5,386	5,386	5,386	5,386	5,386	5,386	5,386
Demuro Park Field House										
Square Feet	4,848	4,848	4,848	4,848	4,848	4,848	4,848	4,848	4,848	4,848
Oval Refreshment Stand										
Square Feet	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309
Storage Shed										
Square Feet	912	912	912	912	912	912	912	912	912	912

Number of Schools at June 30, 2024

Elementary = 5
Middle School = 1
High School = 1
Other = 4

Source: District Records

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

<u>School</u>	<u>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>
Nutley High School	\$ 277,532	\$ 274,644	\$ 293,700	\$ 411,831	\$ 309,880	\$ 328,030	\$ 377,994	\$ 387,589	\$ 710,822	\$ 432,816
John H. Walker Middle School	167,526	164,414	156,293	196,580	220,633	218,452	251,726	258,116	473,374	187,846
Lincoln Elementary School	85,767	68,938	83,988	136,898	117,322	96,130	110,772	113,583	208,307	138,155
Radcliffe Elementary School	108,058	133,787	90,723	101,274	329,350	77,298	89,072	91,333	167,501	170,400
Spring Garden Elementary School	75,250	89,235	128,955	81,319	92,092	87,280	100,574	103,126	189,130	272,746
Washington Elementary School	87,238	78,377	175,288	89,794	121,051	83,717	96,469	98,917	181,410	134,558
Yantacaw Elementary School	<u>66,747</u>	<u>91,361</u>	<u>81,481</u>	<u>80,076</u>	<u>97,389</u>	<u>84,476</u>	<u>97,343</u>	<u>99,814</u>	<u>183,056</u>	<u>133,637</u>
Grand Total	<u>\$ 868,118</u>	<u>\$ 900,756</u>	<u>\$ 1,010,428</u>	<u>\$ 1,097,772</u>	<u>\$ 1,287,717</u>	<u>\$ 975,383</u>	<u>\$ 1,123,950</u>	<u>\$ 1,152,478</u>	<u>\$ 2,113,600</u>	<u>\$ 1,470,158</u>

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

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

Source: School District's records

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund, of the Nutley Board of Education as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Nutley Board of Education's basic financial statements and have issued our report thereon dated November 4, 2024.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses or significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Nutley Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 and which are described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002.

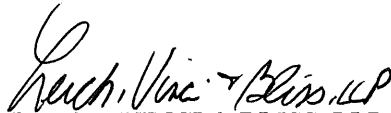
We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Nutley Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 4, 2024.


Nutley Board of Education's Responses to Findings

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

Purpose of this Report

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


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 4, 2024



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

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

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

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which are described in the accompanying schedule of findings and questioned costs as items 2024-003, 2024-004 and 2024-005. Our opinion on each major federal and state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-003 and 2024-004 to be material weaknesses.

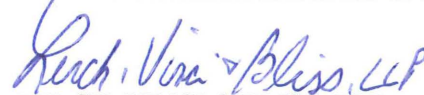
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund, of the Nutley Board of Education as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Nutley Board of Education's basic financial statements. We have issued our report thereon dated November 4, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 4, 2024

NUTLEY 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	Federal FAIN Number	Grant Period	Award Amount	Balance July 1, 2023			Carryover	Cash Received	Budgetary Expenditures	Adjustment	Prior Year Adjustments	Balance June 30, 2024			Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor	
General Fund																
U.S. Department of Health and Human Services																
Passed Through State Department of Human Services																
Medicaid Reimbursement	93.778	2005NJSMAP	7/1/22-6/30/23	131,874	\$ (7,052)				\$ 7,052							
Medicaid Reimbursement	93.778	2005NJSMAP	7/1/23-6/30/24	120,214	-	-	-	-	120,214	\$ 120,214	-	-	-	-	-	-
Total - Medicaid Assistance/General Fund					(7,052)	-	-	-	127,266	120,214	-	-	-	-	-	-
Total General Fund					(7,052)	-	-	-	127,266	120,214	-	-	-	-	-	-
U.S. Department of Education																
Passed Through State Department of Education																
Special Revenue Fund:																
Title I	84.010	S010A230030	7/1/23-9/30/24	392,121				\$ 10,352	187,400	369,428	\$ (10,352)		\$ (215,073)	\$ 33,045		\$ (182,028)
Title I	84.010	S010A220030	7/1/22-9/30/23	399,927	(168,227)	\$ 21,629	-	(10,352)	157,875	11,277	10,352	-	-	-	-	-
Total Title I					(168,227)	21,629	-	-	345,275	380,705	-	-	(215,073)	33,045	-	(182,028)
Title II	84.367	S367A230029	7/1/23-9/30/24	76,482				30,654	72,679	79,214	(30,654)		(34,457)	27,922		(6,535)
Title II	84.367	S367A210029	7/1/21-9/30/22	68,776			\$ 799								\$ 799	-
Title II	84.367	S367A220029	7/1/22-9/30/23	81,987	(51,457)	30,654	-	(30,654)	20,803	-	30,654	-	-	-	-	-
Total Title II					(51,457)	30,654	799	-	93,482	79,214	-	-	(34,457)	27,922	799	(6,535)
Title III	84.365	S365A220030	7/1/22-9/30/23	22,144	(4,773)	3,919		(3,287)	1,486	365	3,287			267		
Title III	84.365	S365A230030	7/1/23-9/30/24	22,239				3,287	7,092	10,321	(3,287)		(18,434)	15,205		(3,229)
Title III, Immigrant	84.365	S365A220030	7/1/22-9/30/23	13,050	(6,657)	2,859		(2,859)	3,798		2,859					-
Title III, Immigrant	84.365	S365A230030	7/1/23-9/30/24	14,879	-	-	-	2,859	-	426	(2,859)	-	(17,738)	17,312	-	(426)
Total Title III					(11,430)	6,778	-	-	12,376	11,112	-	-	(36,172)	32,784	-	(3,655)
Title IV	84.424	S424A220031	7/1/22-9/30/23	14,178	(18,312)	15,968		(11,489)	6,823	4,479	11,489					-
Title IV	84.424	S424A230031	7/1/23-9/30/24	29,648	-	-	-	11,489	18,563	26,831	(11,489)	-	(22,574)	14,306	-	(8,268)
Total Title IV					(18,312)	15,968	-	-	25,386	31,310	-	-	(22,574)	14,306	-	(8,268)
CARES (ESSER I)	84.425D	S425D210027	3/13/20-9/30/22	267,354		260								260	-	
CRRSA - ESSER II	84.425D	S425D210027	3/13/20-9/30/23	906,981	(22,318)	21,623			22,318					21,623		
CR Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	58,205	(12,156)	10,096			12,156	10,096				-		
CR Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(12,311)	8,432			12,311	510				7,922		
ARP ESSER	84.425U	S425U210027	3/13/20-9/30/24	2,038,381	(284,133)	85,939			113,986	21,734			(170,147)	64,205		(105,942)
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	346,712	(82,662)	49,255			23,600				(59,062)	49,255		(9,807)
Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(24,210)	4,601			16,767	2,524			(7,443)	2,077		(5,366)
Evidence Based Comprehension Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	2,843			40,000				-	2,843		
NTJSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	(19,937)	2,166			1,294	208			(18,643)	1,958	-	(16,685)
ARP Homeless	84.425W	S425W210027	3/13/20-9/30/24	7,006	(7,006)	7,006		-	-		-	-	(7,006)	7,006	-	-
NJ High Impact Tutoring Grant	84.425V	S425V240031	10/11/23-8/31/24	229,929	-	-	-	-	78,937	121,349	-	-	(150,992)	108,580	-	(42,412)
Total Education Stabilization					(504,733)	192,221	-	-	321,369	156,421	-	-	(413,293)	265,729	-	(180,212)
Covid ARP State and Local Fiscal Recovery Fund																
ACSERS	21.027	SLFRFDOE1SES	7/1/23-6/30/24	233,465	-	-	-	-	86,485	223,465	-	-	(136,980)	-	-	(136,980)
IDEA Part B																
IDEA Part B	84.027	H027A200100	7/1/20-9/30/21	980,749	(6,661)								(6,661)			(6,661)
IDEA Part B	84.027	H027A210100	7/1/21-9/30/22	960,320			1,298								1,298	-
IDEA Part B	84.027	H027A220100	7/1/22-9/30/23	994,767	(505,492)	74,533		(46,597)	458,895	27,936	46,597					-
IDEA Part B	84.027	H027A230100	7/1/23-9/30/24	1,074,970				46,597	611,092	996,245	(46,597)		(510,475)	125,322		(382,213)
ARP IDEA	84.027X	H027X210100	7/1/21-9/30/22	205,811	(104,448)	16,565			104,448	15,671				894		-
IDEA Part B Preschool	84.173	H173A220114	7/1/22-9/30/23	47,174	(83,302)	40,328		(40,328)	42,974		40,328					-
IDEA Part B Preschool	84.173	H173A230114	7/1/23-9/30/24	47,204				40,328	5,760	47,204	(40,328)		(81,772)	40,328		(41,444)
ARP IDEA Preschool	84.173X	H173X210114	7/1/21-9/30/22	17,740	(17,740)	17,740	-	-	17,740	17,740	-	-	-	-	-	-
Total IDEA					(717,643)	149,166	1,298	-	1,240,909	1,104,796	-	-	(598,908)	166,544	1,298	(430,318)
Carl D. Perkins- Secondary																
Carl D. Perkins- Secondary	84.048	V048A200030	7/1/20-6/30/21	24,642	(1,232)								(1,232)			(1,232)
Carl D. Perkins- Secondary	84.048	V048A230030	7/1/23-6/30/24	24,847					18,627	23,635			(5,008)			(4,603)
Carl D. Perkins- Secondary	84.048	V048A220030	7/1/22-9/30/23	23,774	(23,773)	-	-	-	23,773	-	-	-	-	-	-	-
Total Carl D. Perkins					(25,005)	-	-	-	42,400	23,635	-	-	(6,240)	-	-	(5,835)

NUTLEY 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	Federal FAIN Number	Grant Period	Award Amount	Balance July 1, 2023			Cash Received	Budgetary Expenditures	Adjustment	Prior Year Adjustments	Balance June 30, 2024			Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Justice															
School Violence Prevention Program	16.710	15JCOPS-22-GG	1/1/22-12/31/22	375,602	-	-	-	-	-	-	\$ 7,095	-	-	7,095	-
Total Special Revenue Fund					(1,496,807)	416,416	2,097	-	2,167,682	2,010,658	7,095	(1,463,697)	540,330	9,192	(953,831)
U.S.D.A. Department of Agriculture Passed Through NJ Department of Agriculture Enterprise Fund:															
National School Lunch Program	10.555														
Non-Cash Assistance (Food Distribution)		241NJ304N1099	7/1/23-6/30/24	81,210				81,210	81,210						
Cash Assistance		241NJ304N1099	7/1/23-6/30/24	240,146				193,718	240,146			(46,428)			(46,428)
Cash Assistance		231NJ304N1099	7/1/22-6/30/23	268,271	(8,251)			8,251							-
School Breakfast Program	10.553	231NJ304N1099	7/1/22-6/30/23	4,273	(236)			236							-
School Breakfast Program	10.553	241NJ304N1099	7/1/23-6/30/24	4,783				3,883	4,783			(900)			(900)
Local Food For Schools (LFS) Cooperative	10.185	241NJ304N1099	7/1/23-6/30/24	3,614				3,020	3,614			(594)			(594)
Covid Pandemic EBT Administrative	10.649	241NJ304N1099	7/1/23-6/30/24	653				653	653						
Covid Supply Chain Assistance	10.555	241NJ304N1099	7/1/23-6/30/24	95,118	-	-	-	95,118	95,118	-	-	-	-	-	-
Total Enterprise Fund - National School Lunch Program					(8,487)	-	-	386,089	425,524	-	-	(47,922)	-	-	(47,922)
Total Federal Financial Awards					\$ (1,512,346)	\$ 416,416	\$ 2,097	\$ -	\$ 2,681,037	\$ 2,556,396	\$ 7,095	\$ (1,511,619)	\$ 540,330	\$ 9,192	\$ (1,001,753)

a - cancelled payable and encumbrance

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

State Department of Education	Grant or State Project Number	Grant	Award Amount	Balance July 1, 2024	Carryover Amount	Cash Received	Budgetary Expenditures	Transfers In	Refund of Prior Year Balances	Balance June 30, 2024			Memorandum	
										(Accts. Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Budgetary Expenditures
General Fund:														
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	4,460,081	\$ (437,267)		\$ 437,267							*	
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	4,460,081			4,288,785	\$ 4,460,081			\$ (171,296)			*	\$ 4,460,081
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	2,841,511	(278,583)		278,583							*	
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	4,290,620			4,125,833	4,290,620			(164,787)			*	4,290,620
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	81,159	(7,957)		7,957							*	
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	81,159		-	78,042	81,159	-	-	(3,117)	-	-	*	81,159
Total State Aid Public				(723,807)	-	9,216,467	8,831,860	-	-	(339,200)	-	-	*	8,831,860
TPAF On-Behalf Pension Contrib.														
NCGI	24-495-034-5094-004	7/1/23-6/30/24	138,529			138,529	138,529						*	138,529
Normal	24-495-034-5094-002	7/1/23-6/30/24	12,146,934			12,146,934	12,146,934						*	12,146,934
LTDI	24-495-034-5094-004	7/1/23-6/30/24	5,955			5,955	5,955						*	5,955
Post Retirement Medical	24-495-034-5094-001	7/1/23-6/30/24	3,343,653	-	-	3,343,653	3,343,653	-	-	-	-	-	*	3,343,653
Total On-Behalf TPAF Pension				-	-	15,635,071	15,635,071	-	-	-	-	-	*	15,635,071
Student Mental Health Programs														
Transportation Aid	24-495-034-5120-163	7/1/23-6/30/24	250,000			250,000		\$ (250,000)					*	
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	588,055	(57,653)		57,653							*	-
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	588,055			565,470	588,055			(22,585)			*	588,055
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	2,698,646	(2,698,646)		2,698,646							*	
Extraordinary Aid	24-495-034-5120-044	7/1/23-6/30/24	2,843,033				2,843,033			(2,843,033)			*	2,843,033
Advance State Aid Payment	24-100-034-5120-489	7/1/23-6/30/24	9,000,000			9,000,000	9,000,000						*	9,000,000
TPAF Social Security Contribution	24-495-034-5094-003	7/1/23-6/30/24	2,600,795			2,210,605	2,600,795			(390,190)			*	2,600,795
TPAF Social Security Contribution	23-495-034-5094-003	7/1/22-6/30/23	2,501,813	(124,460)	-	124,460	-	-	-	-	-	-	*	-
Total General Fund				(3,604,566)	-	39,758,372	39,498,814	(250,000)	-	(3,595,008)	-	-	*	(390,190)
Special Revenue Fund:														
Student Mental Health Programs	24-495-034-5120-163	7/1/23-6/30/24	250,000				250,000	250,000					*	250,000
SDA Emergent Capital Needs	22-100-034-5120-519	7/1/21-6/30/22	97,691	12,091						\$ 12,091	-	-	*	
SDA Emergent Capital Needs	23-100-034-5120-519	7/1/22-6/30/23	96,499			96,499	96,499						*	96,499
SDA Emergent Capital Needs	24-100-034-5120-519	7/1/23-6/30/24	98,521			98,521	14,750						*	14,750
Preschool Education Aid	23-495-034-5120-086	7/1/22-6/30/23	1,308,252	228,794		130,825					83,771		*	359,619
Preschool Education Aid	24-495-034-5120-086	7/1/23-6/30/24	1,872,064			1,872,064	1,918,530	248,876		-	202,410		*	1,918,530
New Jersey Nonpublic Aid:														
Textbooks	24-100-034-5120-064	7/1/23-6/30/24	38,559			38,559	37,683					\$ 876	*	37,683
Textbooks	23-100-034-5120-064	7/1/22-6/30/23	41,976	23,987					23,987				*	-
Auxiliary Services														
Compensatory Education	24-100-034-5120-067	7/1/23-6/30/24	274,129			274,129	220,482					53,647	*	220,482
Compensatory Education	23-100-034-5120-067	7/1/22-6/30/23	221,183										*	-
English as a Second Language	24-100-034-5120-067	7/1/23-6/30/24	16,114			16,114	9,156					6,958	*	9,156
English as a Second Language	23-100-034-5120-067	7/1/22-6/30/23	13,330	1,103					1,103				*	-
Transportation	24-100-034-5120-067	7/1/23-6/30/24	42,013			42,013	42,013						*	42,013
Transportation	23-100-034-5120-067	7/1/22-6/30/23	47,515	6,822					6,822				*	-
Home Instruction	24-100-034-5120-067	7/1/23-6/30/24											*	-
Home Instruction	23-100-034-5120-067	7/1/22-6/30/23	3,296	(3,296)	-	3,296	-	-		-	-	-	*	-
				4,629	-	335,552	271,651	-	7,925	-	-	60,605	*	271,651
Handicapped Services														
Supplemental Instruction	24-100-034-5120-066	7/1/23-6/30/24	54,433			54,433	34,361					20,072	*	34,361
Supplemental Instruction	23-100-034-5120-066	7/1/22-6/30/23	54,764	9,417					9,417				*	-
Examination and Classification	24-100-034-5120-066	7/1/23-6/30/24	66,168			66,168	46,268					19,900	*	46,268
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	56,118	5,306					5,306				*	-
Corrective Speech	24-100-034-5120-066	7/1/23-6/30/24	56,172			56,172	22,878	-		-	-	33,294	*	22,878
				14,723	-	176,773	103,507	-	14,723	-	-	73,266	*	103,507
Nonpublic Security Aid														
Nonpublic Security Aid	24-100-034-5120-509	7/1/23-6/30/24	136,735			136,735	119,775					16,960	*	119,775
Nonpublic Security Aid	22-100-034-5120-509	7/1/21-6/30/22	108,325	34								34	*	-
Nonpublic Security Aid	23-100-034-5120-509	7/1/22-6/30/23	130,380	17,990					17,990				*	-
Nonpublic Technology	24-100-034-5120-373	7/1/23-6/30/24	32,683			32,683	32,497					186	*	32,497
Nonpublic Technology	23-100-034-5120-373	7/1/22-6/30/23	26,712	1,423					1,423				*	-
Nonpublic Nursing	24-100-034-5120-070	7/1/23-6/30/24	80,040		-	80,040	79,819	-	-	-	-	221	*	79,819
Total Special Revenue Fund				303,671	-	2,998,251	2,924,711	498,876	66,048	-	657,891	152,148	-	2,924,711

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

State Department of Education	Grant or State Project Number	Grant	Award Amount	Balance July 1, 2024	Carryover Amount	Cash Received	Budgetary Expenditures	Transfers In	Repayment of Prior Year Balances	Balance June 30, 2024			Memorandum	
										(Accts. Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Budgetary Expenditures
Debt Service Fund:														
Debt Service Aid	24-495-034-5120-075	7/1/23-6/30/24	833,375	-	-	\$ 833,375	\$ 833,375	-	-	-	-	-	-	\$ 833,375
State Department of Agriculture														
Enterprise Fund:														
School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	14,958			12,057	14,958			\$ (2,901)			\$ (2,901)	14,958
School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	13,200	\$ (405)		405							-	-
School Breakfast Program	24-100-010-3350-023	7/1/23-6/30/24	110			90	110			(20)			(20)	110
School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	53	(5)	-	5	-	-	-	-	-	-	-	-
				(410)	-	12,557	15,068	-	-	(2,921)	-	-	(2,921)	15,068
Total State Financial Assistance Subject to Single Audit Determination				\$ (3,301,305)	\$ -	\$ 43,602,555	\$ 43,271,968	\$ 248,876	\$ 66,048	\$ (3,597,929)	\$ 657,891	\$ 152,148	\$ (393,111)	\$ 43,271,968
Less Amounts Not Subject to Single Audit Determination														
On-Behalf TPAF Pension and Annuity Aid														
NCGI - Contribution	23-495-034-5094-004		138,529			138,529	138,529							138,529
Normal Pension	23-495-034-5095-002		12,146,934			12,146,934	12,146,934							12,146,934
LTDI	23-495-034-5094-004		5,955			5,955	5,955							5,955
Post Retirement Medical	23-495-034-5094-001		3,343,653	-	-	3,343,653	3,343,653	-	-	-	-	-	-	3,343,653
Advance State Aid Payment	24-100-034-5120-489		9,000,000	-	-	9,000,000	9,000,000	-	-	-	-	-	-	9,000,000
Total Not Subject to Single Audit				-	-	24,635,071	24,635,071	-	-	-	-	-	-	24,635,071
Total for State Financial Assistance Subject to Major Program Determination				\$ (3,301,305)	\$ -	\$ 18,967,484	\$ 18,636,897	\$ 248,876	\$ 66,048	\$ (3,597,929)	\$ 657,891	\$ 152,148	\$ (393,111)	\$ 18,636,897

**NUTLEY 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 Nutley Board of Education (the “Board” or the “District”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 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 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$8,724,712 for the general fund and an increase of \$47,822 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	\$ 120,214	\$ 31,024,102	\$ 31,144,316
Special Revenue Fund	2,008,261	2,475,554	4,483,815
Debt Service Fund		833,375	833,375
Food Service Fund	<u>425,524</u>	<u>15,068</u>	<u>440,592</u>
Total Financial Assistance	<u>\$ 2,553,999</u>	<u>\$ 34,348,099</u>	<u>\$ 36,902,098</u>

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

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$2,600,795 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 \$12,285,463, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$3,343,653 and TPAF Long-Term Disability Insurance in the amount of \$5,955 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2024.

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

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

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

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

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditors' report issued Unmodified

Internal control over financial reporting:

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

2) Significant deficiencies identified? X yes none reported

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

Federal Awards Section

Internal Control over major programs:

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

2) Significant deficiencies identified? yes X none reported

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

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

Identification of major federal programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027A</u>	<u>H027A240100</u>	<u>IDEA Basic</u>
<u>84.027X</u>	<u>H027X230100</u>	<u>ARP IDEA Basic</u>
<u>84.173A</u>	<u>H173A240114</u>	<u>IDEA Preschool</u>
<u>84.173X</u>	<u>H173X230114</u>	<u>ARP IDEA Preschool</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee? X yes no

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Part I – Summary of Auditor's Results

State Awards Section

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

\$750,000

Auditee qualified as low-risk auditee?

X yes no

Internal Control over major programs:

(1) Material weakness(es) identified?

X yes no

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

 yes X none reported

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

Unmodified

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

X yes no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>24-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>24-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>24-495-034-5120-084</u>	<u>Security Aid</u>
<u>24-495-034-5120-044</u>	<u>Extraordinary Aid</u>
<u>24-495-034-5094-003</u>	<u>TPAF Social Security</u>
<u>24-495-034-5120-086</u>	<u>Preschool Education Aid</u>
<u>24-495-034-5120-017</u>	<u>Debt Service Aid/School Building Aid</u>

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Part 2 – Schedule of Financial Statement Findings

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

Finding 2024-001

We noted the following in regards to the General Fund:

- The District ended the fiscal year with an operating deficit of \$7,859,151. This is exclusive of the advance State Aid payment of \$9 million.
- There were miscellaneous local revenue shortfalls totaling \$2,046,946.
- There were numerous budget overexpenditures at June 30, 2024.

Criteria or Specific Requirement

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

Condition

Significant revenue shortfalls and expenditures exceeding the available budget appropriations required the District to obtain a \$9 million state aid advance.

Context

See Finding 2024-001.

Effect

The District's revenues were significantly less than anticipated resulting in revenue shortfalls. The District incurred expenditures in excess of available appropriations resulting in overexpenditures of numerous budget line items.

Cause

Unknown.

Recommendation

The District continue to monitor their budgeted revenues and appropriations to ensure that sufficient funds are available to meet the operating needs of the District. In addition, internal control procedures be reviewed and enhanced to prevent future deficits and budgetary overexpenditures.

View of Responsible Officials and Planned Corrective Action

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

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Part 2 – Schedule of Financial Statement Findings

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

Finding 2024-002

Our audit of the Capital Projects Fund noted the following:

- The Capital Projects Fund had a deficit of \$141,281 at June 30, 2024.
- The High School Media Center project was overexpended by \$156,764 and the Yantacaw Security Project was overexpended by \$8,331.

Criteria or Specific Requirement

GAAP Technical Systems Manual

Condition

Expenditures for capital projects related to High School Media Center and Yantacaw Security Project exceeded available funds.

Context

See Finding 2024-002

Effect

The District incurred expenditures without sufficient available appropriations resulting in deficits in individual capital projects.

Cause

Unknown.

Recommendation

Internal control procedures be reviewed and enhanced to ensure that sufficient appropriation balances are available to fund the District's capital projects.

View of Responsible Officials and Planned Corrective Action

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

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

CURRENT YEAR STATE AWARDS

Finding 2024-003

We noted the following in regards to the General Fund:

- The District ended the fiscal year with an operating deficit of \$7,859,151. This is exclusive of the advance State Aid payment of \$9 million.
- There were miscellaneous local revenue shortfalls totaling \$2,046,946.
- There were numerous budget overexpenditures at June 30, 2024.

State Program Information

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

Criteria or Specific Requirement

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

Condition

Significant revenue shortfalls and expenditures exceeding the available budget appropriations required the District to obtain a \$9 million state aid advance.

Context

See Finding 2024-003.

Effect

The District's revenues were significantly less than anticipated resulting in revenue shortfalls. The District incurred expenditures in excess of available appropriations resulting in overexpenditures of numerous budget line items.

Cause

Unknown.

Recommendation

The District continue to monitor their budgeted revenues and appropriations to ensure that sufficient funds are available to meet the operating needs of the District. In addition, internal control procedures be reviewed and enhanced to prevent future deficits and budgetary overexpenditures.

View of Responsible Officials and Planned Corrective Action

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

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

CURRENT YEAR STATE AWARDS

Finding 2024-004

Our audit of purchasing as it relates to the Public-School Contracts Law revealed the following:

- We noted instances where contract awards and purchases were made in excess of the bid threshold where there was no documentation provided to support whether publicly advertised bids were sought, State contract or cooperative purchasing contracts were awarded or a competitive contracting process was conducted in accordance with the requirements of the Public-School Contracts Law (N.J.S.A. 18A:18A). We also noted that certain vendors were awarded contracts based on being 10% less than cooperative pricing, however, no documentation was provided to support the cooperative pricing costs. In addition, we noted several contract awards and purchases in excess for the bid threshold that were not approved by Board resolution and made part of the official minutes in accordance with N.J.S.A. 18A:18A-4.
- We noted instances where contract awards and purchases were made in excess of the quote threshold where there was no documentation to support competitive quotations were solicited by the District in accordance with N.J.S.A. 18A:18A-37(a).
- We noted instances where professional service contract awards were not publicly advertised as required by the Public-School Contract Law (N.J.S.A. 18A:18A-5(a)(1)).
- Business registration certificates and Political Contribution Disclosure Forms were not always provided for audit.
- The District utilized a vendor through a National Cooperative Purchasing agreement, however a notice of intent to award the contract under a National Cooperative was not advertised, nor was a cost savings analysis prepared.

State Program Information

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

Criteria or Specific Requirement

State Grant Compliance Supplement – State Aid Public – Special Tests and Provisions
NJSA 18A:18A – Public School Contracts Law

Condition

The purchase of various goods and services were not always made in accordance with the requirements of the Public-School Contracts Law and N.J. Local Finance Notices.

Questioned Costs

Unknown.

**NUTLEY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

CURRENT YEAR STATE AWARDS

Finding 2024-004 (Continued)

Context

- Purchases and contracts for flooring, sidewalk repairs, electrical, custodial supplies, school buses and other services were made in excess of the bid threshold for which documents were unavailable to determine if awards were procured through public bids advertised or other required processes in accordance with Public School Contracts Law.
- Twelve vendors were awarded contracts based on pricing being 10% less than State contract or cooperative pricing agreements. Documents supporting the cost savings was not provided for audit.
- Purchases and contracts for school buses were made in excess of the bid threshold and were not approved by Board resolution as required by the Public-School Contracts Law.
- Purchases and contracts for drapery, fencing, and fire alarm testing and maintenance were made in excess of the quote threshold however documentation was not available to determine if the quotations were solicited in accordance with the Public-School Contracts Law.
- Professional service contract awards were not publicly advertised as required by the Public-School Contracts Law.
- Purchases were made through a National Cooperative program, however documentation to support the District's compliance with the N.J. Local Finance Notices was not available for audit.

Effect

Noncompliance with requirements of the Public-School Contracts Law and N.J. Local Finance Notices.

Cause

Unknown.

Recommendation

- Internal control procedures over purchasing be reviewed and revised to ensure all contract awards and purchases which exceed the bid threshold are made in accordance with the requirements of the Public-School Contracts Law. In addition, documentation be maintained on file and made available for audit to support the District's compliance with the procedures required under the Public-School Contracts Law (N.J.S.A. 18A:18A).
- Purchasing procedures be enhanced to ensure competitive quotations are solicited and attached to purchase orders for all contract awards and purchases that exceed the quote threshold in accordance with N.J.S.A. 18A:18A-37(a).
- Procedures be enhanced to ensure professional service contract awards are publicly advertised as required by N.J.S.A. 18A:18A-5(a)(1).
- The District refer to the N.J. Local Finance Notice ("LFN") 2012-10 to ensure compliance with all requirements when utilizing National Cooperative contracts.

View of Responsible Officials and Planned Corrective Action

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

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

CURRENT YEAR STATE AWARDS

Finding 2024-005

Our audit of the District's Application for State School Aid ("ASSA") noted the following:

- The ASSA reporting thirty-three (33) more students on roll than the District's workpapers.
- Seventeen (17) more students were listed as resident low income than the District's workpapers listed. In addition, thirty-four (34) student lunch applications were not provided for audit.
- Lunch applications for four (4) students reported as LEP Low Income were not provided for audit.

State Program Information

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

Criteria or Specific Requirement

State Grant Compliance Supplement – State Aid Public – Eligibility

Condition

Students counts reported on the District's Application for State School Aid ("ASSA") for On-Roll and Resident Low Income were not supported by District workpapers. In addition, valid lunch applications were not provided for audit in certain instances.

Context

See Finding 2024-006

Effect

The ASSA reported more students than the District workpapers. The number of students reported may impact aid received by the District.

Cause

Unknown.

Recommendation

Greater care be exercised in the preparation of the Application for State School Aid to ensure that amounts reported agree with the District workpapers and supporting documents.

View of Responsible Officials and Planned Corrective Action

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

**NUTLEY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards and N.J. OMB Circular Letter 15-08.

STATUS OF PRIOR YEAR FINDINGS

Finding 2023-001

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

Current Status

See Finding 2024-001.

Finding 2023-002 – State Awards

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

Current Status

See Finding 2024-004.