

VERONA BOARD OF EDUCATION

VERONA BOARD OF EDUCATION

Verona, New Jersey

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024**

Annual Comprehensive Financial Report

of the

VERONA BOARD OF EDUCATION

Verona, New Jersey

For the Fiscal Year Ended June 30, 2024

Prepared by

**Verona Board of Education
Business Office**

VERONA BOARD OF EDUCATION
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INTRODUCTORY SECTION
UNAUDITED

PAMELA PRISCOE
BOARD PRESIDENT

VERONA PUBLIC SCHOOLS

DIANE DIGIUSEPPE
SUPERINTENDENT OF SCHOOLS

DENISE VERZELLA
BOARD VICE PRESIDENT

121 FAIRVIEW AVENUE
VERONA, NEW JERSEY 07044

JORGE CRUZ,
BUSINESS ADMINISTRATOR/
BOARD SECRETARY

DIANA FERRERA
CHRISTOPHER WACHA
MICHAEL BOONE

SUPT.(973) 571-2029 - BUS. ADM.(973) 571-2029
FAX: 973-571-6779

MATTHEW LARACY,
TREASURER OF SCHOOL MONIES

October 11, 2024

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

Dear Honorable President and Board Members:

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

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:**

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

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

2) **ECONOMIC CONDITION AND OUTLOOK:**

The community is primarily residential but does have intensive commercial use on Bloomfield Avenue and Pompton Avenue, which provides the Township of Verona with an urban, downtown shopping district. Industrial use is limited in nature. In the past 10 years, the Township of Verona has approved development of over 300 units inclusive of Highlands at Hilltop on White Rock Road and Annin on Bloomfield Avenue. As of 2024, the Township is in the process of significant development with additional housing units between Cameco on Bloomfield Avenue and Spectrum on Sunset Avenue. It is possible that future development will continue to increase in the future. All of this development is expected to have an impact on student enrollment in the Verona Public Schools impacting class size and utilization of space.

3) **MAJOR INITIATIVES:**

District Goals 2024-2025

Strategic Plan Goal Area 1 – Academic Achievement

1. Utilize staff evaluation framework to drive best practices for instructional and administrative staff.
2. Each grade level, from grade 3 through grade 9, has specific targeted goals for improvement on the New Jersey Student Learning Assessment in English Language Arts and Math. To accomplish this, the following initiatives will be implemented:
 - **Standards/Curriculum Review for Alignment:** Review Evidence tables for the two grade levels, focusing on patterns for areas where our students underperformed—Cross-reference with existing curricula to identify gaps.
 - **Unpack Priority Standards/Determine Taxonomic Levels:** This will ensure that instruction is at the appropriate cognitive level spelled out by the standard.
 - **Data-Driven Instruction:** Deep dive into NJSLA and MAP Growth data for students on the performance level cusp to identify deficit areas and provide specific instruction and targeted feedback for growth. Implement regular formative assessments to monitor student progress and adjust instruction accordingly, identifying areas where additional support is needed.
 - Review writing rubrics and select a standard rubric for specific tasks, preferably the NJ State Assessment rubrics.
 - Grades 4-5 LAT/RST Rubric (Informative/Explanatory and Opinion)
 - Grades 4-5 Narrative Rubric
 - Grades 6-11 LAT/RST Rubric (Informative/Explanatory and Argumentative)
 - Grades 6-11 Narrative Rubric
 - Once selected, anchor the rubric and apply it to benchmark writing prompts.

- **Professional Development:** Provide ongoing professional development opportunities for teachers to strengthen their instruction methods, specifically standards-based instruction, differentiated instruction, and assessment strategies.
- **Implement Tier 1 Strategies/Small-Group Instruction:** Implement Tier 1 strategies such as guided reading and small group instruction for students who require additional support or enrichment and tailor lessons to meet their specific needs.
Peer Collaboration: Foster collaboration among district staff within and between grade levels to share effective strategies and resources.
Monitoring and Evaluation: Continuously monitor progress toward the goal using assessment data and adjust strategies as needed to ensure improvement is on track.

Strategic Plan Area 2: 21st Century Students who are College and Career-ready

1. Integrate career awareness at all levels.
2. Increase access to vo-tech, capstone, work-based learning, early college, dual enrollment, and gifted opportunities.
3. Expand understanding and application of 21st-century technology at all grade levels.

Strategic Goal Area 3: Social and Emotional Learning and Diversity, Equity, and Belonging

1. Create equitable access to district programs and resources.
2. Foster a sense of community among all stakeholders of the VPS community.
3. Develop a common language to align the district-wide character education program and goals.
4. Continue to evaluate processes and resources to improve experiences for all stakeholders.

Strategic Goal Area 4: Community and School Relationships

1. Communicate opportunities to parents and students early and often.
2. Encourage students to seek opportunities to engage in community planning and events.
3. Create opportunities for parents and caregivers to become active and confident partners in all aspects of the student experience.

4) INTERNAL ACCOUNTING CONTROLS:

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

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

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

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

5) BUDGETARY CONTROLS:

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

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

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Government Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT:

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

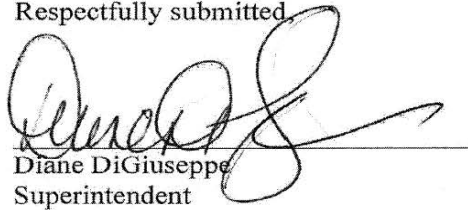
9) OTHER INFORMATION:

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

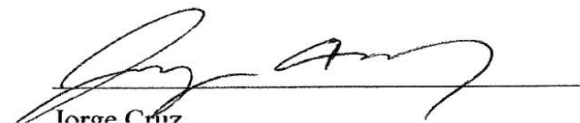
10) **ACKNOWLEDGEMENTS:**

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

Respectfully submitted,

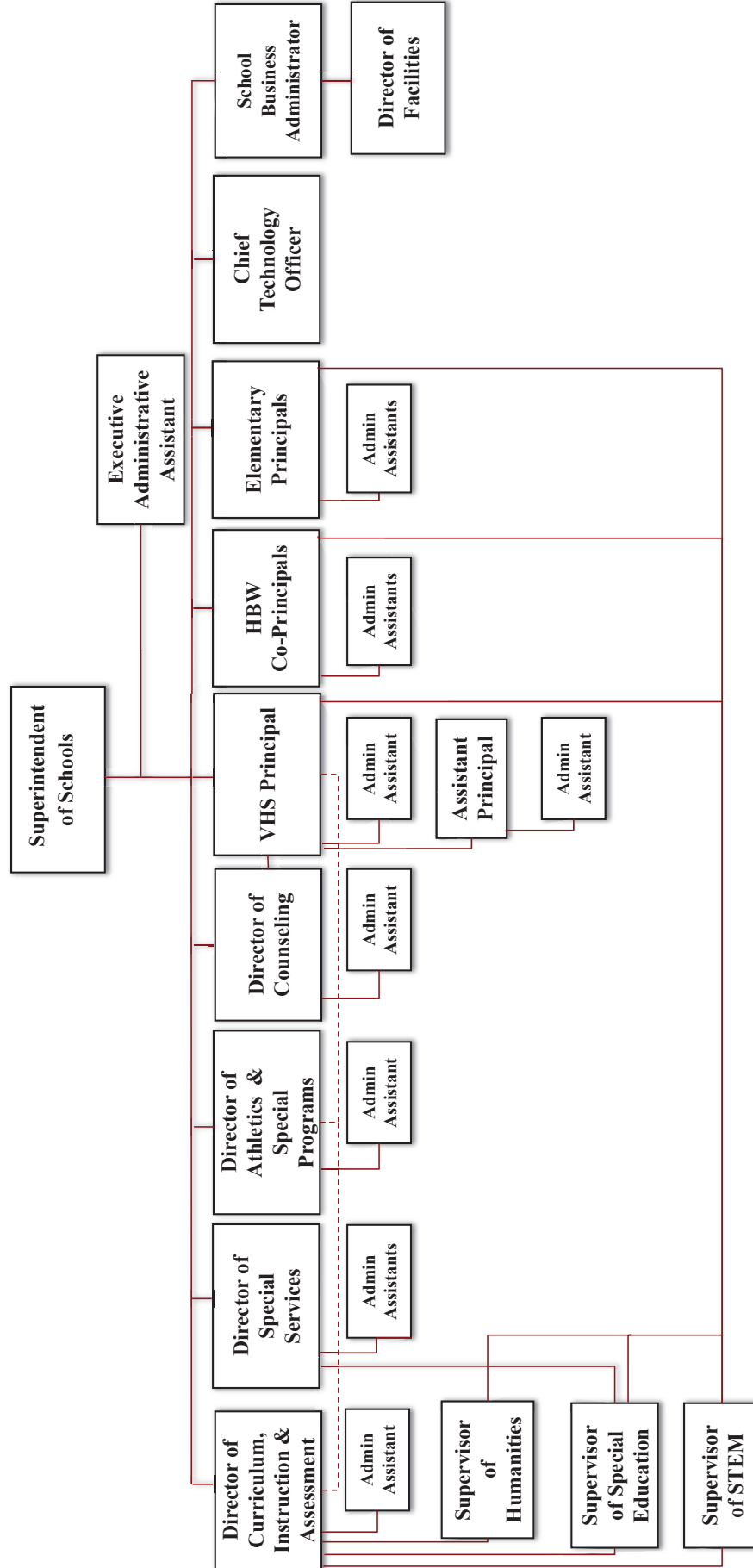


Diane DiGiuseppe
Superintendent

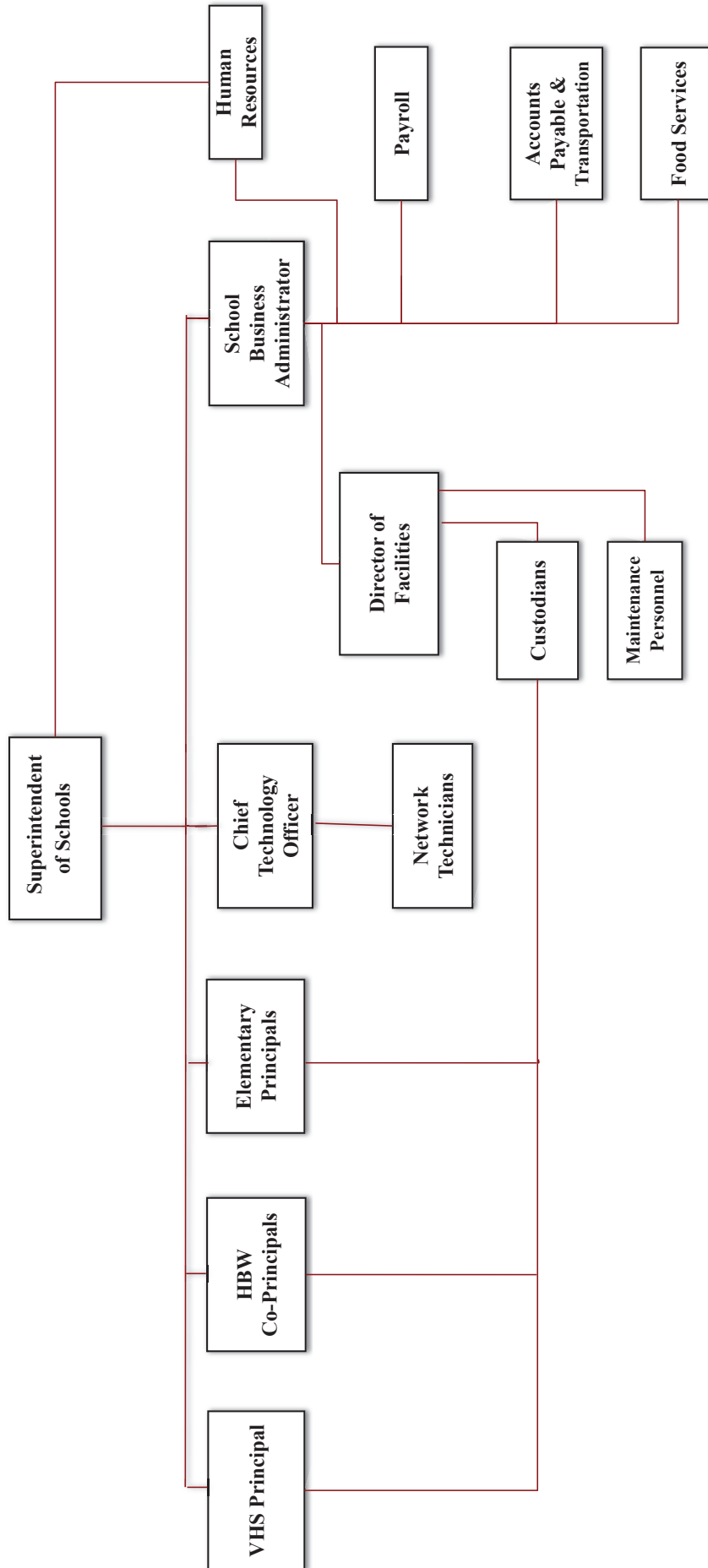


Jorge Cruz
Board Administrator

VERONA PUBLIC SCHOOLS ORGANIZATIONAL CHART

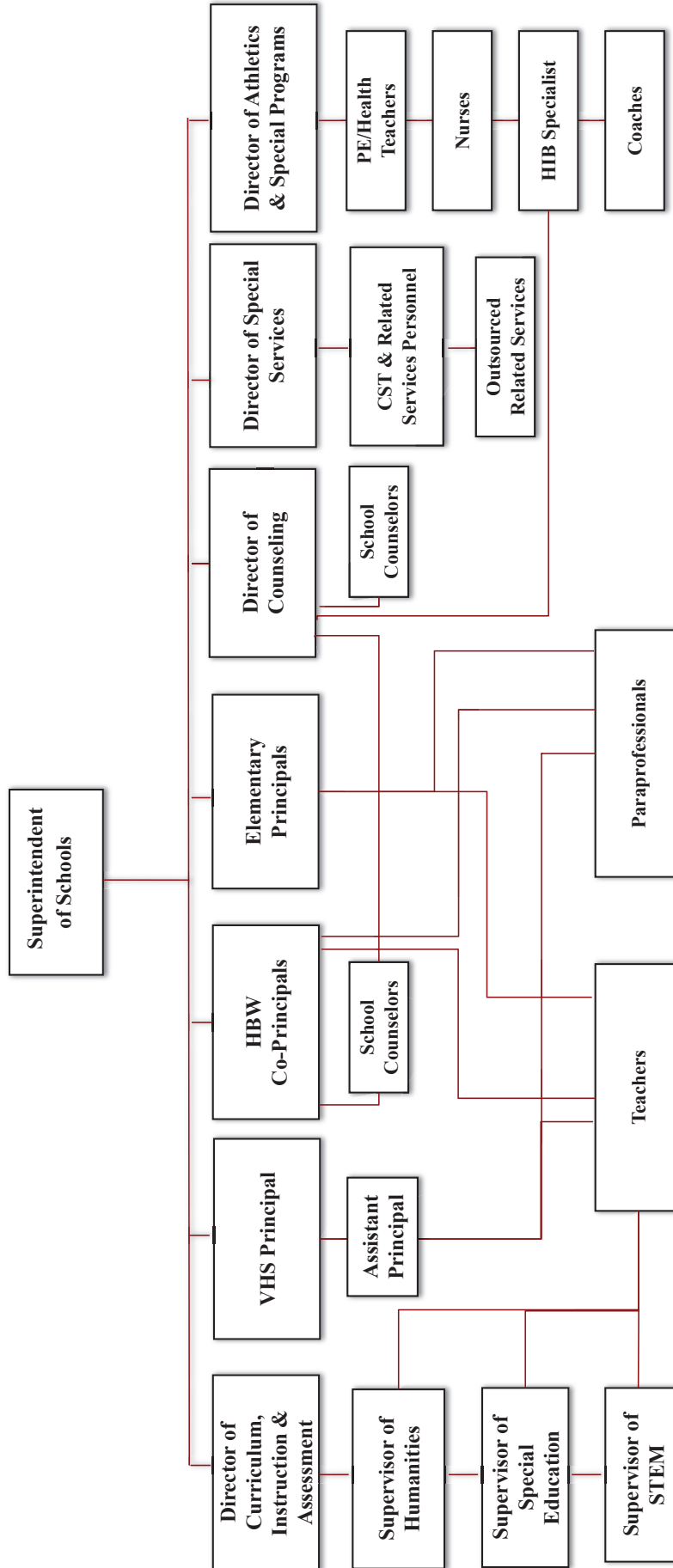


VERONA PUBLIC SCHOOLS ORGANIZATIONAL CHART



BOE Approved Date: 6/21/22

VERONA PUBLIC SCHOOLS ORGANIZATIONAL CHART



BOE Approved Date: 6/21/22

**VERONA BOARD OF EDUCATION
VERONA, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2024**

Members of the Board of Education

**Term
Expires**

Pamela Priscoe, President

2025

Diana Fererra, Vice President

2026

Lisa Freschi

2024

Denise Verzella

2026

Christopher Wacha

2025

Other Officers

Title

Diane DiGiuseppe

Superintendent of Schools

Jorge Cruz

Business Administrator

Matthew Laracy, CPA

Treasurer of School Monies

TOWNSHIP OF VERONA
BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

Architect of Record

Di Cara Rubino Architects
30 Galesi Drive, West Wing
Wayne, NJ 07470

Audit Firm

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Mount Arlington Corporate Center
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Insurance Agent

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C/O Burton Agency
Westwood, NJ 07675

Official Depositories

Citizens Bank
NJ ARM

FINANCIAL SECTION
(UNAUDITED)

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 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 (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

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

Other Information

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

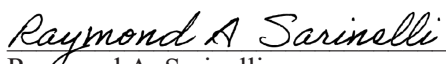
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

October 11, 2024
Mount Arlington, New Jersey

NISIVOCIA LLP


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

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Verona Board of Education Management's Discussion and Analysis

This section of Verona Board of Education's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

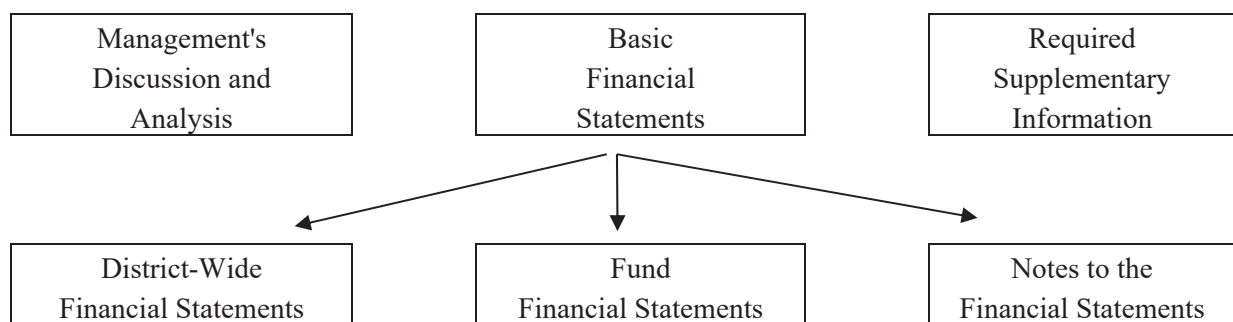
Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services and summer enrichment academy.
- *Notes to the Basic Financial Statements*: Provide additional information essential to a full understanding of the district-wide and fund financial statements.

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

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



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

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary such as special education and building maintenance	Activities the District operates similar to private businesses: food services, and summer enrichment academy
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

Verona Board of Education Management's Discussion and Analysis

District-wide Statements

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

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

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

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service and summer enrichment academy are included here.

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term liabilities) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

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

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

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

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased by \$1,857,754. Net position from governmental activities increased by \$1,831,020 and net position from business-type activities increased by \$26,734.

Figure A-3

Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023	
Current and Other Assets	\$ 7,481,460	\$ 7,583,174	\$ 143,719	\$ 141,096	\$ 7,625,179	\$ 7,724,270	
Capital Assets, Net	63,120,901	66,482,144	40,950	46,888	63,161,851	66,529,032	
Total Assets	70,602,361	74,065,318	184,669	187,984	70,787,030	74,253,302	-4.67%
Deferred Outflows of Resources	1,131,255	1,445,978			1,131,255	1,445,978	-21.77%
Other Liabilities	1,432,484	2,193,681	30,156	60,205	1,462,640	2,253,886	
Long-Term Liabilities	53,586,681	57,808,173			53,586,681	57,808,173	
Total Liabilities	55,019,165	60,001,854	30,156	60,205	55,049,321	60,062,059	-8.35%
Deferred Inflows of Resources	576,682	1,202,693			576,682	1,202,693	-52.05%
Net Position:							
Net Investment in							
Capital Assets	17,991,975	17,632,557	40,950	46,888	18,032,925	17,679,445	
Restricted	5,177,620	4,970,036			5,177,620	4,970,036	
Unrestricted/(Deficit)	(7,031,826)	(8,295,844)	113,563	80,891	(6,918,263)	(8,214,953)	
Total Net Position	\$ 16,137,769	\$ 14,306,749	\$ 154,513	\$ 127,779	\$ 16,292,282	\$ 14,434,528	12.87%

Changes in Net Position. The District's combined net position was \$16,292,282 at June 30, 2024, or \$1,857,754 more than it was the year before primarily due to revenues exceeding budgeted amounts. (See Figure A-3). Net position invested in capital assets increased \$353,480, restricted net position increased \$207,584 and unrestricted net position increased \$1,296,690.

Verona Board of Education Management's Discussion and Analysis

Figure A-4
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023	
Revenue:							
Program Revenue:							
Charges for Services	\$ 624,416	\$ 448,460	\$ 702,301	\$ 663,437	\$ 1,326,717	\$ 1,111,897	
Operating Grants & Contributions	10,399,211	11,075,870			10,399,211	11,075,870	
General Revenue:							
Property Taxes	41,462,350	40,418,677			41,462,350	40,418,677	
Unrestricted Federal & State Aid	1,378,283	1,263,684			1,378,283	1,263,684	
Other	584,049	402,727	327	287	584,376	403,014	
Total Revenue	54,448,309	53,609,418	702,628	663,724	55,150,937	54,273,142	1.62%
Expenses:							
Instruction	29,283,335	28,359,365			29,283,335	28,359,365	
Pupil and Instruction Services	9,315,432	9,204,669			9,315,432	9,204,669	
Administrative and Business	4,381,269	4,080,194			4,381,269	4,080,194	
Maintenance and Operations	3,708,741	3,845,867			3,708,741	3,845,867	
Transportation	1,213,365	1,073,408			1,213,365	1,073,408	
Other	4,715,147	4,824,610	675,894	660,835	5,391,041	5,485,445	
Total Expenses	52,617,289	51,388,113	675,894	660,835	53,293,183	52,048,948	2.39%
Increase/(Decrease) in Net Position	\$ 1,831,020	\$ 2,221,305	\$ 26,734	\$ 2,889	\$ 1,857,754	\$ 2,224,194	-16.48%

Governmental Activities

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

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

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

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

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

	Total Costs of Services		Net Cost of Services	
	2023/2024	2022/2023	2023/2024	2022/2023
Instruction	\$ 29,283,335	\$ 28,359,365	\$ 19,140,499	\$ 18,811,661
Pupil and Instruction Services	9,315,432	9,204,669	8,865,115	7,965,277
Administrative and Business	4,381,269	4,080,194	3,998,919	3,608,245
Maintenance and Operations	3,708,741	3,845,867	3,704,503	3,758,928
Transportation	1,213,365	1,073,408	1,109,479	960,337
Other	4,715,147	4,824,610	4,715,147	4,824,610
	<u>\$ 52,617,289</u>	<u>\$ 51,388,113</u>	<u>\$ 41,533,662</u>	<u>\$ 39,929,058</u>

Business-Type Activities

Net position from the District's business-type activity increased by \$26,734, (Refer to Figure A-4). Factors contributing to these results included:

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

Financial Analysis of the District's Funds

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

General Fund Budgetary Highlights

The District continues to look for ways to improve budget accuracy, and improve efficiency. In the 2024 fiscal year the District saw a slight increase in state aid Special Education funding.

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

Capital Asset and Long- Term Liabilities Administration

Figure A-6

Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023	
Land	\$ 1,679,937	\$ 1,679,937			\$ 1,679,937	\$ 1,679,937	
Building and Building Improvements	49,949,258	52,877,931			49,949,258	52,877,931	
Site Improvements	6,053,822	6,513,670			6,053,822	6,513,670	
Machinery and Equipment	670,921	679,118	\$ 40,950	\$ 46,888	711,871	726,006	
Construction in Progress	4,766,963	4,731,488			4,766,963	4,731,488	
Total Capital Assets (Net)	<u>\$63,120,901</u>	<u>\$66,482,144</u>	<u>\$ 40,950</u>	<u>\$ 46,888</u>	<u>\$63,161,851</u>	<u>\$66,529,032</u>	-5.06%

- The change in Capital Assets is a result of the acquisition of assets net of deletions and related accumulated depreciation in the amount of \$136,856 related to governmental capital assets, offset by depreciation expense of \$3,498,099 and \$5,938 related to governmental and business-type activities capital assets, respectively.
- The construction in progress represents Capital Project Fund expenditures as of June 30, 2024.

Long-term Liabilities

At year-end, the District had \$44,045,000 in general obligation bonds outstanding as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 6 to the financial statements.)

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Percentage Change
	2023/2024	2022/2023	
School Bonds	\$ 44,045,000	\$ 47,540,000	
Unamortized Bond Premium	1,070,385	1,248,783	
Financed Purchases	1,500,369	1,818,500	
Net Pension Liability	5,255,060	5,558,968	
Compensated Absences Payable	1,715,867	1,641,922	
	<u>\$ 53,586,681</u>	<u>\$ 57,808,173</u>	-7.30%

Verona Board of Education Management's Discussion and Analysis

Factors Bearing on the District's Future

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

- **Tax Levy CAP (A1):** The original law set a 4% cap on tax levy increases, which has since been adjusted to an allowable 2% increase. This limitation, coupled with rising costs of goods and services, poses a challenge to adequately fund educational programs and maintain infrastructure. The ongoing pressure on budgets necessitates careful planning and may require exploring alternative revenue sources.
- **Impact of S1701 Legislation:** The restrictions placed on the School's ability to transfer funds into capital reserves, adopted on June 17, 2004, continue to hamper the District's capacity to respond to urgent maintenance and capital improvement needs. The inability to transfer available funds during the budget year constrains the District's operational flexibility and poses challenges for long-term facility planning.
- **Chapter 44 and Health Care Costs:** Although Chapter 44 was designed to generate healthcare savings for employees and taxpayers, the reality has been an upward trend in health costs. With healthcare expenditures continuing to rise, the Board of Education faces significant financial pressures in each budget cycle. The ongoing increase in healthcare costs necessitates strategic planning to mitigate their impact on the overall budget while ensuring that employee benefits remain competitive.
- **Inflation and Economic Factors:** Current economic conditions, including inflation rates and supply chain disruptions, are affecting costs across all sectors. The District must anticipate the impact of these economic trends on operational costs, including salaries, supplies, and facility maintenance. Addressing these challenges will require prudent financial management and potentially reevaluating spending priorities.
- **State Funding and Grants:** The District's reliance on state funding continues to be a critical component of its budget. Any changes in state funding formulas or decreases in available grants may adversely affect the District's financial stability. It is essential for the District to remain informed about legislative changes that could impact funding levels.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office at 121 Fairview Avenue, Verona, NJ 07044.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

VERONA BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 2,476,388	\$ 135,122	\$ 2,611,510
Internal Balances	(7,129)	7,129	
Receivables from Federal Government	165,628		165,628
Receivables from State Government	1,529,543		1,529,543
Other Accounts Receivable	74,931		74,931
Inventory		1,468	1,468
Restricted Assets:			
Cash and Cash Equivalents	3,242,099		3,242,099
Capital Assets:			
Sites (Land)	1,679,937		1,679,937
Construction in Progress	4,766,963		4,766,963
Depreciable Site Improvements, Building and Building Improvements and Machinery and Equipment	56,674,001	40,950	56,714,951
Total Assets	<u>70,602,361</u>	<u>184,669</u>	<u>70,787,030</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Amount on Refunding	341,970		341,970
Deferred Outflows Related to Pensions	789,285		789,285
Total Deferred Outflows of Resources	<u>1,131,255</u>		<u>1,131,255</u>
<u>LIABILITIES:</u>			
Accounts Payable	791,412	12,118	803,530
Payable to State Government	11,438		11,438
Accrued Interest Payable	393,844		393,844
Unearned Revenue	235,790	18,038	253,828
Noncurrent Liabilities:			
Due Within One Year	4,163,138		4,163,138
Due Beyond One Year	49,423,543		49,423,543
Total Liabilities	<u>55,019,165</u>	<u>30,156</u>	<u>55,049,321</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Inflows Related to Pensions	576,682		576,682
Total Deferred Inflows of Resources	<u>576,682</u>		<u>576,682</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	17,991,975	40,950	18,032,925
Restricted for:			
Debt Service	10,555		10,555
Capital Projects	2,305,086		2,305,086
Maintenance	650,000		650,000
Excess Surplus	1,924,966		1,924,966
Unemployment Compensation	27,384		27,384
Student Activities	259,629		259,629
Unrestricted/(Deficit)	(7,031,826)	113,563	(6,918,263)
Total Net Position	<u>\$ 16,137,769</u>	<u>\$ 154,513</u>	<u>\$ 16,292,282</u>

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

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

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 21,760,013		\$ 4,777,505	\$ (16,982,508)		\$ (16,982,508)
Special Education	6,098,806	\$ 274,941	5,013,395	(810,470)		(810,470)
Other Instruction	76,630		14,715	(61,915)		(61,915)
School -Sponsored Instruction	1,347,886		2,280	(1,345,606)		(1,345,606)
Support Services:						
Tuition	3,162,018			(3,162,018)		(3,162,018)
Student and Instruction Related Services	6,153,414	349,475	100,842	(5,703,097)		(5,703,097)
General Administration Services	910,344		820	(909,524)		(909,524)
School Administration Services	2,644,658		380,066	(2,264,592)		(2,264,592)
Central Services	499,593		949	(498,644)		(498,644)
Administrative Information Technology	326,674		515	(326,159)		(326,159)
Plant Operations and Maintenance	3,708,741		4,238	(3,704,503)		(3,704,503)
Pupil Transportation	1,213,365		103,886	(1,109,479)		(1,109,479)
Interest on Long-Term Debt	1,272,303			(1,272,303)		(1,272,303)
Unallocated Depreciation	3,442,844			(3,442,844)		(3,442,844)
Total Governmental Activities	52,617,289	624,416	10,399,211	(41,593,662)		(41,593,662)
Business-Type Activities:						
Food Service Program	619,059	634,675			\$ 15,616	15,616
Verona Summer Enrichment Program	56,835	67,626			10,791	10,791
Total Business-Type Activities	675,894	702,301			26,407	26,407
Total Primary Government	\$ 53,293,183	\$ 1,326,717	\$ 10,399,211	(41,593,662)	26,407	(41,567,255)

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

Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities
		Total
General Revenues:		
Taxes:		
Property Taxes, Levied for General Purposes, Net	\$ 37,645,428	\$ 37,645,428
Taxes Levied for Debt Service	3,816,922	3,816,922
Federal and State Aid not Restricted	1,378,283	1,378,283
Investment Earnings	5,867	5,867
Miscellaneous Income	578,182	327
Total General Revenue	43,424,682	327
Change in Net Position	1,831,020	26,734
Net Position - Beginning	14,306,749	127,779
Net Position - Ending	\$ 16,137,769	\$ 154,513
		\$ 16,292,282

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

FUND FINANCIAL STATEMENTS

VERONA BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 2,244,510	\$ 112,733	\$ 119,145		\$ 2,476,388
Interfund Receivable	34,117			\$ 39,586	73,703
Receivables From Federal Government		165,628			165,628
Receivables From State Government	1,477,737	51,806			1,529,543
Other Accounts Receivables	59,170	15,761			74,931
Restricted Cash and Cash Equivalents	2,982,470	259,629			3,242,099
Total Assets	<u>\$ 6,798,004</u>	<u>\$ 605,557</u>	<u>\$ 119,145</u>	<u>\$ 39,586</u>	<u>\$ 7,562,292</u>
<u>LIABILITIES AND FUND BALANCES:</u>					
Liabilities:					
Interfund Payable	\$ 7,129		\$ 44,672	\$ 29,031	\$ 80,832
Accounts Payable	166,712	\$ 98,700			265,412
Payable to State Government		11,438			11,438
Unearned Revenue		235,790			235,790
Total Liabilities	<u>173,841</u>	<u>345,928</u>	<u>44,672</u>	<u>29,031</u>	<u>593,472</u>
Fund Balances:					
Restricted for:					
Excess Surplus - 2024-2025	1,010,978				1,010,978
Excess Surplus - 2025-2026	913,988				913,988
Capital Reserve Account	2,305,086				2,305,086
Maintenance Reserve Account	650,000				650,000
Capital Projects			74,473		74,473
Debt Service				10,555	10,555
Unemployment Compensation	27,384				27,384
Student Activities		259,629			259,629
Assigned for:					
Designated for Subsequent Year's Expenditures	469,109				469,109
Unassigned	1,247,618				1,247,618
Total Fund Balances	<u>6,624,163</u>	<u>259,629</u>	<u>74,473</u>	<u>10,555</u>	<u>6,968,820</u>
Total Liabilities and Fund Balances	<u>\$ 6,798,004</u>	<u>\$ 605,557</u>	<u>\$ 119,145</u>	<u>\$ 39,586</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.	\$ 63,120,901
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(393,844)
Bond Issuance Premiums are reported as revenue in the Governmental Funds in the year the bonds are sold.	(1,070,385)
The Deferred amount on the refunding is not reported as an expenditure in the governmental funds in the year of the expenditure.	341,970
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(5,255,060)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds.	
Deferred Outflows	263,285
Deferred Inflows	(576,682)
Long-Term Liabilities, Including Bonds Payable, Are Not Due and Payable in the Current Period and Therefore are Not Reported as Liabilities in the Funds (see Note 6)	(47,261,236)
Net Position of Governmental Activities	<u>\$ 16,137,769</u>

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 37,645,428			\$ 3,816,922	\$ 41,462,350
Tuition	274,941				274,941
Interest on Investments			\$ 5,867		5,867
Miscellaneous	578,182	\$ 339,593			917,775
Total - Local Sources	38,498,551	339,593	5,867	3,816,922	42,660,933
State Sources	14,320,711	192,686		1,106,771	15,620,168
Federal Sources	95,917	1,016,103			1,112,020
Total Revenues	52,915,179	1,548,382	5,867	4,923,693	59,393,121
EXPENDITURES:					
Current:					
Regular Instruction	13,873,253	617,132			14,490,385
Special Education Instruction	3,896,211	581,775			4,477,986
Other Special Instruction	46,254				46,254
School-Sponsored/Other Instruction	1,121,135				1,121,135
Support Services and Undistributed Costs:					
Tuition	3,162,018				3,162,018
Student and Other Instruction Related Services	4,946,308	273,055			5,219,363
General Administration Services	838,820				838,820
School Administration Services	1,801,013				1,801,013
Central Services	427,875				427,875
Administrative Information Technology	260,190				260,190
Plant Operations and Maintenance	3,509,537				3,509,537
Student Transportation	1,142,862				1,142,862
Unallocated Benefits	16,994,117				16,994,117
Debt Service:					
Principal				3,495,000	3,495,000
Interest and Other Charges				1,430,350	1,430,350
Capital Outlay	254,368	23,800	35,475		313,643
Total Expenditures	52,273,961	1,495,762	35,475	4,925,350	58,730,548
Excess/(Deficit) of Revenue Over/(Under) Expenditures	641,218	52,620	(29,608)	(1,657)	662,573
OTHER FINANCING SOURCES/(USES):					
Transfer In				5,867	5,867
Transfer Out			(5,867)		(5,867)
Total Other Financing Sources/(Uses)			(5,867)	5,867	
Net Change in Fund Balances	641,218	52,620	(35,475)	4,210	662,573
Fund Balance - July 1	5,982,945	207,009	109,948	6,345	6,306,247
Fund Balance - June 30	\$ 6,624,163	\$ 259,629	\$ 74,473	\$ 10,555	\$ 6,968,820

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

VERONA BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)	\$ 662,573						
Amounts Reported for Governmental Activities in the Statement of Activities (Exhibit A-2) are Different Because:							
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differs from capital outlays in the period.							
	<table> <tr> <td>Depreciation Expense</td><td style="text-align: right;">\$ (3,498,099)</td></tr> <tr> <td>Capital outlays</td><td style="text-align: right;"><u>136,856</u></td></tr> <tr> <td></td><td style="text-align: right;">(3,361,243)</td></tr> </table>	Depreciation Expense	\$ (3,498,099)	Capital outlays	<u>136,856</u>		(3,361,243)
Depreciation Expense	\$ (3,498,099)						
Capital outlays	<u>136,856</u>						
	(3,361,243)						
In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	(73,945)						
Repayment of serial bonds is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.	3,495,000						
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)	38,006						
The governmental funds report the effect of bond premium when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. (+)	178,398						
Repayment of financed purchases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.	318,131						
The governmental funds report the effect of the deferred amount on the refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	(56,995)						
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:							
Changes in Net Pension Liability	303,908						
Changes in Deferred Outflows	(298,824)						
Changes in Deferred Inflows	<u>626,011</u>						
Change in Net Position - Governmental Activities (From Exhibit A-2)	<u>\$ 1,831,020</u>						

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

VERONA BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-type Activities - Enterprise Funds Non-Major Funds
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 135,122
Intefund Receivable	7,129
Inventories	1,468
	<hr/>
Total Current Assets	143,719
	<hr/>
Non-Current Assets:	
Capital Assets	397,990
Less: Accumulated Depreciation	(357,040)
	<hr/>
Total Non-Current Assets	40,950
	<hr/>
Total Assets	184,669
	<hr/>
<u>LIABILITIES:</u>	
Accounts Payable - Vendors	12,118
Unearned Revenue	18,038
	<hr/>
Total Liabilities	30,156
	<hr/>
<u>NET POSITION:</u>	
Investment in Capital Assets	40,950
Unrestricted	113,563
	<hr/>
Total Net Position	\$ 154,513
	<hr/> <hr/>

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

VERONA BOARD OF EDUCATION
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-type Activities - Enterprise Funds <u>Non-Major Funds</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Non-Reimbursable Programs	\$ 634,675
Program Fees	<u>67,626</u>
Total Operating Revenue	<u>702,301</u>
Operating Expenses:	
Cost of Sales - Non-Reimbursable Programs	255,929
Salaries, Benefits & Payroll Taxes	313,806
Supplies, Insurance & Other Costs	48,048
Management Fee	50,243
Miscellaneous Expenditures	1,930
Depreciation Expense	<u>5,938</u>
Total Operating Expenses	<u>675,894</u>
Operating Income	26,407
Non-Operating Revenue:	
Local Sources:	
Interest Earnings	<u>327</u>
Total Non-Operating Revenue	<u>327</u>
Change in Net Position	26,734
Net Position - Beginning of Year	<u>127,779</u>
Net Position - End of Year	<u><u>\$ 154,513</u></u>

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

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

	Business-type Activities - Enterprise Funds <u>Non-Major Funds</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 702,301
Payments to Food Service Contractor	(642,155)
Payments to Suppliers	<u>(56,835)</u>
Net Cash Provided by Operating Activities	<u>3,311</u>
Cash Flows from Investing Activities:	
Interest Income	<u>327</u>
Net Cash Provided by Investing Activities	<u>327</u>
Net Increase in Cash and Cash Equivalents	3,638
Cash and Cash Equivalents, July 1	<u>131,484</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 135,122</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 26,407
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	5,938
Changes in Assets and Liabilities:	
Decrease in Inventory	1,015
(Decrease) in Accounts Payable	(31,432)
Increase in Unearned Revenue	<u>1,383</u>
Net Cash Provided by Operating Activities	<u><u>\$ 3,311</u></u>

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

B. Basis of Presentation: (Cont'd)

The District reports the following governmental funds (Cont'd):

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

The District reports the following proprietary fund:

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

D. Budgets/Budgetary Control:

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis except for student activities. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 52,948,925	\$ 1,548,382
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements	222,955	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(256,701)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 52,915,179</u>	<u>\$ 1,548,382</u>

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures (Cont'd):

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 52,273,961</u>	<u>\$ 1,495,762</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 52,273,961</u>	<u>\$ 1,495,762</u>

E. Cash and Cash Equivalents:

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

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

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

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

F. Interfund Transactions:

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

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

F. Interfund Transactions: (Cont'd)

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

K. Capital Assets:

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

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

K. Capital Assets: (Cont'd)

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

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

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

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

L. Lease Assets:

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

M. Subscription Assets

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

N. Long Term Liabilities:

In the government-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premiums and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

O. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2024.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

P. Compensated Absences:

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

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

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

Q. Lease Payable:

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

R. Subscription Payable

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

S. Unearned Revenue:

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

T. Fund Balance Appropriated:

General Fund: Of the \$6,624,163 General Fund fund balance at June 30, 2024, \$2,305,086 is restricted in the capital reserve account; \$650,000 is restricted in the maintenance reserve account; \$1,924,966 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) (\$1,010,978 of prior year excess surplus has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2025; \$913,988 of current year excess surplus will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2026); \$27,384 is restricted for unemployment compensation; \$469,109 has been appropriated and included as anticipated revenue for the year ending June 30, 2025 and \$1,247,618 is unassigned fund balance which is \$256,701 less than the budgetary unassigned fund balance, on a GAAP Basis, due to the final two state aid payments, that are not recognized on a GAAP basis.

Special Revenue: The Special Revenue Fund fund balance at June 30, 2024 is \$259,629 and is restricted for student activities.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

T. Fund Balance Appropriated: (Cont'd)

Capital Projects Fund: The Capital Projects Fund has \$74,473 of fund balance at June 30, 2024, all of which is restricted.

Debt Service Fund: The Debt Service Fund has \$10,555 of fund balance at June 30, 2024 all of which is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (\$1701) the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus as detailed above.

Unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$256,701, as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the last state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the last two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments noted above.

U. Deficit Net Position

The District has a deficit in unrestricted net position from governmental activities in the amount of \$7,031,826. The deficit in governmental activities is primarily due to the accrual of compensated absences payable, net pension liability and the deferred inflows and outflows related to pensions. This deficit does not mean that the district is facing financial difficulties and is a permitted practice by generally accepted accounting principles.

V. Net Position

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had a deferred outflow of resources at June 30, 2024 for the deferred amount on refunding of debt related to the District's 2015 refunding bonds, and related to pensions.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

V. Net Position (Cont'd)

The District had deferred inflows of resources at June 30, 2024 related to pensions.

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

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

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

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

W. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established for debt service, the capital projects fund, excess surplus, a capital reserve, a maintenance reserve, student activities and unemployment compensation at June 30, 2024.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2024.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources in the General Fund at June 30, 2024 for the amount designated for subsequent year's expenditures.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

X. Revenue - Exchange and Nonexchange Transactions:

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

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

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

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

Y. Operating Revenue and Expenses:

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

Z. Management Estimates:

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

AA. Pensions

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

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

Deposits:

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

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

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

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

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

Deposits: (Cont'd)

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;
 - (b) the custody of collateral is transferred to a third party;

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

Investments: (Cont'd)

(8) Agreements for the repurchase of fully collateralized securities if (Cont'd):

- (c) the maturity of the agreement is not more than 30 days;
- (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed; or

(9) Deposit of funds in accordance with the following conditions:

- (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
- (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
- (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
- (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
- (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2024, cash and cash equivalents of the District consisted of the following:

Cash and Cash Equivalents	Restricted Cash and Cash Equivalents					Total
	Capital Reserve Account	Maintenance Reserve Account	Unemployment	Student Activities		
Checking Accounts	\$ 2,611,510	\$ 2,305,086	\$ 650,000	\$ 27,384	\$ 259,629	\$ 5,853,609
	<u>\$ 2,611,510</u>	<u>\$ 2,305,086</u>	<u>\$ 650,000</u>	<u>\$ 27,384</u>	<u>\$ 259,629</u>	<u>\$ 5,853,609</u>

During the period ended June 30, 2024, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2024, was \$5,853,609 and the bank balance was \$7,274,006.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 4. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 1,679,937			\$ 1,679,937
Construction in Progress	4,731,488	\$ 35,475		4,766,963
Total Capital Assets Not Being Depreciated	6,411,425	35,475		6,446,900
Capital Assets Being Depreciated:				
Buildings and Building Improvements	82,448,105			82,448,105
Site Improvements	10,735,731			10,735,731
Machinery and Equipment	2,538,446	101,381		2,639,827
Total Capital Assets Being Depreciated	95,722,282	101,381		95,823,663
Governmental Activities Capital Assets	102,133,707	136,856		102,270,563
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(29,570,174)	(2,928,673)		(32,498,847)
Site Improvements	(4,222,061)	(459,848)		(4,681,909)
Machinery and Equipment	(1,859,328)	(109,578)		(1,968,906)
	(35,651,563)	(3,498,099)		(39,149,662)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 66,482,144	\$ (3,361,243)	\$ -0-	\$ 63,120,901
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 397,990			\$ 397,990
Less Accumulated Depreciation	(351,102)	(5,938)		(357,040)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 46,888	\$ (5,938)	\$ -0-	\$ 40,950

The District expended \$35,475 on various capital projects during the fiscal year, all of which was for construction projects in progress. The district has \$27,971,826 in active construction projects, with an unexpended balance of \$74,473 as of June 30, 2024.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 38,306
School Sponsored/Other Instruction	4,876
Student and Instruction Related Services	4,288
School Administration	4,812
Operations and Maintenance of Plant	2,973
Unallocated	3,442,844
	<u>\$ 3,498,099</u>

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 5. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning Balance, July 1, 2023	<u>\$ 2,305,086</u>
Ending Balance, June 30, 2024	<u><u>\$ 2,305,086</u></u>

The June 30, 2024 LRFP balance of local support costs of uncompleted capital projects at June 30, 2024 exceeds the balance in the capital reserve account as of June 30, 2024.

NOTE 6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2024, the following changes occurred in liabilities reported in the District-wide financial statements:

	<u>Beginning Balance</u>	<u>Accrued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Serial Bonds Payable	\$ 47,540,000		\$ 3,495,000	\$ 44,045,000	\$ 3,655,000
Unamortized Bond Premium	1,248,783		178,398	1,070,385	178,398
Financed Purchases	1,818,500		318,131	1,500,369	329,740
Net Pension Liability					
PERS	5,558,968		303,908	5,255,060	
Compensated Absences Payable	<u>1,641,922</u>	<u>\$ 73,945</u>		<u>1,715,867</u>	
	<u><u>\$ 57,808,173</u></u>	<u><u>\$ 73,945</u></u>	<u><u>\$ 4,295,437</u></u>	<u><u>\$ 53,586,681</u></u>	<u><u>\$ 4,163,138</u></u>

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

A. Bonds Payable:

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

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

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

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

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

The District had serial bonds outstanding as of June 30, 2024 as follows:

	Issue Dates	Interest Rates	Final Date of Maturity	Balance 6/30/2024
2014 School Bonds	04/29/14	2.75%-3.50%	05/01/34	\$ 7,950,000
2015 School Refunding Bonds	03/13/15	4.00%-5.00%	03/01/31	11,550,000
2020 School Bonds	02/19/20	2.00%-2.375%	03/01/40	24,545,000
				<u>\$ 44,045,000</u>

Principal and interest due on bonds outstanding are as follows:

Year	Serial Bonds		Total
	Principal	Interest	
2025	\$ 3,655,000	\$ 1,305,813	\$ 4,960,813
2026	3,860,000	1,178,000	5,038,000
2027	3,920,000	1,060,350	4,980,350
2028	3,925,000	925,350	4,850,350
2029	3,975,000	790,100	4,765,100
2030-2034	15,110,000	2,176,000	17,286,000
2035-2039	8,000,000	724,000	8,724,000
2040	1,600,000	38,000	1,638,000
	<u>\$ 44,045,000</u>	<u>\$ 8,197,613</u>	<u>\$ 52,242,613</u>

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

B. Bonds Authorized But Not Issued:

As of June 30, 2024, the Board had no bonds authorized but not issued.

C. Financed Purchase Payable:

The District has financed purchases agreements for buses, energy savings equipment, chromebooks and computers valued at \$3,843,685 of which \$2,343,316 has been liquidated. The financed purchase agreements are for terms of fifteen and five years. The following is a schedule of the future minimum financed purchases payments.

<u>Year</u>	<u>Amount</u>
2025	\$ 362,646
2026	218,112
2027	223,588
2028	229,190
2029	234,920
2030-2031	<u>349,581</u>
Total Minimum Financed Purchase Payments	1,618,037
Less: Amount Representing Interest	<u>(117,668)</u>
Present Value Net of Minimum Lease Payments	<u><u>\$ 1,500,369</u></u>

The current portion of the financed purchases payable at June 30, 2024 is \$329,740 and the long term portion is \$1,170,629. The General Fund will be used to liquidate the financed purchases payable.

D. Compensated Absences

The liability for compensated absences of the governmental fund types is recorded in the long-term liabilities. The long-term portion of compensated absences is \$1,715,867. There is no current portion.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2024, no liability existed for compensated absences in the Food Service Fund.

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

E. Unamortized Bond Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$178,398 and is separated from the long-term portion of \$891,987.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

F. Net Pension Liability

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2024 is \$-0- and the long-term portion is \$5,255,060. See Note 7 for further information on the PERS.

NOTE 7. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

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

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

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSIONS PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

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

District contributions to PERS amounted to \$484,904 for the current fiscal year. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$16,389 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

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

At June 30, 2024, the District's liability was \$5,255,060 for its proportionate share of the 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 July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.0363%, which was a decrease of 0.0005% from its proportion measured as of June 30, 2022.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

For the fiscal year ended June 30, 2024, the District recognized an actual pension benefit of \$143,450 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$16,389 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2024.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2019	5.21		\$ (28,545)
	2020	5.16		(259,735)
	2021	5.13	\$ 11,554	
	2022	5.04		(30,199)
			<u>11,554</u>	<u>(318,479)</u>
Changes in Proportion	2019	5.21		(8,292)
	2020	5.16		(154,204)
	2021	5.13	97,987	
	2022	5.04	79,299	
	2023	5.08		(74,226)
			<u>177,286</u>	<u>(236,722)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	81,381	
	2021	5.00	(676,807)	
	2022	5.00	805,236	
	2023	5.00	(185,610)	
			<u>24,200</u>	
Difference Between Expected and Actual Experience	2019	5.21	2,182	
	2020	5.16	14,471	
	2021	5.13		(9,181)
	2022	5.04		(12,300)
	2023	5.08	33,592	
			<u>50,245</u>	<u>(21,481)</u>
District Contribution Subsequent to the Measurement Date	2023	1.00	526,000	
			<u>\$ 789,285</u>	<u>\$ (576,682)</u>

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2024	\$ (277,448)
2025	(154,861)
2026	216,407
2027	(38,728)
2028	669
	<u>\$ (253,961)</u>

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:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

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

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

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2023 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability 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 upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 6,840,970	\$ 5,255,060	\$ 3,905,241

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

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

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2023, the State of New Jersey contributed \$6,969,132 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$2,000,724.

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

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

At June 30, 2024, the State's proportionate share of the net pension liability associated with the District was \$81,439,211. 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 July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.1596%, which was a decrease of 0.0011% from its proportion measured as of June 30, 2022.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>81,439,211</u>
Total	<u>\$ 81,439,211</u>

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$2,000,724 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2016	8.30	\$ 391,340,712	
	2017	8.30		\$ 2,080,865,206
	2018	8.29		1,883,063,885
	2019	8.04		1,514,535,609
	2020	7.99	805,517,879	
	2021	7.93		9,179,534,541
	2022	7.83	<u>82,066,487</u>	
			<u>1,278,925,078</u>	<u>14,657,999,241</u>
Difference Between Expected and Actual Experience	2016	8.30		4,866,656
	2017	8.30	37,022,988	
	2018	8.29	330,339,649	
	2019	8.04		58,842,090
	2020	7.99		4,293,040
	2021	7.93	121,815,868	
	2022	7.83		15,372,285
	2023	7.93	<u>169,161,907</u>	
			<u>658,340,412</u>	<u>83,374,071</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	241,395,539	
	2021	5.00	(1,777,316,905)	
	2022	5.00	2,489,500,994	
	2023	6.00	<u>(477,296,442)</u>	
			<u>476,283,186</u>	
			<u>\$ 2,413,548,676</u>	<u>\$ 14,741,373,312</u>

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2024	\$ (3,918,676,894)
2025	(3,446,016,070)
2026	(1,604,289,401)
2027	(1,742,641,843)
2028	(1,672,806,952)
Thereafter	56,606,524
	<u>\$ (12,327,824,636)</u>

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%

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

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

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability 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 made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2023 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 96,031,608	\$ 81,439,211	\$ 69,148,944

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

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

For DCRP, the District recognized pension expense of \$31,298 for the fiscal year ended June 30, 2024. Employee contributions to DCRP amounted to \$44,473 for the year ended June 30, 2024.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters.

Property, Liability and Health Benefits

The District has health benefits coverage for its employees under AmeriHealth Insurance Company of New Jersey.

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

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

The audit of the Group as of June 30, 2024 is not available as of the date of this report. Selected, summarized financial information for the Group as of June 30, 2023 is as follows:

	<u>Morris Essex Insurance Group</u>
Total Assets	<u>\$ 11,649,761</u>
Net Position	<u>\$ 7,344,918</u>
Total Revenue	<u>\$ 4,363,092</u>
Total Expenses	<u>\$ 3,537,129</u>
Change in Net Position	<u>\$ (149,624)</u>
Member Dividends	<u>\$ 975,587</u>

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

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

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

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

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

<u>Fiscal Year</u>	<u>Employee Contributions and Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024	\$ 82,140	\$ 78,776	\$ 27,384
2023	80,959	85,593	24,020
2022	106,213	90,824	28,654

NOTE 9. ECONOMIC DEPENDENCY

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

NOTE 10. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2024:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 34,117	\$ 7,129
Capital Projects Fund		44,672
Debt Service Fund	39,586	29,031
Proprietary Fund	7,129	
	<u>\$ 80,832</u>	<u>\$ 80,832</u>

The interfund between the General Fund and the Capital Projects Fund represents the unspent funds on completed projects due back to the capital reserve account. The interfund between the Capital Projects fund and the Debt Service fund represents a prior year interfund and current year interest. The interfund between Debt Service Fund and General Fund represents a prior year interfund and a current year advance. The interfund between the General Fund and the Proprietary Fund represents a prior year interfund.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. DEFERRED COMPENSATION

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

The plan administrators are as follows:

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

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

NOTE 12. TAX CALENDAR

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

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

NOTE 13. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Litigation

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

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 13. COMMITMENTS AND CONTINGENCIES (Cont'd)

Arbitrage

The District may have a liability for arbitrage payable to the federal government relative to its \$27,771,000 School Bonds dated February 19, 2020. The amount of liability at June 30, 2024, if any, is unknown.

NOTE 14. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2024, the District transferred \$102,701 to capital outlay accounts for equipment and did not require approval from the County Superintendent.

NOTE 15. ACCOUNTS PAYABLE

	<u>Governmental Funds</u>		District Contribution Subsequent to the Measurement Date	Total Governmental Activities	<u>Business-Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>			<u>Food Service Fund</u>
State of New Jersey		\$ 11,438	\$ 526,000	\$ 537,438	
Payroll Deductions and Withholdings	\$ 114,752			114,752	
Vendors	51,960	98,700		150,660	\$ 12,118
	<u>\$ 166,712</u>	<u>\$ 110,138</u>	<u>\$ 526,000</u>	<u>\$ 802,850</u>	<u>\$ 12,118</u>

NOTE 16. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by Board resolution for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

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

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 16. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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

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

Beginning Balance, July 1, 2023	<u>\$ 650,000</u>
Ending Balance, June 30, 2024	<u><u>\$ 650,000</u></u>

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

General Information about the OPEB Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

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

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits is the responsibility of the individual education employers.

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

Employees Covered by Benefit Terms

At June 30, 2022, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	152,383
Active Plan Members	<u>217,212</u>
Total	<u><u>369,595</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

Actuarial Assumptions and Other Inputs

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

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

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

100% of active employees are considered to participate in the Plan upon retirement.

Mortality Rates

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% 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 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

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

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 70,362,142
Changes for Year:	
Service Cost	2,904,583
Interest on the Total OPEB Liability	2,574,343
Changes of Assumptions	147,331
Differences between Expected and Actual Experience	(951,875)
Gross Benefit Payments by the State	(2,006,742)
Contributions from Members	65,971
Net Changes	<u>2,733,611</u>
Balance at June 30, 2023	<u><u>\$ 73,095,753</u></u>

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>June 30, 2023</u>		
	<u>At 1% Decrease (2.65%)</u>	<u>At Discount Rate (3.65%)</u>	<u>At 1% Increase (4.65%)</u>
Total OPEB Liability Attributable to the District	\$ 85,692,222	\$ 73,095,753	\$ 62,982,251

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>June 30, 2023</u>		
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability Attributable to the District	\$ 60,680,744	\$ 73,095,753	\$ 89,340,824

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

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

For the fiscal year ended June 30, 2024, the District recognized OPEB expense of \$1,941,970 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation. In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2023 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 2,633,916
	2018	9.51		2,726,339
	2019	9.29	\$ 401,087	
	2020	9.24	9,805,920	
	2021	9.24	55,812	
	2022	9.13		14,811,560
	2023	9.30	131,489	
			<u>10,394,308</u>	<u>20,171,815</u>
Differences between Expected and Actual Experience	2018	9.51		2,577,239
	2019	9.29		4,720,822
	2020	9.24	9,139,502	
	2021	9.24		10,733,146
	2022	9.13	1,525,378	
	2023	9.30		1,221,485
			<u>10,664,880</u>	<u>19,252,692</u>
Changes in Proportion	N/A	N/A	<u>1,772,484</u>	<u>1,100,952</u>
			<u>\$ 22,831,672</u>	<u>\$ 40,525,459</u>

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

Fiscal Year Ending June 30,	Total
2024	\$ (3,645,213)
2025	(3,645,214)
2026	(3,168,206)
2027	(1,867,854)
2028	(382,327)
Thereafter	<u>(5,656,505)</u>
	<u>\$ (18,365,319)</u>

VERONA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 18. TAX ABATEMENTS

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

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

The Township of Verona recognized revenue in the amount of \$1,540,698 from 6 payment in lieu of taxes ("PILOT") agreements. The taxes which would have been paid on these properties for 2023 without the abatement would have been \$3,370,549 of which \$1,905,428 would have been for the local school tax.

NOTE 19. SUBSEQUENT EVENTS

This District is planning on issuing \$9,375,000 of refunding bonds on December 5, 2024, to refund \$9,920,000 of its 2015 refunding bonds which had been issued with interest rates of 4.00%-5.00%. The estimated net present value savings over the life of the new refunding bonds is estimated to be \$619,964.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the net pension liability	0.0391601951%	0.0409104326%	0.0407569587%	0.0380142039%	0.0390169900%	0.0381088649%	0.0350621284%	0.0361442350%	0.0368353934%	0.0362808911%
District's proportionate share of the net pension liability	\$ 7,331,860	\$ 9,183,572	\$ 12,071,042	\$ 8,849,099	\$ 7,682,251	\$ 6,866,639	\$ 5,717,716	\$ 4,281,826	\$ 5,558,968	\$ 5,255,060
District's covered employee payroll	\$ 2,649,102	\$ 2,574,194	\$ 2,612,297	\$ 2,572,880	\$ 2,749,941	\$ 2,679,024	\$ 2,609,386	\$ 2,612,535	2,688,006	3,040,861
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	283.04%	284.82%	351.55%	469.16%	321.79%	286.76%	263.15%	218.86%	159.29%	182.81%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 322,831	\$ 351,720	\$ 362,079	\$ 352,161	\$ 388,093	\$ 474,421	\$ 383,562	\$ 423,291	\$ 464,512	\$ 484,904
Contributions in relation to the contractually required contribution	(322,831)	(351,720)	(362,079)	(352,161)	(388,093)	(474,421)	(383,562)	(423,291)	(464,512)	(484,904)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 2,574,194	\$ 2,612,297	\$ 2,572,880	\$ 2,749,941	\$ 2,679,024	\$ 2,609,386	\$ 2,612,535	\$ 2,688,006	\$ 3,040,861	\$ 3,212,175
Contributions as a percentage of covered employee payroll	12.54%	13.46%	14.07%	12.81%	14.49%	18.18%	14.68%	15.75%	15.28%	15.10%

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
State's proportion of the net pension liability attributable to the District	0.1571932268%	0.1475863822%	0.1576259021%	0.1542831150%	0.1537161453%	0.1548302120%	0.1504151211%	0.1580326010%	0.1606955972%	0.1595825024%
State's proportionate share of the net pension liability attributable to the District	\$ 84,014,664	\$ 93,280,896	\$ 123,998,571	\$ 104,023,239	\$ 97,790,910	\$ 95,020,763	\$ 99,046,550	\$ 75,974,471	\$ 82,909,955	\$ 81,439,211
District's covered employee payroll	\$ 14,603,136	\$ 14,991,957	\$ 15,817,173	\$ 15,591,191	\$ 16,142,269	\$ 16,319,268	\$ 17,906,395	\$ 17,922,562	\$ 18,594,296	\$ 19,510,706
State proportionate share of the net pension liability attributable to the district as a percentage of its covered employee payroll	575.32%	622.21%	783.95%	667.19%	605.81%	582.26%	553.14%	423.90%	445.89%	417.41%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 4,520,778	\$ 9,316,767	\$ 9,316,767	\$ 7,206,203	\$ 5,700,868	\$ 5,604,579	\$ 6,159,136	\$ 1,787,713	\$ 2,231,339	\$ 2,000,724
Contributions in relation to the contractually required contribution	(744,353)	(1,202,132)	(1,674,703)	(2,263,697)	(3,045,135)	(3,299,180)	(4,593,817)	(6,615,286)	(6,523,829)	(6,969,132)
Contribution deficiency/(excess)	\$ 3,776,425	\$ 8,114,635	\$ 7,642,064	\$ 4,942,506	\$ 2,655,733	\$ 2,305,399	\$ 1,565,319	\$ (4,827,573)	\$ (4,292,490)	\$ (4,968,408)
District's covered employee payroll	\$ 14,991,957	\$ 15,817,173	\$ 15,591,191	\$ 16,142,269	\$ 16,319,268	\$ 17,906,395	\$ 17,922,562	\$ 18,594,296	\$ 19,510,706	\$ 20,059,164
Contributions as a percentage of covered employee payroll	4.97%	7.60%	10.74%	14.02%	18.66%	18.42%	25.63%	35.58%	33.44%	34.74%

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

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

* - Covered payroll for the fiscal years ending June 30, 2017 through 2023 are based on the payroll on the June 30, 2016 through 2022 census data.

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

VERONA BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2022 actuarial valuation the salary increases were 2.75% – 4.25% based on years of service while in the July 1, 2021 actuarial valuation the salary increases were 2.75%-5.65 based on years of service.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEN PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2023 was 3.65%. The discount rate for June 30, 2022 was 3.54%, a change of .11%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

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 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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

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

BUDGETARY COMPARISON SCHEDULES

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 37,645,428		\$ 37,645,428	\$ 37,645,428	
Tuition From Individuals	110,000		110,000	184,818	\$ 74,818
Tuition From Other LEAs Within the State				90,123	90,123
Unrestricted Miscellaneous Revenues	240,000		240,000	578,182	338,182
Total Revenues from Local Sources	37,995,428		37,995,428	38,498,551	503,123
Revenues from State Sources:					
Categorical Transportation Aid	103,500		103,500	103,500	
Extraordinary Aid	668,500		668,500	1,335,688	667,188
Categorical Special Education Aid	2,322,235		2,322,235	2,322,235	
Categorical Security Aid	175,630		175,630	175,630	
TPAF Post Retirement Contributions (Non-Budgeted)				1,918,374	1,918,374
TPAF Pension Contributions (Non-Budgeted)				6,969,132	6,969,132
TPAF Non-Contributory Insurance (Non-Budgeted)				79,479	79,479
TPAF Long-Term Disability Insurance (Non-Budgeted)				2,601	2,601
Reimbursed TPAF Social Security Contributions				1,447,818	1,447,818
Total Revenues from State Sources	3,269,865		3,269,865	14,354,457	11,084,592
Revenues from Federal Sources:					
COVID-19 FEMA				95,917	95,917
Total Revenues from Federal Sources				95,917	95,917
TOTAL REVENUE	41,265,293		41,265,293	52,948,925	11,683,632

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 916,217	\$ 14,672	\$ 930,889	\$ 930,889	
Grades 1-5 - Salaries of Teachers	4,685,031	26,556	4,711,587	4,711,378	\$ 209
Grades 6-8 - Salaries of Teachers	2,715,460	145,809	2,861,269	2,859,622	1,647
Grades 9-12 - Salaries of Teachers	4,239,910	38,117	4,278,027	4,277,330	697
Other Purchased Services (400-500 series)		1,370	1,370	1,370	
Regular Programs - Home Instruction:					
Salaries of Teachers	15,000	(5,004)	9,996	9,996	
Purchased Professional-Educational Services	20,000	11,814	31,814	31,814	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	408,988	(85,931)	323,057	318,316	4,741
Other Purchased Services (400-500 series)	222,059	14,161	236,220	234,662	1,558
General Supplies	518,340	(51,706)	466,634	454,408	12,226
Textbooks	47,615	(3,461)	44,154	41,670	2,484
Other Objects	2,000	(202)	1,798	1,798	
Total Regular Programs - Instruction	13,790,620	106,195	13,896,815	13,873,253	23,562
Special Education - Instruction:					
Learning and/or Language Disabilities - Mild/Moderate:					
Salaries of Teachers	507,592	8,798	516,390	515,751	639
Other Salaries for Instruction	196,790	(3,019)	193,771	193,771	
General Supplies	7,000	(901)	6,099	5,302	797
Total Learning and/or Language Disabilities - Mild/Moderate	711,382	4,878	716,260	714,824	1,436
Learning and/or Language Disabilities - Severe:					
Purchased Professional-Educational Services	20,000	410,194	430,194	430,194	
Total Learning and/or Language Disabilities - Severe	20,000	410,194	430,194	430,194	

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Behavioral Disabilities:					
Salaries of Teachers	\$ 334,939	\$ (179,515)	\$ 155,424	\$ 155,424	
Other Salaries for Instruction	284,955	(114,794)	170,161	170,161	
General Supplies	4,500		4,500	2,797	\$ 1,703
Total Behavioral Disabilities	624,394	(294,309)	330,085	328,382	1,703
Resource Room/Resource Center:					
Salaries of Teachers	1,588,728	(137,298)	1,451,430	1,451,430	
Other Salaries for Instruction	277,227	(124,018)	153,209	152,671	538
General Supplies	9,000		9,000	8,717	283
Total Resource Room/Resource Center	1,874,955	(261,316)	1,613,639	1,612,818	821
Autism:					
Other Salaries for Instruction	20,317	2,835	23,152	23,152	
Total Autism	20,317	2,835	23,152	23,152	
Preschool Disabilities - Part-Time:					
Salaries of Teachers	122,130	5,529	127,659	127,659	
Other Salaries for Instruction	149,741	86,966	236,707	236,268	439
General Supplies	7,500	(49)	7,451	4,940	2,511
Total Preschool Disabilities - Part-Time	279,371	92,446	371,817	368,867	2,950
Preschool Disabilities - Full-Time:					
Salaries of Teachers	221,055		221,055	221,055	
Other Salaries for Instruction	184,342	(4,428)	179,914	179,073	841
General Supplies	5,415		5,415	4,848	567
Total Preschool Disabilities - Full-Time	410,812	(4,428)	406,384	404,976	1,408

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Home Instruction:					
Salaries of Teachers	\$ 20,000	\$ 3,777	\$ 3,777	\$ 3,777	
Purchased Professional-Educational Services		(11,063)	8,937	8,937	
Total Home Instruction	20,000	(7,286)	12,714	12,714	
TOTAL SPECIAL EDUCATION - INSTRUCTION	3,962,231	(56,986)	3,905,245	3,896,211	\$ 9,034
Bilingual Education - Instruction:					
Salaries of Teachers	44,440	800	45,240	45,240	
General Supplies	2,000		2,000	1,014	986
Total Bilingual Education - Instruction	46,440	800	47,240	46,254	986
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	245,900	21,705	267,605	267,605	
Other Objects	58,500	(8,795)	49,705	48,927	778
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	304,400	12,910	317,310	316,532	778
School-Sponsored Athletics - Instruction:					
Salaries	677,213	(31,993)	645,220	645,153	67
Supplies and Materials	174,600	(14,521)	160,079	159,450	629
Total School-Sponsored Athletics - Instruction	851,813	(46,514)	805,299	804,603	696
TOTAL INSTRUCTION	18,955,504	16,405	18,971,909	18,936,853	35,056

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular					
Tuition to Other LEAs Within the State-Special					
Tuition to County Voc. School Dist.-Regular	\$ 320,215	\$ 167,759	\$ 487,974	\$ 487,974	
Tuition to County Voc. School Dist.-Special	14,838	(274)	14,564	14,564	
Tuition to Priv. Sch. for the Handicap. W/I State	60,500	(40,802)	19,698	18,799	\$ 899
Tuition - Other	3,019,290	(463,822)	2,555,468	2,554,516	952
Total Undistributed Expenditures - Instruction	40,000	46,165	86,165	86,165	
	3,454,843	(290,974)	3,163,869	3,162,018	1,851
Undistributed Expenditures - Health Services:					
Salaries	484,034	80,892	564,926	564,926	
Purchased Professional and Technical Services	5,000	240	5,240	5,198	42
Supplies and Materials	9,884	734	10,618	10,615	3
Other Objects	2,000	9,361	11,361	11,361	
Total Undist. Expenditures - Health Services	500,918	91,227	592,145	592,100	45
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	1,013,832	2,443	1,016,275	1,015,906	369
Purchased Professional - Educational Services	480,000	(89,873)	390,127	388,338	1,789
Supplies and Materials	18,000	4,200	22,200	21,253	947
Total Undist. Expend. - Speech, OT, PT, Related Svcs	1,511,832	(83,230)	1,428,602	1,425,497	3,105
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	729,767	8,519	738,286	738,285	1
Salaries of Secretarial and Clerical Assistants	61,455	29	61,484	61,484	
Supplies and Materials	19,380	(3,828)	15,552	15,052	500
Total Undist Expend. - Guidance	810,602	4,720	815,322	814,821	501

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	\$ 1,059,476	\$ (179,569)	\$ 879,907	\$ 869,897	\$ 10,010
Salaries of Secretarial and Clerical Assistants	75,477	411	75,888	75,888	
Purchased Professional - Educational Services	25,000	30,247	55,247	55,194	53
Other Purchased Services (400-500 series)	10,150	(150)	10,000	4,278	5,722
Supplies and Materials	39,400		39,400	36,647	2,753
Total Undist Expend. - Child Study Team	1,209,503	(149,061)	1,060,442	1,041,904	18,538
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	366,205	(26,353)	339,852	280,235	59,617
Salaries of Other Professional Staff	182,755	(2,000)	180,755	173,005	7,750
Salaries of Secretarial and Clerical Assistants	57,083	19	57,102	57,102	
Purchased Professional - Educational Services	2,000	25,800	27,800	25,800	2,000
Other Purchased Prof. and Tech. Services	79,350	3,637	82,987	80,192	2,795
Supplies and Materials	59,750	243	59,993	59,993	
Other Objects	5,250		5,250	1,569	3,681
Total Undist. Expend.-Improv. of Inst. Serv.	752,393	1,346	753,739	677,896	75,843
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	326,274	534	326,808	326,808	
Supplies and Materials	50,491	(79)	50,412	48,082	2,330
Total Undist Expend-Edu. Media Serv./Sch. Library	376,765	455	377,220	374,890	2,330
Undist.Expend.-Instructional Staff Training Services:					
Purchased Professional - Educational Service	20,000	(800)	19,200	19,200	
Total Undist.Expend.-Instructional Staff Training Services	20,000	(800)	19,200	19,200	

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	\$ 321,293	\$ 6,909	\$ 328,202	\$ 328,202	
Legal Services	150,000	(38,737)	111,263	110,499	\$ 764
Audit Fees	55,000		55,000	55,000	
Other Purchased Professional Services	8,000	(6,524)	1,476	1,476	
Purchased Technical Services	24,707	(1,278)	23,429	23,429	
Communications / Telephone	62,460	1,772	64,232	60,716	3,516
BOE Other Purchased Services	800		800	389	411
Other Purch. Serv. (400-500 series other than 530 & 585)	176,100	47,770	223,870	223,870	
General Supplies	10,200	(1,016)	9,184	9,184	
Miscellaneous Expenditures	20,000	6,060	26,060	26,055	5
Total Undist. Expend.-Support Serv.-Gen. Admin.	828,560	14,956	843,516	838,820	4,696
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	1,183,925	(17,263)	1,166,662	1,163,922	2,740
Salaries of Other Professional Staff	176,643		176,643	176,643	
Salaries of Secretarial and Clerical Assistants	475,449	(33,617)	441,832	428,059	13,773
Purchased Professional and Technical Services	4,503		4,503	4,500	3
Other Purchased Services (400-500 series)	800		800	105	695
Supplies and Materials	16,890	(1,409)	15,481	12,099	3,382
Other Objects	16,000	(212)	15,788	15,685	103
Total Undist. Expend.-Support Serv.-School Adm.	1,874,210	(52,501)	1,821,709	1,801,013	20,696

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	\$ 384,949	\$ (5,166)	\$ 379,783	\$ 379,782	\$ 1
Purchased Professional Services	7,500	5,400	12,900	12,900	
Miscellaneous Purchased Services (400-500 series other than 594)	23,049		23,049	22,910	139
Supplies and Materials	5,000		5,000	3,942	1,058
Interest on Current Loans	2,250		2,250	2,249	1
Interest on Lease Purchase Agreements	2,337		2,337	2,336	1
Other Objects	5,000	(234)	4,766	3,756	1,010
Total Undist. Expend. - Central Services	430,085		430,085	427,875	2,210
Undist. Expend. - Admin. Info. Technology:					
Salaries	209,191	(729)	208,462	206,083	2,379
Other Purchased Services (400-500 series)	36,950	8,946	45,896	45,896	
Supplies and Materials	10,000	(1,789)	8,211	8,211	
Total Undist. Expend. - Admin. Info. Technology	256,141	6,428	262,569	260,190	2,379
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	434,202	46,060	480,262	477,436	2,826
Cleaning, Repair, and Maintenance Services	280,173	58,162	338,335	337,205	1,130
General Supplies	160,000	(69,251)	90,749	90,749	
Total Undist. Expend.- Required Maint. for School Facilities	875,375	37,036	912,411	908,455	3,956

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
Salaries	\$ 1,242,475	\$ (8,000)	\$ 1,234,475	\$ 1,219,501	\$ 14,974
Cleaning, Repair, and Maintenance Services	141,600	27,527	169,127	168,318	809
Lease Purchase Pymts - Energy Savings Impr Prog	172,826		172,826	172,826	
Other Purchased Property Services	45,000		45,000	39,046	5,954
Insurance	230,000		230,000	230,000	
General Supplies	203,450	(2,839)	200,611	141,347	59,264
Energy (Natural Gas)	220,000		220,000	211,994	8,006
Energy (Electricity)	322,000		322,000	313,032	8,968
Other Objects	7,500	(5,733)	1,767	885	882
Interest - Energy Savings Impr Prog Bonds	34,695		34,695	34,694	1
Total Undist. Expend.-Custodial Services	2,619,546	10,955	2,630,501	2,531,643	98,858
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	45,000	17,827	62,827	62,827	
General Supplies	25,000	(18,388)	6,612	6,612	
Total Care And Upkeep Of Grounds	70,000	(561)	69,439	69,439	
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	3,564,921	47,430	3,612,351	3,509,537	102,814
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch.)-Spl. Ed.	127,000	1,898	128,898	128,898	
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	40,000	(6,450)	33,550	33,549	1
Other Purchased Professional and Technical Services	30,000	32,110	62,110	62,109	1
Contract. Serv.(Bet. Home & Sch.)-Vendors	20,000	4,720	24,720	23,490	1,230
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.		21,582	21,582	19,520	2,062
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts	550,000	297,803	847,803	847,803	
Transportation Supplies	50,000	(2,167)	47,833	27,493	20,340
Total Undist. Expend.-Student Trans. Serv.	817,000	349,496	1,166,496	1,142,862	23,634

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Group Insurance	\$ 220,000	\$ (219,630)	\$ 370	\$ 370	
Social Security Contributions	497,000	90,680	587,680	587,680	
Other Retirement Contributions - PERS	505,000	(19,046)	485,954	484,904	\$ 1,050
Other Retirement Contributions - Regular	25,000	6,298	31,298	31,298	
Unemployment Compensation	75,000	11,933	86,933	83,569	3,364
Workers Compensation	279,068	4,597	283,665	283,665	
Health Benefits	4,828,914	171,628	5,000,542	4,995,027	5,515
Tuition Reimbursement	88,200	(8,000)	80,200	80,196	4
Other Employee Benefits	70,000	(35,807)	34,193	30,004	4,189
TOTAL UNALLOCATED BENEFITS	6,588,182	2,653	6,590,835	6,576,713	14,122
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				1,918,374	(1,918,374)
TPAF Pension Contributions (Non-Budgeted)				6,969,132	(6,969,132)
TPAF Non-Contributory Insurance (Non-Budgeted)				79,479	(79,479)
TPAF Long-Term Disability Insurance (Non-Budgeted)				2,601	(2,601)
Reimbursed TPAF Social Security Contributions				1,447,818	(1,447,818)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				10,417,404	(10,417,404)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	6,588,182	2,653	6,590,835	16,994,117	(10,403,282)
TOTAL UNDISTRIBUTED EXPENDITURES	22,995,955	(57,855)	22,938,100	33,082,740	(10,144,640)
TOTAL GENERAL CURRENT EXPENSE	41,951,459	(41,450)	41,910,009	52,019,593	(10,109,584)

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment:					
Grades 1-5	\$	3,666	\$	3,666	
Undistributed Expenditures - Instruction		100,369	100,369	100,369	
Undist. Expend. - Supp Serv. - Related & Extraord.		3,666	3,666	3,666	
School Buses - Regular	\$	76,377	71,377	69,376	\$ 2,001
Total Equipment		102,701	179,078	177,077	2,001
Facilities Acquisition and Construction Serv.:					
Lease Purchase Agreements - Principal	139,429	(61,251)	78,178	75,929	2,249
Assessment for Debt Service on SDA Funding	1,362		1,362	1,362	
Total Facilities Acquisition and Const. Serv.	140,791	(61,251)	79,540	77,291	2,249
TOTAL CAPITAL OUTLAY	217,168	41,450	258,618	254,368	4,250
TOTAL EXPENDITURES	42,168,627		42,168,627	52,273,961	(10,105,334)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(903,334)		(903,334)	674,964	1,578,298
Fund Balance, July 1	6,205,900		6,205,900	6,205,900	
Fund Balance, June 30	\$ 5,302,566	\$ -0-	\$ 5,302,566	\$ 6,880,864	\$ 1,578,298

VERONA BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
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>
<u>Recapitulation:</u>					
<u>Restricted Fund Balance:</u>					
Excess Surplus - Restricted For 2025-2026				\$ 913,988	
Excess Surplus - Restricted For 2024-2025				1,010,978	
Capital Reserve				2,305,086	
Maintenance Reserve				650,000	
Unemployment Compensation				27,384	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				469,109	
Unassigned Fund Balance				1,504,319	
				<u>6,880,864</u>	
				<u>(256,701)</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis					
Fund Balance per Governmental Funds (GAAP)				<u>\$ 6,624,163</u>	

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$	488,206	\$ 339,593	\$ (148,613)
State Sources	\$ 120,826	31,492	152,318	192,686	40,368
Federal Sources	1,162,101	54,836	1,216,937	1,016,103	(200,834)
Total Revenues	1,282,927	574,534	1,857,461	1,548,382	(309,079)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	181,858	168,562	350,420	263,468	86,952
Purchased Professional and Technical Services	10,697	39,491	50,188	41,759	8,429
Purchased Professional - Educational Services	63,026	20,202	83,228	75,188	8,040
Tuition	500,000	40,016	540,016	540,016	
General Supplies	22,351	99,789	122,140	17,699	104,441
Textbooks	8,976	274	9,250	7,772	1,478
Total Instruction	786,908	368,334	1,155,242	945,902	209,340
Support Services:					
Salaries of Other Professional Staff	15,232	3,968	19,200	17,280	1,920
Personal Services - Employee Benefits	112,957	82,128	195,085	97,266	97,819
Purchased Professional and Technical Services	32,407	11,637	44,044	44,044	
Purchased Professional - Educational Services	35,423	5,233	40,656	40,656	
Other Purchased Services		51,806	51,806	51,806	
Supplies and Materials		1,953	1,953	1,953	
Student Activities		325,675	325,675	273,055	52,620
Total Support Services	196,019	482,400	678,419	526,060	152,359
Facilities Acquisition and Construction Services:					
Building/Renovations	300,000	(276,200)	23,800	23,800	
Total Facilities Acquisition and Construction Services	300,000	(276,200)	23,800	23,800	
Total Expenditures	\$ 1,282,927	\$ 574,534	\$ 1,857,461	\$ 1,495,762	\$ 361,699
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ 52,620	\$ 52,620

VERONA BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 52,948,925	\$ 1,548,382
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements	222,955	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(256,701)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 52,915,179</u>	<u>\$ 1,548,382</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 52,273,961</u>	<u>\$ 1,495,762</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 52,273,961</u>	<u>\$ 1,495,762</u>

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis except for student activities. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

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

	Elementary and Secondary Education Act				Education Stabilization Fund	
	Title I	Title IIA	Title IV		COVID 19 - CRRSA	Learning Acceleration
					ESSER II	
REVENUE:						
Local Sources						
State Sources						
Federal Sources						
Total Revenue	\$ 82,701	\$ 32,990	\$ 11,070		\$ 1,953	\$ 8,340
	82,701	32,990	11,070		1,953	8,340
EXPENDITURES:						
Instruction:						
Salaries of Teachers	48,650					8,340
Purchased Professional and Technical Services						
Purchased Professional - Educational Services						
Other Purchased Services						
Tuition						
General Supplies	2,915					
Textbooks						
Total Instruction	51,565					8,340
Support Services:						
Salaries of Other Professional Staff	31,136					
Personal Services - Employee Benefits						
Purchased Professional & Technical Services		32,974	11,070			
Purchased Professional - Educational Services		16				
Purchased Property Services						
Other Purchased Services					1,953	
Supplies and Materials						
Student Activities						
Total Support Services	31,136	32,990	11,070		1,953	
Facilities Acquisition:						
Building/Renovations						
Total Facilities Acquisition						
Total Expenditures	\$ 82,701	\$ 32,990	\$ 11,070		\$ 1,953	\$ 8,340

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

	Education Stabilization Fund						
	COVID 19 - ARP						
	ESSER III	Accelerated Learning	Summer		High Impact Tutoring	IDEA	
Learning and Enrichment				Basic		Preschool	
REVENUE:							
Local Sources							
State Sources							
Federal Sources	\$ 130,413	\$ 126,537	\$ 21,616	\$ 18,708	\$ 554,302	\$ 27,473	
Total Revenue	130,413	126,537	21,616	18,708	554,302	27,473	
EXPENDITURES:							
Instruction:							
Salaries of Teachers	85,277	88,744	21,237	11,220	14,286	27,473	
Purchased Professional and Technical Services							
Purchased Professional - Educational Services							
Other Purchased Services							
Tuition							
General Supplies		487	379		540,016		
Textbooks							
Total Instruction	85,277	89,231	21,616	11,220	554,302	27,473	
Support Services:							
Salaries of Other Professional Staff							
Personal Services - Employee Benefits	21,336	37,306		7,488			
Purchased Professional & Technical Services							
Purchased Professional - Educational Services							
Other Purchased Professional Services							
Purchased Property Services							
Other Purchased Services							
Supplies and Materials							
Student Activities							
Total Support Services	21,336	37,306		7,488			
Facilities Acquisition:							
Building/Renovations	23,800						
Total Facilities Acquisition	23,800						
Total Expenditures	\$ 130,413	\$ 126,537	\$ 21,616	\$ 18,708	\$ 554,302	\$ 27,473	

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

	Non-Public				Chapter 192 Compensatory Education
	Textbook	Nursing	Security	Technology	
REVENUE:					
Local Sources					
State Sources	\$ 7,772	\$ 17,280	\$ 32,800	\$ 7,840	\$ 50,639
Federal Sources					
Total Revenue	7,772	17,280	32,800	7,840	50,639
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Purchased Professional and Technical Services					50,639
Purchased Professional - Educational Services					
Other Purchased Services					
Tuition					
General Supplies					
Textbooks	7,772				
Total Instruction	7,772				50,639
Support Services:					
Salaries of Other Professional Staff		17,280			
Personal Services - Employee Benefits					
Purchased Professional & Technical Services			32,800	7,840	
Purchased Professional - Educational Services					
Other Purchased Professional Services					
Purchased Property Services					
Other Purchased Services					
Supplies and Materials					
Student Activities					
Total Support Services		17,280	32,800	7,840	
Facilities Acquisition:					
Building/Renovations					
Total Facilities Acquisition					
Total Expenditures	\$ 7,772	\$ 17,280	\$ 32,800	\$ 7,840	\$ 50,639

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

	Chapter 193		SDA Emergent and Capital Maintenance Needs		Local Grants	Student Activities	Totals June 30, 2024
	Initial Examination & Classification	Corrective Speech	Supplemental Instruction				
REVENUE:							
Local Sources							
State Sources	\$ 12,890	\$ 2,511	\$ 9,148	\$ 51,806	\$ 13,918	\$ 325,675	\$ 339,593
Federal Sources							192,686
							1,016,103
Total Revenue	12,890	2,511	9,148	51,806	13,918	325,675	1,548,382
EXPENDITURES:							
Instruction:							
Salaries of Teachers							263,468
Purchased Professional and Technical Services							41,759
Purchased Professional - Educational Services	12,890	2,511	9,148				75,188
Tuition							540,016
General Supplies					13,918		17,699
Textbooks							7,772
Total Instruction	12,890	2,511	9,148		13,918		945,902
Support Services:							
Salaries of Other Professional Staff							17,280
Personal Services - Employee Benefits							97,266
Purchased Professional & Technical Services							44,044
Purchased Professional - Educational Services							40,656
Other Purchased Services				51,806			51,806
Supplies and Materials							1,953
Student Activities						273,055	273,055
Total Support Services				51,806		273,055	526,060
Facilities Acquisition:							
Building/Renovations							23,800
Total Facilities Acquisition							23,800
Total Expenditures	\$ 12,890	\$ 2,511	\$ 9,148	\$ 51,806	\$ 13,918	\$ 273,055	\$ 1,495,762

CAPITAL PROJECTS FUND

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

Revenue and Other Financing Sources:	
Interest on Investments	\$ 5,867
	<hr/>
Total Revenue and Other Financing Sources	5,867
	<hr/>
Expenditures:	
Construction Services	35,475
	<hr/>
Total Expenditures	35,475
	<hr/>
(Deficit) of Revenue and Other Financing Sources Under Expenditures	(29,608)
Other Financing (Uses):	
Transfers Out - Debt Service Fund	(5,867)
	<hr/>
Total Other Financing (Uses)	(5,867)
	<hr/>
Excess/(Deficiency) of Revenues and Other Financing Sources	
Over/(Under) Expenditures and Other Financing (Uses)	(35,475)
	<hr/>
Fund Balance - Beginning of Year	109,948
	<hr/>
Fund Balance - End of Year	\$ 74,473
	<hr/>
<u>Recapitulation:</u>	
Restricted	\$ 74,473
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ 74,473
	<hr/>

VERONA BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
ACQUISITION OF BUS, WORKSTATIONS AND CHROME BOOKS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

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

VERONA BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
2020 REFERENDUM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Authorized Costs
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 27,771,000		\$ 27,771,000	\$ 27,771,000
Total Revenue and Other Financing Sources	27,771,000		27,771,000	27,771,000
Expenditures:				
Purchased Professional and Technical Services	3,128,625		3,128,625	3,498,383
Construction Services	24,532,429	\$ 35,475	24,567,904	24,272,617
Total Expenditures	27,661,054	35,475	27,696,529	27,771,000
Excess/(Deficit) of Revenue and Other Financing Sources over/(under) Expenditures	\$ 109,946	\$ (35,475)	\$ 74,471	\$ -0-
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	2/19/2020			
Bonds Authorized	\$ 27,771,000			
Bond Issued	\$ 27,771,000			
Original Authorized Cost	\$ 27,771,000			
Percentage Completion	99.73%			
Original Target Completion Date	6/30/2022			
Revised Target Completion Date	6/30/2025			

PROPRIETARY FUNDS

VERONA BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2024

	Enterprise Funds		
	Non-Major Funds		
	Food Service Program	Verona Summer Enrichment Academy	Total
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 44,092	\$ 91,030	\$ 135,122
Interfund Receivable	7,129		7,129
Inventories	1,468		1,468
Total Current Assets	52,689	91,030	143,719
Non-Current Assets:			
Capital Assets	397,990		397,990
Less: Accumulated Depreciation	(357,040)		(357,040)
Total Non-Current Assets	40,950		40,950
Total Assets	93,639	91,030	184,669
<u>LIABILITIES:</u>			
Accounts Payable - Vendors	12,118		12,118
Unearned Revenue	18,038		18,038
Total Liabilities	30,156		30,156
<u>NET POSITION:</u>			
Investment in Capital Assets	40,950		40,950
Unrestricted	22,533	91,030	113,563
Total Net Position	\$ 63,483	\$ 91,030	\$ 154,513

VERONA BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Enterprise Funds		
	Non-Major Funds		Total
	Food Service Program	Verona Summer Enrichment Academy	
Operating Revenue:			
Local Sources:			
Daily Sales - Non-Reimbursable Programs	\$ 634,675		\$ 634,675
Program Fees		\$ 67,626	67,626
Total Operating Revenue	634,675	67,626	702,301
Operating Expenses:			
Cost of Sales - Non-Reimbursable Programs	255,929		255,929
Salaries, Benefits & Payroll Taxes	263,659	50,147	313,806
Supplies, Insurance & Other Costs	41,360	6,688	48,048
Management Fee	50,243		50,243
Miscellaneous Expenditures	1,930		1,930
Depreciation Expense	5,938		5,938
Total Operating Expenses	619,059	56,835	675,894
Operating Income/(Loss)	15,616	10,791	26,407
Non-Operating Revenue:			
Local Sources:			
Interest Earnings	327		327
Total Non-Operating Revenue	327		327
Change in Net Position	15,943	10,791	26,734
Net Position - Beginning of Year	47,540	80,239	127,779
Net Position - End of Year	\$ 63,483	\$ 91,030	\$ 154,513

VERONA BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Enterprise Funds Non-Major Funds		
	Food Service Program	Verona Summer Enrichment Academy	Total
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 634,675	\$ 67,626	\$ 702,301
Payments to Food Service Contractor	(642,155)		(642,155)
Payments to Suppliers		(56,835)	(56,835)
Net Cash Provided by/(Used for) Operating Activities	(7,480)	10,791	3,311
Cash Flows from Investing Activities:			
Interest Income	327		327
Net Cash Provided by Investing Activities	327		327
Net Increase (Decrease) in Cash and Cash Equivalents	(7,153)	10,791	3,638
Cash and Cash Equivalents, July 1	51,245	80,239	131,484
Cash and Cash Equivalents, June 30	\$ 44,092	\$ 91,030	\$ 135,122
Reconciliation of Operating Income/(Loss) to			
Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ 15,616	\$ 10,791	\$ 26,407
Adjustment to Reconcile Operating Income/(Loss) to Net Cash			
Provided by/(Used for) Operating Activities:			
Depreciation	5,938		5,938
Changes in Assets and Liabilities:			
Decrease in Inventory	1,015		1,015
(Decrease) in Accounts Payable	(31,432)		(31,432)
Increase in Unearned Revenue	1,383		1,383
Net Cash (Used for)/Provided By Operating Activities	\$ (7,480)	\$ 10,791	\$ 3,311

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

VERONA BOARD OF EDUCATION
LONG TERM LIABILITIES
STATEMENT OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds					Retired or Matured	Balance June 30, 2024
			Outstanding		Interest Rate	Balance July 1, 2023			
			Date	Amount					
2014 School Bonds	04/29/14	\$ 13,845,000	05/01/25	\$ 775,000	2.75%				
			05/01/26	775,000	3.00%				
			05/01/27	800,000	3.00%				
			05/01/28	800,000	3.00%				
			05/01/29	800,000	3.00%				
			05/01/30	800,000	3.13%				
			05/01/31	800,000	3.25%				
			05/01/32	800,000	3.25%				
			05/01/33	800,000	3.38%				
			05/01/34	800,000	3.50%	\$ 8,715,000	\$ 765,000	\$ 7,950,000	
2015 School Refunding Bonds	03/13/15	24,635,000	03/01/25	\$ 1,630,000	5.00%				
			03/01/26	1,635,000	4.00%				
			03/01/27	1,620,000	5.00%				
			03/01/28	1,625,000	5.00%				
			03/01/29	1,675,000	5.00%				
			03/01/30	1,680,000	4.00%				
			03/01/31	1,685,000	5.00%	13,180,000	1,630,000	11,550,000	

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance July 1, 2023	Retired or Matured	Balance June 30, 2024
			Date	Outstanding June 30, 2024 Amount				
School Bonds	2/19/2020	\$ 27,771,000	03/01/25	\$ 1,250,000	2.000%			
			03/01/26	1,450,000	2.000%			
			03/01/27	1,500,000	2.000%			
			03/01/28	1,500,000	2.000%			
			03/01/29	1,500,000	2.000%			
			03/01/30	1,500,000	2.000%			
			03/01/31	1,560,000	2.000%			
			03/01/32	1,560,000	2.000%			
			03/01/33	1,560,000	2.000%			
			03/01/34	1,565,000	2.000%			
			03/01/35	1,600,000	2.125%			
			03/01/36	1,600,000	2.125%			
			03/01/37	1,600,000	2.250%			
			03/01/38	1,600,000	2.250%			
			03/01/39	1,600,000	2.250%			
			03/01/40	1,600,000	2.375%			
						\$ 25,645,000	\$ 1,100,000	\$ 24,545,000
						\$ 47,540,000	\$ 3,495,000	\$ 44,045,000

VERONA BOARD OF EDUCATION
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Purpose	Interest Rate	Original Issue	Balance July 1, 2023	Matured	Balance June 30, 2024
2015 Energy Savings Incentive Program	2.34%	\$ 3,200,000	\$ 1,525,616	\$ 172,826	\$ 1,352,790
Computers	1.47%	378,780	152,974	75,929	77,045
Buses & Computer Equipment	1.66%	264,905	139,910	69,376	70,534
			<u>\$ 1,818,500</u>	<u>\$ 318,131</u>	<u>\$ 1,500,369</u>

VERONA BOARD OF EDUCATION
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOT APPLICABLE

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

NOT APPLICABLE

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,816,922		\$ 3,816,922	\$ 3,816,922	
State Sources:					
Debt Service Aid Type II	1,106,771		1,106,771	1,106,771	
Total Revenues	4,923,693		4,923,693	4,923,693	
EXPENDITURES:					
Regular Debt Service:					
Interest	1,430,350		1,430,350	1,430,350	
Redemption of Principal	3,495,000		3,495,000	3,495,000	
Total Regular Debt Service	4,925,350		4,925,350	4,925,350	
Total Expenditures	4,925,350		4,925,350	4,925,350	
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(1,657)		(1,657)	(1,657)	
Other Financing Sources(Uses):					
Transfer In:					
Interest from Capital Projects Fund				5,867	\$ 5,867
Total Other Financing Sources/(Uses)				5,867	5,867
(Deficit)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(1,657)		(1,657)	4,210	5,867
Fund Balance, July 1	6,345		6,345	6,345	
Fund Balance, June 30	\$ 4,688	\$ -0-	\$ 4,688	\$ 10,555	\$ 5,867
Recapitulation:					
Restricted for Subsequent Year's Expenditures 2024-2025				\$ 4,688	
Restricted for Subsequent Year's Expenditures 2025-2026				5,867	
				\$ 10,555	

STATISTICAL SECTION
(UNAUDITED)

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

Contents

Exhibit

Financial Trends

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

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the School's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the School's operations and resources to help the reader understand how the School's financial information relates to the services the School provides and the activities it performs.

J-16 thru J-20

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

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

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Net Investment in Capital Assets										
Restricted	\$ 9,467,375	\$ 11,262,874	\$ 12,665,031	\$ 9,954,673	\$ 10,804,944	\$ 13,016,608	\$ 16,790,070	\$ 17,300,982	\$ 17,632,557	\$ 17,991,975
Unrestricted/(Deficit)	500,958	673,474	352,461	379,376	1,009,444	1,542,888	2,529,500	3,612,104	4,970,036	5,177,620
	(8,601,745)	(9,172,256)	(9,938,705)	(10,547,075)	(10,537,200)	(11,065,375)	(10,876,136)	(8,827,642)	(8,295,844)	(7,031,826)
Total Governmental Activities Net Position	\$ 1,366,588	\$ 2,764,092	\$ 3,078,787	\$ (213,026)	\$ 1,277,188	\$ 3,494,121	\$ 8,443,434	\$ 12,085,444	\$ 14,306,749	\$ 16,137,769
Business-Type Activities:										
Net Investment in Capital Assets										
Restricted	\$ 41,107	\$ 29,785	\$ 21,661	\$ 21,118	\$ 21,481	\$ 65,298	\$ 58,989	\$ 53,345	\$ 46,888	\$ 40,950
Unrestricted	11,138	17,977	10,421	16,303	27,153	3,705	80,900	71,545	80,891	113,563
Total Business-Type Activities Net Position	\$ 52,245	\$ 47,762	\$ 32,082	\$ 37,421	\$ 48,634	\$ 69,003	\$ 139,889	\$ 124,890	\$ 127,779	\$ 154,513
District-Wide:										
Investment in Capital Assets										
Restricted	\$ 9,508,482	\$ 11,292,659	\$ 12,686,692	\$ 9,975,791	\$ 10,826,425	\$ 13,081,906	\$ 16,849,059	\$ 17,354,327	\$ 17,679,445	\$ 18,032,925
Unrestricted/(Deficit)	500,958	673,474	352,461	379,376	1,009,444	1,542,888	2,529,500	3,612,104	4,970,036	5,177,620
	(8,590,607)	(9,154,279)	(9,928,284)	(10,530,772)	(10,510,047)	(11,061,670)	(10,795,236)	(8,756,097)	(8,214,953)	(6,918,263)
Total District Net Position	\$ 1,418,833	\$ 2,811,854	\$ 3,110,869	\$ (175,605)	\$ 1,325,822	\$ 3,563,124	\$ 8,583,323	\$ 12,210,334	\$ 14,434,528	\$ 16,292,282

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 18,176,045	\$ 19,295,953	\$ 22,431,887	\$ 22,664,402	\$ 20,050,940	\$ 21,048,782	\$ 18,796,745	\$ 19,817,845	\$ 21,171,104	\$ 21,760,013
Special Education	5,853,353	6,479,779	7,286,594	8,069,439	8,408,758	5,075,841	5,371,293	5,668,232	5,894,624	6,098,806
Other Education	466,439	418,197	421,161	410,662	287,218	140,505	68,407	66,423	71,703	76,630
School-Sponsored Instruction	1,127,135	1,237,964	1,214,014	1,357,579	1,198,893	906,927	932,005	1,372,304	1,221,934	1,347,886
Support Services:										
Tuition						3,319,226	2,594,046	2,121,401	2,649,453	3,162,018
Student & Instructional Related Services	4,765,457	5,205,468	5,590,168	5,770,401	6,029,430	5,458,957	6,105,591	7,365,418	6,555,216	6,153,414
General Administrative Services	597,313	696,937	771,714	805,213	1,332,307	712,306	939,864	900,068	664,051	910,344
School Administrative Services	3,064,442	3,124,857	3,386,471	3,425,021	3,038,800	2,980,819	3,105,873	2,684,276	2,655,100	2,644,658
Central Services						334,234	217,041	480,869	476,257	499,593
Administrative Information Technology						388,379	461,451	489,302	284,786	326,674
Plant Operations and Maintenance	5,667,171	4,783,433	4,705,190	5,291,293	4,984,804	5,315,699	3,147,901	3,815,039	3,845,867	3,708,741
Pupil Transportation	713,344	888,883	1,032,430	901,393	903,057	963,862	671,081	964,744	1,073,408	1,213,365
Business and Other Support Services	701,640	785,432	771,465	925,767	847,372					
Interest on Long-term Debt	1,815,349	1,300,089	1,221,902	1,176,502	1,118,900	1,299,258	1,556,987	1,484,842	1,394,330	1,272,303
Unallocated Depreciation					3,442,844		2,740,638	3,407,584	3,430,280	3,442,844
Capital Outlay						1,362				
Total Governmental Activities Expenses	42,947,688	44,216,992	48,938,996	50,797,672	51,643,323	47,946,157	46,708,923	50,638,347	51,388,113	52,617,289
Business-Type Activities:										
Verona Summer Enrichment Academy	49,836	50,521	59,952	52,810	60,799			64,917	61,009	56,835
Food Service	378,302	389,032	393,936	354,475	405,585	403,660		496,333	599,826	619,059
Total Business-type Activities Expense	428,138	439,553	453,888	407,285	466,384	403,660		561,250	660,835	675,894
Total District Expenses	\$ 43,375,826	\$ 44,656,545	\$ 49,392,884	\$ 51,204,957	\$ 52,109,707	\$ 48,349,817	\$ 46,708,923	\$ 51,199,597	\$ 52,048,948	\$ 53,293,183
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 175,340	\$ 179,818	\$ 182,230	\$ 149,745	\$ 100,020	\$ 71,689	\$ 266,682	\$ 326,844	\$ 448,460	\$ 624,416
Operating Grants and Contributions	9,550,380	11,770,607	14,377,728	15,011,500	12,200,747	11,477,687	12,154,527	12,333,808	11,075,870	10,399,211
Total Governmental Activities Program Revenues	9,725,720	11,950,425	14,559,958	15,161,245	12,300,767	11,549,376	12,421,209	12,660,652	11,524,330	11,023,627

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program Revenues										
Business-Type Activities:										
Charges for Services										
Food Service	\$ 51,481	\$ 48,938	\$ 59,625	\$ 56,899	\$ 67,087	\$ 313,946		\$ 479,865	\$ 605,827	\$ 634,675
Verona Summer Enrichment Academy	347,390	355,456	372,038	345,426	406,264	2,295	\$ 62,816	61,151	57,610	67,626
Operating Grants and Contributions	4,658	3,819	4,273	4,837	4,246	2,558				
Total Business-type Activities Program Revenues	403,529	408,213	435,936	407,162	477,597	318,799	62,816	541,016	663,437	702,301
Total District Program Revenues	\$ 10,129,249	\$ 12,358,638	\$ 14,995,894	\$ 15,568,407	\$ 12,778,364	\$ 11,868,175	\$ 12,484,025	\$ 13,201,668	\$ 12,187,767	\$ 11,725,928
Net (Expense)/Revenue										
Governmental Activities	\$ (33,221,968)	\$ (32,266,567)	\$ (34,379,038)	\$ (35,636,427)	\$ (39,342,556)	\$ (36,396,781)	\$ (34,287,714)	\$ (37,977,695)	\$ (39,863,783)	\$ (41,593,662)
Business-type Activities	(24,609)	(31,340)	(17,952)	(123)	11,213	(84,861)	62,816	(20,234)	2,602	26,407
Total District-wide Net Expense/Revenues	\$ (33,246,577)	\$ (32,297,907)	\$ (34,396,990)	\$ (35,636,550)	\$ (39,331,343)	\$ (36,481,642)	\$ (34,224,898)	\$ (37,997,929)	\$ (39,861,181)	\$ (41,567,255)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, net	\$ 29,231,861	\$ 30,040,337	\$ 30,966,400	\$ 31,810,340	\$ 33,336,868	\$ 34,250,431	\$ 34,935,440	\$ 35,634,149	\$ 36,641,387	\$ 37,645,428
Taxes Levied for Debt Service	2,627,588	2,815,471	2,871,015	2,884,205	2,961,821	3,168,716	3,518,509	3,835,482	3,777,290	3,816,922
Unrestricted Grants and Contributions	621,793	687,998	667,667	665,025	664,785	471,376	778,388	1,676,989	1,263,684	1,378,283
State Aid Restricted for Debt Service										
Investment Earnings	20,780	17,258	10,253	26,319	58,678	6,267	19,810	6,060	4,688	5,867
Miscellaneous Income	256,206	297,580	180,670	352,583	367,774	656,428	72,427	472,260	398,039	578,182
Transfers	(8,244)	(26,857)	(2,272)			(93,458)	(87,547)	(5,235)		
Total Governmental Activities	32,749,984	33,831,787	34,693,733	35,738,472	37,389,926	38,459,760	39,237,027	41,619,705	42,085,088	43,424,682
Business-Type Activities:										
Miscellaneous Income										
Transfers	8,244	26,857	2,272			11,772	87,547	5,235	287	327
Total Business-Type Activities	8,244	26,857	2,272			93,458	87,547	5,235	287	327
Total District-Wide	\$ 32,758,228	\$ 33,858,644	\$ 34,696,005	\$ 35,738,472	\$ 37,389,926	\$ 38,564,990	\$ 39,324,574	\$ 41,624,940	\$ 42,085,375	\$ 43,425,009
Change in Net Position:										
Governmental Activities	\$ (471,984)	\$ 1,565,220	\$ 314,695	\$ 102,045	\$ (1,952,630)	\$ 2,062,979	\$ 4,949,313	\$ 3,642,010	\$ 2,221,305	\$ 1,831,020
Business-type Activities	(16,365)	(4,483)	(15,680)	(123)	11,213	20,369	150,363	(14,999)	2,889	26,734
Total District	\$ (488,349)	\$ 1,560,737	\$ 299,015	\$ 101,922	\$ (1,941,417)	\$ 2,083,348	\$ 5,099,676	\$ 3,627,011	\$ 2,224,194	\$ 1,857,754

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Restricted	\$ 743,809	\$ 821,353	\$ 574,646	\$ 370,630	\$ 1,121,361	\$ 1,387,710	\$ 2,355,333	\$ 3,378,190	\$ 4,756,682	\$ 4,907,436
Assigned	9,956	36,086	31,841		119,785	455,183		64,332	136,736	469,109
Nonspendable			73,711							
Committed					70,945					
Unassigned	339,749	302,589	325,703	339,755	323,440	854,292	1,646,397	1,760,931	1,089,527	1,247,618
Total General Fund	\$ 1,093,514	\$ 1,160,028	\$ 1,005,901	\$ 710,385	\$ 1,635,531	\$ 2,697,185	\$ 4,001,730	\$ 5,203,453	\$ 5,982,945	\$ 6,624,163
All Other Governmental Funds:										
Restricted:										
Special Revenue Fund						\$ 143,899	\$ 146,793	\$ 212,447	\$ 207,009	\$ 259,629
Capital Projects Fund	\$ 14,369,550	\$ 7,611,604	\$ 19,552	\$ 29,483	\$ (45,082)	24,723,926	4,417,997	369,760	109,948	74,473
Debt Service Fund						11,279	27,374	21,467	6,345	10,555
Committed:										
Capital Projects Fund							5,086	5,086		
Total All Other Governmental Funds/(Deficit)	\$ 14,369,550	\$ 7,611,604	\$ 19,552	\$ 29,483	\$ (45,082)	\$ 24,879,104	\$ 4,597,250	\$ 608,760	\$ 323,302	\$ 344,657

Source: School District Financial Reports

VERONA BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Tax Levy	\$ 31,859,449	\$ 32,855,808	\$ 33,837,415	\$ 34,694,545	\$ 36,298,689	\$ 37,419,147	\$ 38,453,949	\$ 39,469,631	\$ 40,418,677	\$ 41,462,350
Tuition Charges	175,340	179,818	182,230	149,745	100,020	71,689	69,834	65,043	75,721	274,941
Interest Earnings on Capital Project Funds	20,780	17,258	10,253	26,319	58,678	6,267	19,810	4,688	4,688	5,867
Miscellaneous	269,692	343,885	317,651	413,094	459,276	671,365	301,373	750,144	793,314	917,775
State Sources	5,882,064	7,381,050	6,694,620	7,173,925	8,221,866	8,896,754	10,401,264	14,002,808	14,397,746	15,620,168
Federal Sources	553,751	597,626	632,408	723,028	738,625	736,827	1,186,336	1,760,507	1,700,055	1,112,020
Total Revenue	38,761,076	41,375,445	41,674,577	43,180,656	45,877,154	47,828,149	50,432,566	56,052,821	57,390,201	59,393,121
Expenditures:										
Instruction:										
Regular Instruction	15,511,696	16,118,945	17,123,270	17,692,779	17,582,710	12,645,067	12,561,293	13,597,872	14,083,529	14,490,385
Special Education Instruction	5,422,680	6,006,173	6,380,677	7,136,959	7,892,115	3,235,353	3,454,468	4,065,548	4,247,112	4,477,986
Other Instruction	396,943	349,091	316,870	305,057	277,267	44,903	40,973	44,328	45,547	46,254
School - Sponsored Instruction	978,351	1,058,768	962,474	1,079,468	1,040,835	830,567	857,542	992,968	1,165,684	1,121,135
Support Services:										
Tuition										
Student & Instruction Related Services	4,461,222	4,731,691	4,765,476	4,900,620	5,595,157	3,410,704	2,594,046	2,121,401	2,649,453	3,162,018
General Administrative Services	530,085	567,910	657,594	688,637	1,150,435	4,465,949	5,191,495	5,471,629	5,613,030	5,219,363
School Administrative Services	2,673,890	2,641,920	2,613,464	2,647,740	2,618,591	1,807,056	1,835,354	1,875,928	1,781,415	1,801,013
Central Services and Administrative Information Technology										
Plant Operations and Maintenance	4,368,393	3,450,479	3,500,542	3,279,138	3,131,582	3,096,927	2,961,314	3,414,847	3,545,325	3,509,537
Student Transportation	710,979	879,621	832,949	870,651	892,023	913,314	676,870	915,868	999,536	1,142,862
Business and Other Support Services	660,653	724,563	782,097	806,173	792,337					
Unallocated Benefits										
Capital Outlay	2,511,014	7,862,840	7,700,369	84,860	31,144	11,150,219	12,778,135	15,185,401	15,669,221	16,994,117
Debt Service:										
Principal	1,612,478	2,216,723	2,443,139	2,710,557	2,640,875	3,055,327	21,503,300	866,567	841,773	313,643
Interest and Other Charges	1,701,297	1,581,296	1,499,563	1,464,428	1,381,502	2,405,000	2,400,000	3,591,000	3,325,000	3,495,000
Bond Issuance Costs	171,893					1,238,163	1,725,446	1,628,633	1,551,225	1,430,350
Total Expenditures	41,711,574	48,190,020	49,578,484	43,667,067	45,026,573	49,673,805	69,989,808	55,307,802	56,896,167	58,730,548
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	(2,950,498)	(6,814,575)	(7,903,907)	(486,411)	850,581	(1,845,656)	(19,557,242)	745,019	494,034	662,573

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other Financing Sources/(Uses):										
Financed Purchase Proceeds	\$ 3,375,000	\$ 150,000	\$ 160,000	\$ 200,826						
Payment to Bond Escrow Agent	(1,130,420)									
Refunding Bond Proceeds	24,635,000									
Bond Premium	3,538,313									
Serial Bonds Proceeds						\$ 27,771,000	\$ 667,480	\$ 264,905		
Financed Purchases	(26,871,000)									
Bonds Refunded										
Transfers In	20,698	16,651	84,468	3,070	3,715	60,731	448,335	1,657	9,774	5,867
Transfers Out	(28,942)	(43,508)	(86,740)	(3,070)	(3,715)	(154,189)	(535,882)	(15,009)	(9,774)	(5,867)
Total Other Financing Sources/(Uses)	3,538,649	123,143	157,728	200,826		27,677,542	579,933	251,553		
Net Change in Fund Balances	\$ 588,151	\$ (6,691,432)	\$ (7,746,179)	\$ (285,585)	\$ 850,581	\$ 25,831,886	\$ (18,977,309)	\$ 996,572	\$ 494,034	\$ 662,573
Debt Service as a Percentage of Noncapital Expenditures	8.45%	9.42%	9.41%	9.58%	8.94%	7.81%	8.51%	9.59%	8.70%	8.43%

Source: School District Financial Reports

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

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Donations/</u> <u>Local</u> <u>Grants</u>	<u>Rentals - Use</u> <u>of Facilities</u>	<u>Transportation</u> <u>Fees</u>	<u>Other</u>	<u>Total</u>
2015	\$ 20,780	\$ 175,340	\$ 13,486	\$ 76,917		\$ 179,289	\$ 465,812
2016	17,258	179,818	46,305	122,504		175,076	540,961
2017	10,253	182,230	136,981	121,987		58,683	510,134
2018	26,319	149,745	107,912	105,664		199,518	589,158
2019	58,678	100,020	91,502	111,294		256,480	617,974
2020		71,689			\$ 26,100	630,328	728,117
2021		69,834				72,427	142,261
2022	4,403	65,043				472,260	541,706
2023	197,514	75,721			65,275	200,525	539,035
2024	345,561	274,941				232,621	853,123

Source: Verona Board of Education records

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

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Actual (County Equalized Value)
2014	\$ 24,563,000	\$ 1,737,388,100	\$ 194,412,000	\$ 8,674,900	\$ 34,527,200	\$ 1,999,565,200	\$ 1,398,300	\$ 2,000,963,500	\$ 1.590	\$ 2,217,719,736
2015	24,999,400	1,747,345,600	190,822,200	8,674,900	34,306,700	2,006,148,800	1,419,800	2,007,568,600	1.640	2,007,568,600
2016	22,082,000	1,762,365,900	189,831,400	8,367,700	33,738,900	2,016,385,900	1,366,500	2,017,752,400	1.680	2,017,752,400
2017	28,968,000	1,765,295,400	185,439,700	5,356,600	36,688,900	2,021,748,600	1,336,300	2,023,084,900	1.720	2,023,084,900
2018	27,646,500	1,769,307,600	181,633,100	5,356,600	36,356,900	2,020,300,700	1,335,400	2,021,636,100	1.760	2,021,636,100
2019	29,170,800 *	2,093,324,300	217,876,700	6,140,200	49,048,300	2,395,560,300	1,584,800	2,397,145,100	1.561	2,397,145,100
2020	28,663,600	2,095,427,800	214,572,800	6,140,200	49,048,300	2,393,852,700	1,495,000	2,395,347,700	1.606	2,550,376,467
2021	22,335,000	2,096,892,100	210,922,700	6,140,200	49,368,300	2,385,658,300	1,512,100	2,387,170,400	1.675	2,591,819,936
2022	21,950,700	2,102,171,800	208,722,700	6,140,200	49,368,300	2,388,353,700	1,465,846	2,389,819,546	1.691	2,715,432,710
2023	21,279,600	2,110,138,100	207,390,800	6,140,200	49,368,300	2,394,317,000	1,382,200	2,395,699,200	1.731	3,009,515,669

* A revaluation occurred in this year.

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

Reassessment occurs when ordered by the County Board of Taxation

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

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

Source: Municipal Tax Assessor

VERONA BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN YEARS

UNAUDITED

(rate per \$100 of assessed value)

Year Ended December 31,	Verona Board of Education Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Township of Verona	Essex County	
2014	\$ 1,590		\$ 1,590	\$ 0.785	\$ 0.568	\$ 2,943
2015	1,640		1,640	0.785	0.578	3,003
2016	1,680		1,680	0.785	0.601	3,066
2017	1,720		1,720	0.785	0.613	3,118
2018	1,760		1,760	0.807	0.594	3,161
2019	1,561		1,561	0.702	0.507	2,770
2020	1,459	\$ 0.147	1,606	0.742	0.516	2,864
2021	1,512	0.163	1,675	0.760	0.522	2,957
2022	1,533	0.158	1,691	0.779	0.523	2,993
2023	1,572	0.159	1,731	0.792	0.539	3,062

* A revaluation occurred in this year.

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

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

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

Source: Municipal Tax Collector and School Business Administrator

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

Information Not Available

Source: Municipal Tax Assessor

VERONA BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 31,859,449	\$ 31,859,449	100.00%	\$ -0-
2016	32,855,808	32,855,808	100.00%	-0-
2017	33,837,415	33,837,415	100.00%	-0-
2018	34,694,545	34,694,545	100.00%	-0-
2019	36,298,689	35,533,689	97.89%	-0-
2020	37,419,147	37,419,147	100.00%	158,064
2021	38,453,949	38,453,949	100.00%	-0-
2022	39,469,631	39,469,631	100.00%	-0-
2023	40,418,677	40,418,677	100.00%	-0-
2024	41,462,350	41,462,350	100.00%	-0-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		
	General Obligation Bonds	Bond Anticipation Notes (BANs)		Financed Purchases	Total District	Percentage of Personal Income ^a
		Financed Purchases				
2015	\$ 40,080,000	\$ 3,377,620	\$ -0-	\$ 43,457,620	\$ 5.69%	\$ 3,248.68
2016	38,080,000	3,310,897	-0-	41,390,897	5.07%	3,078.53
2017	35,980,000	2,945,290	-0-	38,925,290	4.63%	2,900.11
2018	33,805,000	2,610,559	-0-	36,415,559	4.27%	2,710.50
2019	31,490,000	2,284,684	-0-	33,774,684	3.81%	2,512.44
2020	56,856,000	2,045,547	-0-	58,901,547	6.13%	4,319.25
2021	54,456,000	2,242,981	-0-	56,698,981	5.28%	3,924.89
2022	50,865,000	2,126,531	-0-	52,991,531	4.87%	3,695.88
2023	47,540,000	1,818,500	-0-	49,358,500	4.54%	3,445.86
2024	44,045,000	1,500,369	-0-	45,545,369	4.19%	3,179.65

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

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

Source: School District Financial Reports

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation Taxable ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$ 40,080,000	\$ -0-	\$ 40,080,000	2.00%	\$ 2,979.04
2016	38,080,000	-0-	38,080,000	1.90%	2,832.28
2017	35,980,000	-0-	35,980,000	1.78%	2,680.67
2018	33,805,000	-0-	33,805,000	1.67%	2,516.19
2019	31,490,000	-0-	31,490,000	1.56%	2,342.48
2020	56,856,000	-0-	56,856,000	2.37%	4,169.25
2021	54,456,000	-0-	54,456,000	2.27%	3,769.62
2022	50,865,000	-0-	50,865,000	2.13%	3,547.57
2023	47,540,000	-0-	47,540,000	1.99%	3,318.91
2024	44,045,000	-0-	44,045,000	1.84%	3,074.91

Source: School District Financial Reports

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

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

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

VERONA BOARD OF EDUCATION
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2023
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Township of Verona	\$ 47,227,756	100.00%	\$ 47,227,756
Essex County General Obligation Debt	671,990,781	3.05% ^a	20,499,073
Subtotal, Overlapping Debt			67,726,829
Verona Township School District Direct Debt			47,540,000
Total Direct And Overlapping Debt			<u>\$ 115,266,829</u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2024		
	Year Ended December 31,	Equalized Valuation Basis
	2023	\$ 3,144,211,425
	2022	2,994,050,020
	2021	2,704,521,369
		<u>\$ 8,842,782,814</u>
Average Equalized Valuation of Taxable Property		
		2,947,594,271
Debt Limit (4% of average equalization value) ^a		
Net Bonded School Debt		117,903,771
Legal Debt Margin		<u>44,045,000</u>
		<u>\$ 73,858,771</u>

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 87,978,322	\$ 89,246,737	\$ 91,844,839	\$ 93,951,723	\$ 96,404,740	\$ 100,964,720	\$ 101,612,398	\$ 104,551,642	\$ 110,550,470	\$ 117,903,771
Total Net Debt Applicable to Limit	40,080,000	38,080,000	35,980,000	33,805,000	31,490,000	56,856,000	54,456,000	50,865,000	47,540,000	44,045,000
Legal Debt Margin	<u>\$ 47,898,322</u>	<u>\$ 51,166,737</u>	<u>\$ 55,864,839</u>	<u>\$ 60,146,723</u>	<u>\$ 64,914,740</u>	<u>\$ 44,108,720</u>	<u>\$ 47,156,398</u>	<u>\$ 53,686,642</u>	<u>\$ 63,010,470</u>	<u>\$ 73,858,771</u>
Total Net Debt Applicable to the Limit										
As a Percentage of Debt Limit	45.56%	42.67%	39.17%	35.98%	32.66%	56.31%	53.59%	48.65%	43.00%	37.36%

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

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

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

Year	Population ^a	Personal Income ^b	Essex County Per Capita Personal Income ^c	Unemployment Rate ^d
2015	13,454	\$ 799,100,330	\$ 59,395	4.20%
2016	13,445	816,582,075	60,735	3.60%
2017	13,422	841,009,098	62,659	3.60%
2018	13,435	853,404,635	63,521	3.40%
2019	13,443	886,256,661	65,927	2.50%
2020	13,637	961,367,589	70,497	8.10%
2021	14,446	1,073,482,260	74,310	4.80%
2022	14,338	1,088,741,692	75,934	2.80%
2023	14,324	1,087,678,616	75,934 *	3.30%
2024	14,324 **	1,087,678,616 ***	75,934 *	N/A

* - Latest Essex County per capita personal income available (2022) was used for calculation purposes.

** - Latest population data available (2023) was used for calculation purposes.

*** - Latest per capital personal income available (2022) and latest population data available (2023) was used for calculation purposes.

N/A - Information Unavailable

Sources:

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

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

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

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

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

Employer	2023		
	Employees	Rank	Percentage of Total Employment
Prudential Ins. Co. of America	49,705	1	13.41%
St. Barnabas Health Care System	24,600	2	6.64%
Rutgers University - Newark Campus	23,980	3	6.47%
Verizon	15,000	4	4.05%
PSE&G	12,945	5	3.49%
New Jersey Transit	11,500	6	3.10%
City of Newark	10,001	7	2.70%
Montclair State University	7,900	8	2.13%
Gateway Group One	6,250	9	1.69%
Newark Board of Education	5,877	9	1.59%
	<u>167,758</u>		<u>45.26%</u>
Total Employment	<u>370,619</u>		

Employer	2014		
	Employees	Rank	Percentage of Total Employment
St. Barnabas Health Care System	23,000	1	6.92%
Verizon	17,100	2	5.14%
Prudential Ins. Co. of America	16,850	3	5.07%
Rutgers University-Newark Campus	15,500	4	4.66%
Continental Airlines	11,000	5	3.31%
Newark Board of Education	7,050	6	2.12%
Automatic Data Processing	5,649	7	1.70%
New Jersey Transit	4,000	8	1.20%
City of Newark	4,000	9	1.20%
Essex County	3,500	10	1.05%
	<u>107,649</u>		<u>32.37%</u>
Total Employment	<u>332,387</u>		

Note- Principal employers are that of Essex County

Source: Essex County Economic Development Corporation

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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction:										
Regular	159.0	142.0	149.0	142.0	136.0	136.0	155.0	161.0	161.0	165.0
Special Education	21.0	22.0	26.0	32.0	28.0	28.0	51.0	38.0	39.0	39.0
Other Instruction	2.0	55.0	75.0	80.0	72.0	72.0	59.0	66.0	66.0	66.0
Support Services:										
Student & Instruction Related Services	40.0	37.0	33.0	35.0	18.0	18.0	18.0	25.0	26.0	26.0
General Administrative Services	1.0	2.0	2.0	3.0	15.0	15.0	4.0	5.0	5.0	5.0
School Administrative Services	18.0	27.0	27.0	27.0	17.0	17.0	8.0	18.0	18.0	18.0
Other Administrative Services							4.0	5.0	5.0	5.0
Central Services	4.0	3.0	3.0	3.0	4.0	4.0	5.0	5.0	5.0	5.0
Administrative Information Technology	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0
Plant Operations and Maintenance	20.0	20.0	20.0	21.0	19.0	19.0	20.0	21.0	21.0	21.0
Pupil Transportation	4.0	3.0	5.0	5.0	4.0	4.0	5.0	5.0	5.0	5.0
Total	272.0	314.0	343.0	351.0	316.0	316.0	332.0	353.0	355.0	359.0

Source: District Personnel Records

VERONA BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary Schools	Middle Schools	High Schools				
2015	2,190	\$ 35,714,892	\$ 16,308	7.00%	158	17:1	23:1	14:1	2,172	2,087	-0.59%	96.09%
2016	2,189	36,529,161	16,688	2.33%	164	17:1	23:1	14:1	2,142	2,051	-1.38%	95.75%
2017	2,197	37,719,270	17,169	2.88%	175	18:1	11:1	12:1	2,180	2,078	1.77%	95.32%
2018	2,218	39,407,222	17,767	3.49%	174	13.05:1	11.09:1	12:1	2,175	2,072	-0.23%	95.26%
2019	2,235	40,859,118	18,281	2.90%	172	14:1	12:1	13:1	2,210	2,130	1.61%	96.38%
2020	2,235	43,068,773	19,270	5.41%	172	14:1	12:1	13:1	2,210	2,130	0.00%	96.38%
2021	2,188	44,361,062	20,275	5.21%	206	13:1	10:1	11:1	2,182	2,123	-1.27%	97.30%
2022	2,146	49,221,602	22,936	13.13%	207	14:1	10:1	11:1	2,139	2,025	-1.97%	94.67%
2023	2,145	51,178,169	23,859	4.02%	208	14:1	10:1	11:1	2,138	2,055	-0.05%	96.12%
2024	2,175	53,491,555	24,594	3.08%	210	14:1	10:1	11:1	2,170	2,076	1.50%	95.67%

Sources: School District of Verona Township Records

Note: Enrollment based on annual October district count.

^a Operating expenditures equal total expenditures less debt service and capital outlay.

^b Teaching staff includes only full-time equivalents of certificated staff.

^c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

^d The Cost per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

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

<u>District Building</u>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Brookdale Avenue School (1927)</u>										
Square Feet	37,972	37,972	37,972	37,972	37,972	37,972	37,972	37,972	37,972	37,972
Capacity (students)	270	270	270	270	270	270	270	270	270	270
Enrollment	123	115	135	131	127	127	130	120	123	115
<u>Laning Avenue School (1918)</u>										
Square Feet	46,477	46,477	46,477	46,477	46,477	46,477	46,477	46,477	46,477	46,477
Capacity (students)	377	377	377	377	377	377	377	377	377	377
Enrollment	285	265	246	249	234	234	208	231	241	250
<u>F.N. Brown (1931)</u>										
Square Feet	38,985	38,985	38,985	38,985	38,985	38,985	38,985	38,985	38,985	38,985
Capacity (students)	303	303	303	303	303	303	303	303	303	303
Enrollment	212	199	215	245	257	257	272	279	263	270
<u>Forest Avenue School (1927)</u>										
Square Feet	27,750	27,750	27,750	27,750	27,750	27,750	27,750	27,750	27,750	27,750
Capacity (students)	303	303	303	303	303	303	303	303	303	303
Enrollment	223	234	222	219	211	211	209	219	215	234
<u>H.B Whitehorne (1920)</u>										
Square Feet	118,224	118,224	118,224	118,224	118,224	118,224	118,224	118,224	118,224	118,224
Capacity (students)	721	721	721	721	721	721	721	721	721	721
Enrollment	724	726	720	681	679	679	637	649	665	670
<u>Verona High School (1955)</u>										
Square Feet	120,245	120,245	120,245	120,245	120,245	120,245	120,245	120,245	120,245	120,245
Capacity (students)	687	687	687	687	687	687	687	687	687	687
Enrollment	623	616	659	693	703	703	679	647	638	636

Source: School District of Verona Township Records

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

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

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

Facility	Project #(s)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Facilities:											
Verona High School	N/A	\$ 226,973	\$ 188,615	\$ 215,392	\$ 235,747	\$ 149,780	\$ 280,732	\$ 202,356	\$ 276,669	\$ 283,984	\$ 281,621
Brookdale Avenue School	N/A	73,217	59,563	68,018	74,446	47,299	88,724	63,902	89,248	89,679	81,761
FN Brown School	N/A	73,217	61,152	69,833	76,432	48,561	91,090	65,607	89,248	92,071	99,930
Forest Avenue School	N/A	51,252	43,529	49,708	54,405	34,566	64,791	46,700	62,474	65,538	63,592
Henry B Whitehorn Middle School	N/A	219,652	185,446	211,772	231,784	147,263	276,091	198,955	267,744	279,211	272,537
Laning Avenue School	N/A	87,861	72,904	83,253	91,120	57,892	108,562	78,215	107,098	109,765	109,014
Total School Facilities		<u>\$ 732,172</u>	<u>\$ 611,209</u>	<u>\$ 697,976</u>	<u>\$ 763,934</u>	<u>\$ 485,361</u>	<u>\$ 909,991</u>	<u>\$ 655,735</u>	<u>\$ 892,481</u>	<u>\$ 920,248</u>	<u>\$ 908,455</u>

N/A - Not Applicable

Source: District records

VERONA BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2024
UNAUDITED

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

SINGLE AUDIT SECTION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Verona Board of Education, in the County of Essex, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 11, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

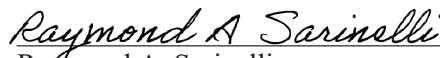
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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

October 11, 2024
Mount Arlington, New Jersey

NISIVOCCIA LLP


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

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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Verona Board of Education's (the "District's") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2024. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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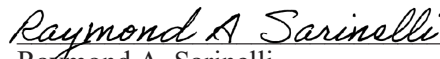
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

October 11, 2024
Mount Arlington, New Jersey

NISIVOCIA LLP



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

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

Federal Grantor/Pass Through Grantor Program or Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Balance at June 30, 2024		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	Budgetary Accounts Receivable	Budgetary Unearned Revenue
Special Revenue Fund:										
U.S. Department of Education Passed-through State Department of Education:										
Elementary and Secondary Education Act										
Title I	84.010	ESEA537024	7/1/23-9/30/24	\$ 82,701			\$ 41,540	\$ (82,701)	\$ (41,161)	
Title I	84.010	ESEA537023	7/1/22-9/30/23	92,588	\$ (51,636)		51,636		(41,161)	
Total Title I					(51,636)		93,176	(82,701)	(16)	
Title II, Part A	84.367	ESEA537024	7/1/23-9/30/24	32,990			32,974	(32,990)		
Title II, Part A	84.367	ESEA537023	7/1/22-9/30/23	33,639	(11,906)		11,906			
Total Title II, Part A					(11,906)		44,880	(32,990)	(16)	
Title IV	84.424	ESEA537024	7/1/23-9/30/24	11,070			11,048	(11,070)	(22)	
Total Title IV							11,048	(11,070)	(22)	
Elementary and Secondary Education Act Subtotal					(63,542)		149,104	(126,761)	(41,199)	
Special Education Cluster:										
I.D.E.A. Part B, Basic	84.027	IDEA537024	7/1/23-9/30/24	562,731			550,441	(554,302)	(3,861)	
I.D.E.A. Part B, Basic	84.027	IDEA537023	7/1/22-9/30/23	553,903	(114,540)		114,540			
I.D.E.A. Part B, Preschool	84.173	IDEA537024	7/1/23-9/30/24	27,473			14,478	(27,473)	(12,995)	
I.D.E.A. Part B, Preschool	84.173	IDEA537023	7/1/22-9/30/23	27,439			3,517			
Special Education Cluster Subtotal					(114,540)		682,976	(581,775)	(16,856)	
Education Stabilization Fund:										
COVID 19 - CRRSA:										
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	600,906	(56,498)		58,451	(1,953)		
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	38,563			8,340	(8,340)		
COVID 19 - ARP:										
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	1,350,498	(456,850)		553,155	(130,413)	(34,108)	
Accelerated Learning	84.425U	S425U210027	3/13/20-9/30/24	179,522	(52,785)		128,544	(126,537)	(50,778)	
Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000			21,237	(21,616)	(379)	
Mental Health Support	84.425U	S425U210027	3/13/20-9/30/24	45,000	(3,600)			(3,600)		
COVID-19 - ARP GEER:										
High Impact Tutoring	84.425C	E2400413	10/11/23-6/30/25	113,032				(18,708)	(18,708)	
Education Stabilization Fund Subtotal					(569,733)		769,727	(307,567)	(107,573)	
Total U.S. Department of Education					(747,815)		1,601,807	(1,016,103)	(165,628)	
Total Special Revenue Fund					(747,815)		1,601,807	(1,016,103)	(165,628)	

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

Federal Grantor/Pass Through Grantor Program or Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023		Cash Received	Budgetary Expenditures	Balance at June 30, 2024		Amounts Provided to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue			Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Law and Public Safety Passed-through State Department of Education: COVID-19 FEMA Reimbursement	97.036	N/A	1/20/20-5/11/23	\$ 95,917			\$ 95,917	\$ (95,917) *			
Total U.S. Department of Treasury							95,917	(95,917)			
Total General Fund							95,917	(95,917)			
Total Federal Awards					\$ (747,815)	\$ -0-	\$ 1,697,724	\$ (1,112,020)	\$ (165,628)	\$ -0-	\$ -0-

N/A - Not Applicable

* - Prior Year Expenditures

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

VERONA BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2024		MEMO	
				Budgetary Accounts Receivable	Due to Grantor					GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
General Fund:													
New Jersey Department of Education:													
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 1,984,781	\$ (195,466)			\$ 195,466					\$	\$ 1,984,781
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	175,630	(17,296)			17,296						175,630
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	103,500	(10,193)			10,193						103,500
Extraordinary Special Education Costs	23-495-034-5120-044	7/1/22-6/30/23	1,117,296	(1,117,296)			1,117,296						1,117,296
Reimbursed TPAF Social Security Contributions	23-495-034-5095-003	7/1/22-6/30/23	1,414,867	(69,850)			69,850						1,414,867
On-Behalf TPAF Post Retirement Contribution	24-495-034-5094-001	7/1/23-6/30/24	1,918,374				1,918,374	\$ (1,918,374)					1,918,374
On-Behalf TPAF Pension Contribution	24-495-034-5094-002	7/1/23-6/30/24	6,969,132				6,969,132	(6,969,132)					6,969,132
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24	79,479				79,479	(79,479)					79,479
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	2,601				2,601	(2,601)					2,601
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	2,322,235				2,093,078	(2,322,235)				\$ (229,157)	2,322,235
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	175,630				158,299	(175,630)				(17,331)	175,630
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	103,500				93,287	(103,500)				(10,213)	103,500
Extraordinary Special Education Costs	24-495-034-5120-044	7/1/23-6/30/24	1,335,688					(1,335,688)		\$ (1,335,688)		(1,335,688)	1,335,688
Reimbursed TPAF Social Security Contributions	24-495-034-5095-003	7/1/23-6/30/24	1,447,818				1,305,769	(1,447,818)		(142,049)		(142,049)	1,447,818
Total General Fund State Aid				(1,410,101)			14,030,120	(14,354,457)		(1,477,737)		(1,734,438)	19,159,511
Special Revenue Fund:													
New Jersey Nonpublic Aid:													
Compensatory Education	24-100-034-5120-067	7/1/23-6/30/24	53,046				53,046	(50,639)			\$ 2,407		50,639
Nonpublic Handicapped Services:													
Examination and Classification	24-100-034-5120-066	7/1/23-6/30/24	16,593				16,593	(12,890)			3,703		12,890
Supplemental Instruction	23-100-034-5120-066	7/1/22-6/30/23	14,597		\$ 378			(9,148)	\$ (378)				14,219
Supplemental Instruction	24-100-034-5120-066	7/1/23-6/30/24	9,148				9,148	(9,148)					9,148
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	8,591		2,313			(2,511)	(2,313)				6,278
Corrective Speech	24-100-034-5120-066	7/1/23-6/30/24	4,441				4,441	(2,511)			1,930		2,511
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	2,790		1,488			(7,772)	(1,488)				1,302
Textbook Aid	24-100-034-5120-064	7/1/23-6/30/24	9,250				9,250	(7,772)			1,478		7,772
Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	11,220		1,510			(17,280)	(1,510)				9,710
Nursing Services	24-100-034-5120-070	7/1/23-6/30/24	19,200				19,200	(17,280)			1,920		17,280
Technology Initiative	24-100-034-5120-373	7/1/23-6/30/24	7,840				7,840	(7,840)					7,840
Technology Initiative	23-100-034-5120-373	7/1/22-6/30/23	7,140		165			(32,800)	(165)				6,975
Security Aid	24-100-034-5120-509	7/1/23-6/30/24	32,800				32,800	(32,800)					32,800
School Development Authority:													
SDA Emergent and Capital Maintenance Needs	23-100-034-5120-519	11/19/21-6/30/23	52,207	(52,207)			52,207	(51,806)		(51,806)		(51,806)	(52,207)
SDA Emergent and Capital Maintenance Needs	24-100-034-5120-519	7/1/23 - 6/30/24	51,806					(51,806)					51,806
Total Special Revenue Fund				(52,207)	5,854		204,525	(192,686)	(5,854)	(51,806)	11,438	(51,806)	265,502

VERONA BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2024		MEMO	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
Debt Service Fund:												
Debt Service Aid - State Support	24-495-034-5120-125	7/1/23-6/30/24	\$ 1,106,771			\$ 1,106,771	\$ (1,106,771)					\$ 1,106,771
Total Debt Service Fund						1,106,771	(1,106,771)					1,106,771
Total State Awards Subject to Single Audit Determination				\$ (1,462,308)	\$ 5,854	\$ 15,341,416	\$ (15,653,914)	\$ (5,854)	\$ (1,529,543)	\$ 11,438	\$ (1,786,244)	\$ 20,531,784
Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf/TPAF Pension System Contributions:												
On-Behalf/TPAF Post Retirement Contributions	24-495-034-5094-001	7/1/23-6/30/24	1,918,374				1,918,374					
On-Behalf/TPAF Pension Contributions	24-495-034-5094-002	7/1/23-6/30/24	6,969,132				6,969,132					
On-Behalf/TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24	79,479				79,479					
On-Behalf/TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	2,601				2,601					
Subtotal - On-Behalf/TPAF Pension System Contributions							8,969,586					
Total State Awards Subject to Single Audit Major Program Determination							\$ (6,684,328)					

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

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

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Verona Board of Education under programs of the federal and state governments for the fiscal year ended June 30, 2024. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$33,746) for the general fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

VERONA BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 95,917	\$ 14,320,711	\$ 14,416,628
Special Revenue Fund	1,016,103	192,686	1,208,789
Debt Service Fund		1,106,771	1,106,771
Total Financial Assistance	<u>\$ 1,112,020</u>	<u>\$ 15,620,168</u>	<u>\$ 16,732,188</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2024.

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

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

1.) Material weakness identified?	Yes	X	No
2.) Significant deficiencies identified?	Yes	X	None reported
Noncompliance material to basic financial statements noted?	Yes	X	No

Federal Awards

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

Unmodified

Internal control over major programs:

1.) Material weakness identified?	Yes	X	No
2.) Significant deficiencies identified?	Yes	X	None reported
Noncompliance material to basic financial statements noted?	Yes	X	No

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes X No

Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
Special Education Cluster:					
I.D.E.A. Basic, Regular	84.027	7/1/23	9/30/24	\$ 562,731	\$ 554,302
I.D.E.A. Preschool	84.173	7/1/23	9/30/24	27,473	27,473

Dollar threshold used to distinguish between Type A and B programs

\$ 750,000

Auditee qualified as low-risk auditee?

Yes X No

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

State Awards

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

Internal control over major programs:

1.) Material weakness identified?	<u> </u> Yes	<u> </u> X	No
2.) Significant deficiencies identified?	<u> </u> Yes	<u> </u> X	None reported
Noncompliance material to basic financial statements noted?	<u> </u> Yes	<u> </u> X	No
Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?	<u> </u> Yes	<u> </u> X	No

Identification of major programs:

<u>Program Name or Cluster</u>	<u>State Grant No.</u>	<u>Grant Period</u>		<u>Award Amount</u>	<u>Budgetary Expenditures</u>
		<u>Start</u>	<u>End</u>		
Reimbursed TPAF Social Security Contributions	24-495-034-5095-003	7/1/23	6/30/24	\$ 1,447,818	\$ 1,447,818
Extraordinary Special Education Costs	24-495-034-5120-044	7/1/23	6/30/24	1,395,688	1,395,688

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

Auditee qualified as low-risk auditee? Yes X No

VERONA BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

Status of Prior Year Findings:

There were no prior year findings.