



**TOWNSHIP OF EDISON  
SCHOOL DISTRICT  
COUNTY OF MIDDLESEX, NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

**EDISON TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX, NEW JERSEY**

**JUNE 30, 2021**

**TABLE OF CONTENTS**

	<u>PAGE</u>
<b>Introductory Section</b>	
Letter of Transmittal	1
Organizational Chart	10
Roster of Officials	11
Consultants and Advisors	12
<b>Financial Section</b>	
<b>Independent Auditors' Report</b>	13
<b>Required Supplementary Information – Part I</b>	
Management's Discussion and Analysis	16
<b>Basic Financial Statements</b>	
A. Government-wide Financial Statements	
A- 1 Statement of Net Position	27
A- 2 Statement of Activities	28
B. Fund Financial Statements	
Governmental Funds:	
B- 1 Balance Sheet	29
B- 2 Statement of Revenues, Expenditures, and Changes in Fund Balances	31
B- 3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Proprietary Funds:	
B- 4 Statement of Net Position	33
B- 5 Statement of Revenues, Expenses, and Changes in Net Position	34
B- 6 Statement of Cash Flows	35

**EDISON TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX, NEW JERSEY**

**JUNE 30, 2021**

**TABLE OF CONTENTS (CONTINUED)**

	<u>PAGE</u>
<b>Notes to the Financial Statements</b>	36
<b>Required Supplementary Information – Part II</b>	
C. Budgetary Comparison Schedules	
C- 1 Budgetary Comparison Schedule (Budgetary Basis) – General Fund	72
C- 1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	N/A
C- 2 Budgetary Comparison Schedule (Budgetary Basis) – Special Revenue Fund	85
<b>Notes to the Required Supplementary Information</b>	
C- 3 Budget to GAAP Reconciliation	87
<b>Required Supplementary Information – Part III</b>	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L- 1 Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS	88
L- 2 Schedule of District Contributions – PERS	89
L- 3 Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF	90
M. Schedules Related to Accounting and Reporting for OPEB (GASB 75)	
M- 1 Schedule of the State’s Proportionate Share of the OPEB Liability Associated with the District State Health Local Education Retired Employees Plan	91
<b>Other Supplementary Information</b>	
D. School Level Schedules:	N/A
D- 1 Combining Balance Sheet	N/A
D- 2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D- 3 Blended Resource Fund - Schedule of Blended Expenditures Budget and Actual	N/A
D- 4 Schedule of DEOA Expenditures - Budget and Actual	N/A

**EDISON TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX, NEW JERSEY**

**JUNE 30, 2021**

**TABLE OF CONTENTS (CONTINUED)**

	<u>PAGE</u>
E. Special Revenue Fund:	
E- 1    Combining Schedule of Revenues and Expenditures - Budgetary Basis	92
E- 2    Schedule of Preschool Aid Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F- 1    Summary Statement of Project Expenditures	95
F- 2    Summary Schedule of Revenues, Expenditures, and Change in Fund Balance - Budgetary Basis	96
F- 2a   Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis	97
G. Proprietary Funds:	
Enterprise Fund:	
G- 1    Combining Statement of Net Position	98
G- 2    Combining Statement of Revenues, Expenses and Changes in Net Position	99
G- 3    Combining Statement of Cash Flows	100
Internal Service Fund:	
G- 4    Combining Statement of Net Position	101
G- 5    Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	102
G- 6    Combining Statement of Cash Flows	103
I. Long-Term Debt:	
I- 1    Schedule of Serial Bonds	104
I- 2    Schedule of Obligations Under Capital Leases	105
I- 3    Debt Service Fund - Budgetary Comparison Schedule	106

**EDISON TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX, NEW JERSEY**

**JUNE 30, 2021**

**TABLE OF CONTENTS (CONTINUED)**

	<u>PAGE</u>
<b>Statistical Section (Unaudited)</b>	107
Financial Trends	
J- 1 Net Position by Component	108
J- 2 Changes in Net Position	109
J- 3 Fund Balances, Governmental Funds	110
J- 4 Change in Fund Balances, Governmental Funds	111
J- 5 General Fund – Other Local Revenue by Source	113
Revenue Capacity	
J- 6 Assessed Value and Actual Value of Taxable Property	114
J- 7 Direct and Overlapping Property Tax Rates	115
J- 8 Principal Property Taxpayers	116
J- 9 Property Tax Levies and Collections	117
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	118
J-11 Ratios of Net General Bonded Debt Outstanding	119
J-12 Direct and Overlapping Governmental Activities Debt	120
J-13 Legal Debt Margin Information	121
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	122
J-15 Principal Employers	123
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	124
J-17 Operating Statistics	125
J-18 School Building Information	126
J-19 Schedule of Required Maintenance	128
J-20 Insurance Schedule	129
<b>Single Audit Section</b>	
K- 1 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government           Auditing Standards</i>	130
K- 2 Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular 15-08	132
K - 3 Schedule of Expenditures of Federal Awards, Schedule A	135
K - 4 Schedule of Expenditures of State Financial Assistance, Schedule B	136
K - 5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	137
K - 6 Schedule of Findings and Questioned Costs	139
K - 7 Summary Schedule of Prior Year Audit Findings	146

## **Introductory Section**



# Public Schools of Edison Township

312 PIERSON AVENUE \* EDISON, NEW JERSEY 08837  
TELEPHONE (732) 452-4900 FAX (732) 452-4993

**Bernard F. Bragen, Jr., Ed.D.**  
Superintendent of Schools

**Ann T. Kluck**  
Assistant Business Administrator/Board Secretary

Honorable President and  
Members of the Board of Education  
Edison School District  
County of Middlesex, New Jersey

Dear Board Members:

The annual comprehensive financial report (ACFR) of the Edison School District (District) for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The District has implemented Statement No. 34 of the Governmental Accounting Standards Board (GASB) entitled *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This standard, issued in June 1999, created a new reporting model of financial information and disclosure, which represented a significant departure from the formerly used reporting model. The reader will notice that the two main basic financial statements created by this standard, the Statement of Net Assets and the Statement of Activities, do not contain numerous columns for various funds that have been seen in past governmental financial statements. These two statements consolidate much of the information contained in fund based financial statements of the past into statements which tend to answer the question: "Is the District better or worse off financially than it was in the previous year?" A comparison of net assets should help the reader in answering that question.

Also required as part of "Required Supplementary Information" by GASB Statement No. 34 is a "Management's Discussion and Analysis" (MD&A) which allows the District to explain in layman's terms its financial position and results of operations of the past fiscal year. The comparative data which is available from the prior year with respect to the reporting of the Statement of Net Assets and Statement of Activities under GASB No. 34, allows for the inclusion of comparative data for both statements in the MD&A section of this report.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. 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 the Single Audit Act of 1984, as amended by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award (Uniform Guidance)*; and New Jersey OMB's Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. Reporting Entity and its Services: Edison School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Edison Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Preschool through 12. These include regular, vocational, bilingual as well as special education for educationally handicapped youngsters.

The District operated the 2020-2021 fiscal year with an average daily enrollment (ADE) of 16,333 students, which is below the previous year's ADE. The following details the changes in the student enrollment of the district over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020-2021	16,333	-0.95%
2019-2020	16,490	0.90%
2018-2019	16,344	1.64%
2017-2018	16,081	3.53%
2016-2017	15,532	2.89%
2015-2016	15,096	2.71%
2014-2015	14,697	1.38%
2013-2014	14,497	0.90%
2012-2013	14,367	1.06%
2011-2012	14,217	0.16%

2. Board of Education Policy Statement: The Public Schools of Edison Township holds as its foremost mission the continuation of its tradition of graduating students with the highest level of academic preparation. Within this context, the Public Schools of Edison Township provide each student with an opportunity to acquire the knowledge and skills needed to become responsible and productive citizens in our democratic and fast changing society and where there is nothing less than excellence.
3. Major Initiatives: Teachers and staff were trained for remote and hybrid teaching. Teacher teams developed lessons appropriate for remote learning. The Staff Development Team supported teachers throughout the year. In addition, teacher teams updated resources, materials and novels to be more inclusive and to reflect our diverse population. The District initiated the Early College Program, working with Middlesex College to broaden the dual enrollment program. Now, students have the opportunity to earn an Associate Degree while completing their high school requirements.

Professional Development Activities: Edison's professional development program is a comprehensive system of professional learning geared at serving the district's teachers, supervisors, administrators, and support staff in a thorough and effective manner. All program services are predicated on teacher and program needs identified in analysis of student achievement data, focus group input, school level plans, and faculty and departmental meetings.



Components of the professional development program include mandated staff development for all non-tenured teachers, totaling seven full days of training and a minimum of three classroom observation and coaching visits over a four-year period. Three after school cohorts are also provided to our first year teachers to reflect on their teaching practice with colleagues across the district. In addition, a mentoring program is provided to all provisional first year teachers, with a collaborative virtual learning space that provides resources, tools, and question forums, as well as a mandated training. The District also provides Professional Development Institute (PDI), which offers certificated and non-certificated staff PDI hours, leading to salary increments, for their voluntary participation in an array of curriculum and instructionally relevant workshops offered after school and virtually. More than 800 certificated and non-certificated staff took advantage of these after school programs during the 2020-2021 school year. All teachers, at the elementary level, have an added resource of coaching from the district's instructional coaches, and at the secondary level, all buildings have learning leaders who open their classrooms to share best practices.

Building Projects-Renovations: During the 2020-2021 school year, the district's major improvements to the school buildings and sites included projects such as installation of additional student lockers and replacement of existing student lockers at John P. Stevens High School, boiler replacement project at Lincoln Elementary School, installation of outdoor LED signs at John Adams Middle School and James Madison Intermediate School, and roof replacement projects at Edison High School, John Adams and Woodrow Wilson Middle Schools, James Madison Intermediate School, and Woodbrook Elementary School. The district has continued its security improvement plan by installing additional security cameras districtwide.

The district has continued its on-going replacement of deteriorated parking lots, playgrounds, sidewalks and curbing.

The total cost of the 2020-2021 capital building and site improvements was \$2,749,978.

Multi-Year Equity Plan: Our schools continue to promote a positive, supportive environment for learning. Middle schools continue to focus on bully and harassment prevention training by emphasizing student skill development in conflict resolution, active listening and empathy awareness. High Schools address multi-cultural and peer leadership program with elementary schools stressing a broader array of skills encompassed in the Character Counts and Positive Behavior Support In Schools Programs.

The 2019-2022 Comprehensive Equity Plan was approved by the Board on June 17, 2019 for submission to the County Superintendent. This three-year plan, based upon self-study, incorporates equity training, affirmative action, equality in education, staff development, minority staff-recruitment, and desegregation mandates.

The District's Equity Plan for 2019-2022 focuses on equality and equity in school and classroom procedures, prohibiting harassment, annual training for certified and non-certified staff, narrowing the achievement gap.

Elementary schools have increased the number of staff trained in Responsive Classroom and will continue to do so this year. The program is a student-centered, social and emotional learning approach to teaching and discipline. In addition, administration was introduced to restorative discipline, to take steps towards reducing punitive measures and instead, consider the impact and equilibrium of the community.

Middle level students participate in programs to ensure equity and a positive school climate, supportive guidance counseling services, and co-curricular programs for all students. The District continues to serve as a model for collaborative teaching. This past year, building-level teams of teachers, led by their principals and the learning leaders, participated in several professional development sessions to learn about and implement remote and hybrid learning.

The district has continued its efforts to recruit faculty/staff to increase the representation of qualified minorities in the Edison Public Schools.

## Technology Infrastructure:

The Department of Technology is committed to the improvement of teaching and learning by linking the appropriate information technologies to education. The 2020-2021 school year continued to provide challenges as we provide uninterrupted technology services during the pandemic.

The Department of Technology provides leadership in the use of computers and related technologies, working collaboratively with schools and departments to ensure the effective use of technology across the disciplines. Access and the proper use of technology will enhance the learning process to better prepare our students to meet today's and tomorrow's challenges in a changing world.

As a result of the Edison Technology Program, students will understand important issues in a technology-based society and will exhibit ethical behavior in the use of technology. Students will access, apply, interpret, analyze, synthesize, and communicate information using a variety of technologies. In addition, they will use the computer as a tool for problem solving and logical thinking.

As a responsible district, the Edison implements a multi-level staff/ student safety plan with a high-alert and concentration in cybersecurity, data privacy and behavior monitoring with the Gaggle Safety Management Team.

Students and Staff continue to benefit from district's progressive technology initiatives. Even with a robust and reliable technology infrastructure, we continue to evaluate newer technologies and plan upgrades accordingly, based on equipment age, serviceability, performance demands, and newer technologies that will allow the district to leverage technologies with future cost savings. Following this philosophy, in 2020-2021, the district utilized the Federal Erate program to upgrade our network infrastructure. The district migrated from Cisco 3750/3600 environment to the 9300/9200 series infrastructure. We also upgraded our legacy firewalls to new Cisco Firepower firewalls.

The district leverages Altice's Private Fiber Network to interconnect district buildings. The buildings connect via 1GB fiber-optic links back to the district's (2) two datacenters. The datacenters are connected via 10Gb fiber link. Each datacenter houses servers, Internet connections, content filters and firewalls.

Below is an overview of the district's technology:

- Meraki wireless infrastructure to assure seamless wireless coverage.
- Cisco network core data switches, firewalls and Lightspeed content filters which are continuously adjusted and monitored to optimize performance.
- Cisco/ VMware virtualized servers for optimum performance and efficiency.
- Disaster recovery includes a local backup presence as well as a cloud-based service.
- Main data center located at The Education Center. The site includes virtualized servers, content filters, and a firewall. We upgraded The Education Center's Internet connection from a 3GB Internet circuit to a 5GB.
- Redundant data center located at John P. Sevens High School. The site includes virtualized servers, content filters, and a firewall. We upgraded JPS's internet connection from a 1GB Internet circuit to a 5GB.
- Redundant Fiber Network: A redundant 1GB fiber optic network was created from our second data center to every location in addition to a 10GB link between our 2 data centers. The redundant network provides load balancing and redundancy.
- The district continues to leverage Google Apps for Education for staff & student email and data storage.
- To support virtual and hybrid learning, the district issued T-Mobile hotspots to children who do not have home Internet access. The district applied and was awarded a T-Mobile grant that allowed the district to provide hotspots free of cost.

## Technology Devices:

Taking guidance from the Edison Board of Education's Curriculum & Technology Committee, the strategy for student device continues to evolve. The 2020-2021 school year saw the following changes:

- Kindergarten: New fleet of Apple iPads
- Grade 1: Switched from Apple iPads to Touch/Flip Chromebooks
- Grade 2: New fleet of Touch/Flip Chromebooks
- Grade 3: New fleet of Touch/Flip Chromebooks

The district standardizes their devices across grade levels. The Department of Technology distributed and continues to maintain over 25,000 wired and wireless devices to staff and students which includes Apple iPad, Chromebooks, and Apple MacBook Airls. In addition to the mobile devices, each school has PC labs for specialized applications and administrative use.

The following is a breakdown by grade:

- Elementary Schools:
  - Kindergarten: Apple iPads
  - First Grade: Flip/Touch Chromebooks
  - Second Grade: Flip/Touch Chromebooks
  - Third Grade: Flip/Touch Chromebooks
  - Fourth Grade: Clamshell Chromebooks
  - Fifth Grade: Clamshell Chromebooks
- Middle Schools:
  - Sixth Grade: Clamshell Chromebooks
  - Seventh Grade: Clamshell Chromebooks
  - Eight Grade: Clamshell Chromebooks
- High Schools:
  - Freshman: Apple Air MacBook
  - Sophomore: Apple Air MacBook
  - Junior: Apple Air MacBook
  - Senior: Apple Air MacBook

In addition to the hardware and infrastructure components, each student receives a Google Apps for Education account to login for such services as email, document management and grade level specific applications and Classlink as our SSO (single sign-on).

## Technology Phone System

The district continues to benefit and leverage features of a recently installed Cisco system

## Classroom Interactive Audio / Visual Solution

Promethean Boards/Projectors - Promethean Boards continue to be utilized in K-8 classrooms as an interactive/collaboration tool.

Epson Projectors - The high schools are moved towards a 'college environment' for a projector solution. As the older projection units reach an 'end of life cycle,' a non-interactive Epson ultra-short throw projector with HDMI and VGA options are being installed. This solution provides the teacher with flexibility regarding the device type that can be implemented for classroom instruction. For classroom environments where interactivity is required, a Promethean interactive solution is installed.

## Student Information System & Learning Management System

Genesis continues to be the district's student information system with expanded features to all of the schools. Integration between the Genesis system and other learning and content delivery systems has expanded to over two dozen applications. Most of the applications used in the district allow students to login through a single sign on. In a District of more than 16,000 students there is nearly a 100% parent participation rate in the use of the Parent Portal. Since 2017, parents have had the ability to submit student information forms electronically via the Genesis Parent Portal and high school students have had access to a 'Student Portal' where they are able to view their schedule, track assignments, grades and receive important information. The Genesis Parent Portal, district website, and Blackboard telephone/mass-email and messaging systems continue to provide a rapid multi-platform means of external communication to parents and the public. Google Classroom is the primary means of delivering lesson plans and content as well as allowing for integration of content from such providers as Discovery Education and others. Google Classroom is providing students and teachers with a virtual means of interacting and collaborating that just a few years ago was unheard of and while students continue to head to class the brick and mortar of yesterday is being replaced with a limitless horizon of learning opportunities for students and teachers.

The Edison Township Public School district understands the importance of technology in the education process. Through strategic planning and responsible fiscal investments, the Edison Public Schools is rapidly becoming New Jersey's premier district in technology integration and while demonstrating its leadership and commitment to the education of students, staff, and all of the stakeholders in the community, the Edison Public Schools is a greener and richer learning environment.

Innovative Programs: The Edison schools actively pursue collaborative relationships with various agencies, ranging from local community organizations, including The Edison Municipal Alliance, JFK Hospital, Middlesex College, Kean University and Rutgers University.

Special Education: In the 2020-2021 school year, the Edison Township Public School district provided thirty-two autistic classes located across several elementary schools, three middle schools, and one high school. The district has six multiple disabilities classes: three multiple disabilities classes located at Menlo Park Elementary School, one multiple disabilities class at John Adams Middle School and two multiple disabilities classes located at John P. Stevens High School. The district has eleven Learning Language Disabilities Classes from Kindergarten thru 12<sup>th</sup> grade located at James Madison Intermediate and Primary schools, Lindeneau Elementary School, Herbert Hoover Middle School and Edison High School. The district has fourteen half-day pre-school disabled classes, four integrated half-day pre-school classes, and thirteen full-day pre-school disabled classes. The preschool classes are located at the Edison Early Learning Center and the Franklin D. Roosevelt Preschool. All of the special class programs include daily opportunities for inclusion within the general education setting. The district focuses on in-class resource but has a small number of pull-out resource programs. The district provides a wide variety of individualized supplemental aides and services, which helps students to remain in their home schools and within their least restrictive environment. Finally, several elementary and middle schools use PBSIS as part of Character Education.

The district continues to address the quality of instruction delivered to students by providing teachers with comprehensive professional development and targeted in-service training. These professional development and in-service activities are organized and implemented to improve and reinforce the skills and knowledge for effective classroom teaching and learning (e.g. Phonics First, High Scope Curriculum, Mindplay; social skills; instructional techniques based on the philosophy of applied behavior analysis (ABA), *Crisis Prevention Institute (CPI)* training, differentiated instruction, and multi-sensory instruction). Lastly, the district provides a variety of transitional opportunities and services through its Community Based Instruction (CBI) activities and Structured Learning Experiences (SLE) (e.g. onsite ShopRite at Edison High School, onsite Farm Stand at John P. Steven High School, off site supervised career exploration and job training thru local township business partners).

The district provides extensive supports, services, and training opportunities for parents. Parent training workshops and specialized parent clinics are presented by the district Behaviorists, teachers, speech language specialist, contracted providers, and Child Study Team members in collaboration with the special education supervisors. These workshops and parent clinics provide support and teach skills to parents who need additional assistance and are focused on helping students generalize skills outside of the school setting. The district has a Special Education Advisory Council and a separate Parent Advisory Committee, which meets regularly. The district provides additional supports for parents and teachers through web-based training modules at Rethink ([www.rethinkd.com](http://www.rethinkd.com)). Finally, the district directs parents to and assists them in accessing appropriate community-based and state level resources and supports.

Community Involvement: Throughout the year, active community involvement is planned, fostered, and carried out. In 2020-2021 students took initiative to provide online tutoring for their peers in a remote format. As needs appeared due to remote learning and the Covid -19 pandemic, schools responded to community needs such as holding an in house food pantry, sending food home to students, and stocking clothing closets for anyone who might need. Central Administration initiated a Diversity Committee with representatives from all stakeholder groups.

Program Enhancement and Enrichment: The district continues to prioritize academic achievement for all learners in a productive school climate given the following initiatives:

#### Elementary Schools

- A new science program was chosen for implementation in 2021-2022. The program is hands-on.
- The Gifted and Talented Program was modified for implementation in 2020-2022.
- Collaborative classroom was implemented – K-5.

#### Middle Schools

- Utilized Linkit! Benchmarks at all middle schools to provide the teacher with students' academic strengths and weakness to help guide their instructional planning.
- Programs for students needing additional support in Language Arts and Mathematics were offered before and after school.
- Summer math pilot for identified students moving from grade 5 to grade 6 to qualify them for higher level of math placement.
- Summer math program for academically strong grade 7 students who were able to complete Algebra in the summer.
- Summer program for 2021-22 Algebra and Geometry students to accelerate the learning and prepare them for the upcoming year.
- Camp Acceleration was developed to take the place of summer school failure makeup. Students were supported academically and emotionally and worked through many activities to develop self-efficiency.

#### High Schools

- Offered on-line and summer SAT prep program.
- Identified students struggling in math and assigned them to work with one of two Math Interventionists.
- Programs for students needing additional support in Language Arts and Mathematics were offered before and after school.
- All students are using Google Classroom.
- Graduated our fourth cohort of students from the Science and Engineering Academy at Edison High School, with 100% of students gaining acceptance to college.

4. Economic Condition and Outlook: The Township of Edison continues to enjoy the benefits of its significant ratable base, one of the largest in the State of New Jersey. While the economic situation affecting the U.S and this region has resulted in a reduction in assessed valuations in recent years, it is expected further growth will continue in the industrial and commercial areas of the Township because of its proximity to major markets and accessibility by rail, interstate highways and waterways. The U.S. Census Bureau, Sales Management Magazine and the New Jersey Department of Labor and Industry recognize the Township's contributions to economic life to the region and record separate tabulations of statistics for the Township of Edison. The 2010 U.S. Census Bureau reported the Township's median family income to be \$86,725 as compared to the State average of \$71,274, and the Township's per capita income at \$36,464, compared to the State average of \$35,336.
5. Management's Responsibility for Financial Reporting: The management of the school district is responsible for the preparation of the financial statements included within the ACFR and for their integrity and objectivity. In order to enable the District to fulfill its obligation for accurate and fair financial reporting, management is also responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

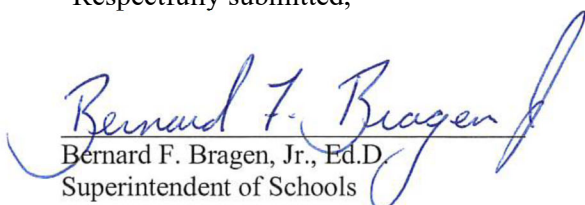
An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund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

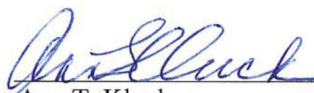
7. Accounting System and Reports: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

8. Financial Information at Fiscal Year-End: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The District also continues to provide the excellent educational environment found in the Edison Public Schools at a cost per pupil factor that is well below the regional and state averages. This is due in part to the District's costs incurred for administrative services, which are also well below the respective regional and state averages. Information related to the District's financial statements and condition is found in the Financial Section and Statistical Section of this report.
9. Debt Administration: Effective November 3, 1992, as a result of a decision by the electorate, the Board operates as a Type II District. Prior to that date, the Board was classified as a Type I School District and the Board did not issue debt as an autonomous agency. Type I debt for the school district was issued by the Township of Edison as a direct obligation of the municipality. At June 30, 2021, the balance of funds available in the capital projects fund totals \$303,304. Also at June 30, 2021, the District has Type II Debt of \$1,000,000 and obligations due on lease-purchase transactions and capital leases in the amount of \$6,490,220. There is no longer any Type I District debt outstanding.
10. Cash Management: The investment policy of the District is guided in large part by state statute as detailed in the "Notes to Financial Statements", Note 2. The District deposits its funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
11. Risk Management: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents fidelity bonds, health insurance benefit plan and workers' compensation fund.
12. Other Information:
  - A. Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of PKF O'Connor Davies, LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, as amended, and the related *Uniform Guidance* and New Jersey OMB Circular 15-08. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
13. Acknowledgments:

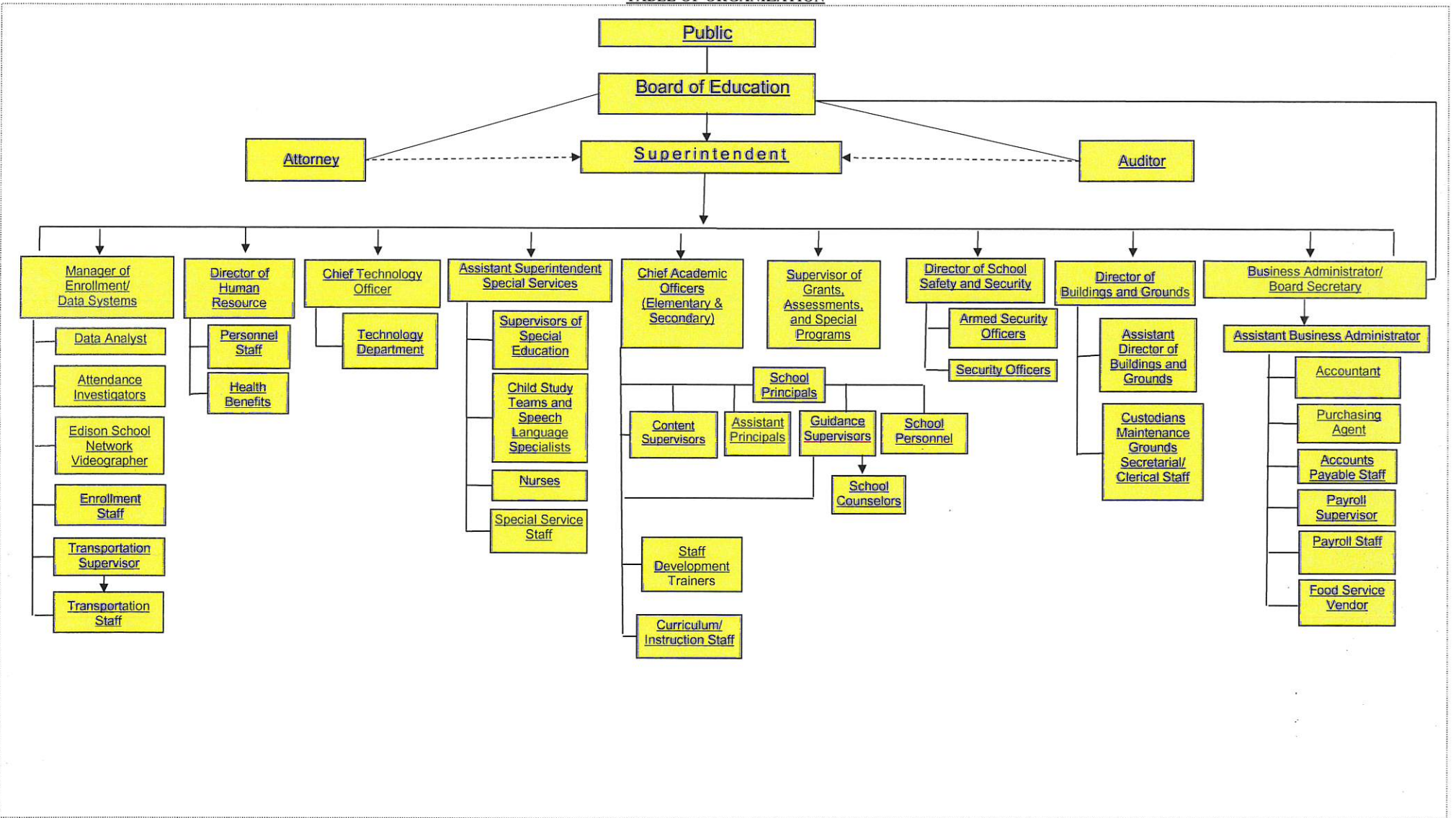
We would like to express our appreciation to the members of the Edison School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The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

Respectfully submitted,

  
Bernard F. Bragen, Jr., Ed.D.  
Superintendent of Schools

  
Ann T. Kluck  
Board Secretary/Assistant Business Administrator

**PUBLIC SCHOOLS OF EDISON TOWNSHIP  
TABLE OF ORGANIZATION**





EDISON BOARD OF EDUCATION  
MIDDLESEX COUNTY, NEW JERSEY

ROSTER OF OFFICIALS  
JUNE 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jingwei (Jerry) Shi, President	2024
Mohin Patel, Vice President	2024
Virginia White	2024
Carol Bodofsky	2023
Shivi Madhukar	2023
Dr. Yunxia (Yuna) Chen	2022
Xiaohan (Shannon) Peng	2023
Biral Patel	2022
Elizabeth Conway	2022

Other Officials

Bernard F. Bragen, Jr., Ed.D., Superintendent of Schools

Gail Pawlikowski, Chief Academic Officer/Secondary

Baninder Mahabir, Chief Academic Officer/Primary

Christopher Conklin, Assistant Superintendent of Pupil/Special Services

Gregory Brennan, Interim Business Administrator/Board Secretary

John Shahdanian II, MARC Law, Board Attorney

**TOWNSHIP OF EDISON SCHOOL DISTRICT  
CONSULTANTS AND ADVISORS**

**ARCHITECT**

USA Architects  
20 N. Doughty Avenue  
Somerville, NJ 08876

**ATTORNEY**

John Shahdanian II, Esquire  
William Rupp, Esquire  
MARC Law  
210 Park Avenue, Suite 301  
Florham Park, NJ 07932

**AUDIT FIRM**

PKF O'Connor Davies, LLP  
20 Commerce Drive, Suite 301  
Cranford, NJ 07016

**OFFICIAL DEPOSITORY**

Investors Bank  
946 Amboy Avenue  
Edison, NJ 08837

## **Financial Section**



## **INDEPENDENT AUDITORS' REPORT**

Honorable President and Members  
of the Board of Education  
Township of Edison School District  
County of Middlesex  
Edison, New Jersey

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Township of Edison School District, in the County of Middlesex, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of Matter**

We draw attention to Note 20 in the notes to financial statements which disclose the effects of the District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the Township of Edison School District, in the County of Middlesex, State of New Jersey, as of June 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of the District's proportionate share of the net pension liability-PERS, schedule of District contributions-PERS, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF, schedule of the State's proportionate share of the net OPEB liability and changes in the total OPEB liability and related ratios, and budgetary comparison information as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other 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, consisting of the combining and individual fund financial statements and long-term debt schedules, the schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are also not a required part of the basic financial statements.

The combining and individual fund financial statements, long-term debt schedules, schedule of expenditures of federal awards and schedule of state financial assistance are the responsibility of management and are derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules, schedule of expenditures of federal awards and schedule of state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2022 on our consideration of the District's internal control over financial reporting and 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 the Township of Edison School District's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
March 15, 2022



Andrew G. Hodulik  
Public School Accountant  
PSA # 841

**Required Supplementary Information**  
**Part I**

**EDISON TOWNSHIP SCHOOL DISTRICT**  
**Edison, New Jersey**  
**Middlesex County**

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**  
**June 30, 2021**

This section of the district's annual financial report presents a discussion and analysis of the district's financial performance during the fiscal year ending June 30, 2021. It should be read in conjunction with the transmittal letter at the front of this report and the district's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* issued June 1999 and amended by GASB Statement No. 37. Certain comparative information between the current year and the prior year is presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

The key financial highlights for the 2020-2021 fiscal year include the following:

Total net position for governmental activities is reported at \$124,444,766 at June 30, 2021. This represents an increase of \$22,354,631 or 21.90% over the prior year reported net position. Governmental funds reported a total fund balance of \$51,087,291, which is a 51.93% increase over last year's total governmental fund balance (restated). The general or operating fund balance is reported at \$50,198,166, representing capital, maintenance and emergency reserves of \$29,930,663; excess surplus of \$5,349,840 appropriated towards the 2021-2022 budget, an additional \$2,412,876 has been designated for the 2021-2022 budget, \$661,486 is reserved excess surplus for the 2022-2023 budget, \$605,650 is restricted for unemployment compensation, and unassigned general fund balance in the amount of \$11,237,651. The ending fund balance was impacted by the non-recognition, on a GAAP basis, of State Aid payments deferred to July 2021 in the amount of \$2,364,034 in the general fund that was due the district at June 30, 2021. Total expenditures for all governmental funds were \$316,102,928. Total revenues were \$328,448,926 resulting in an excess of revenues over expenditures of \$12,345,998 for the year. Revenues included \$91.12 million in state and federal aid and \$235.01 million in local taxes.

**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 government-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 operated like businesses, such as food services.
- Fiduciary funds statements provide information about the financial relationship in which the district acts solely as a trustee or agent for the benefits of others.

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 the School District Annual Financial Report***

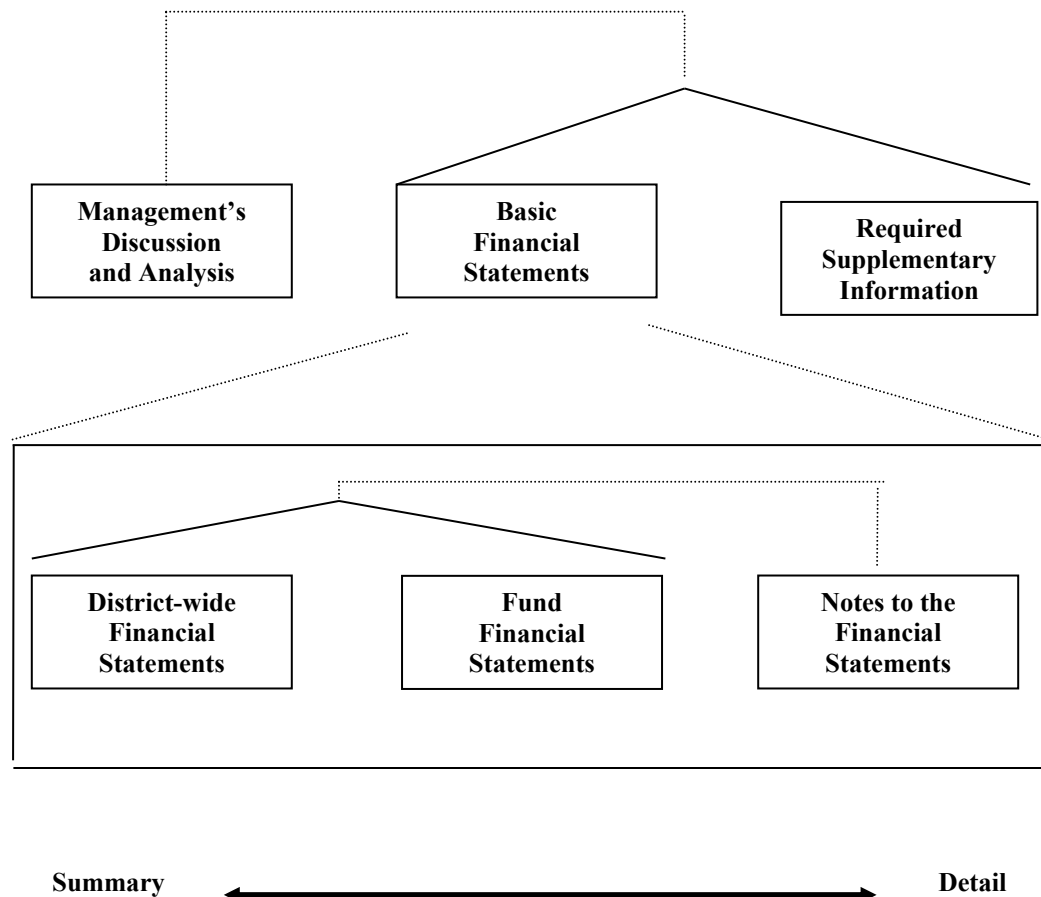


Figure A-2 summarizes the major features of the district’s financial statements, including the portion of the district’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents 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 (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education
Required financial Statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses and changes in net position</li> <li>• Statement of cash flows</li> </ul>
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset / liability information	All assets 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 or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/out-flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

## Government-wide Statements

The government-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 and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

- Over time, increases or decreases in the district's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the district's overall health, you need to consider that the school district's goal is to provide services to students, not to generate profit as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the district.

In the government-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 adult education programs and food services 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 debts) or to show that it is properly using certain revenues (such as federal grants).

The district has three types 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 differences) between them.
- **Proprietary funds:** Services for which the district charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The district's enterprise 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 has one internal service fund, the workers' compensation fund.
- **Fiduciary funds:** The district is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The district excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations. As set forth in the notes to the financial statements, the District implemented GASB 84, the effects of which were to move the reporting of these activities to the General and Special Revenue Funds, which included a restatement of balances at June 30, 2020.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The school district's Governmental Activities net position was \$124,444,766 at June 30, 2021. Of this amount, \$50,359,750 was a deficit in unrestricted net position. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the school district's ability to use that net position for day-to-day operations. The following analysis focuses on the net position (Figure A-3) and change in net position (Figure A-4) of the school district's governmental activities.

The \$50,359,750 deficit amount in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. It means that if we had to pay off all of our bills today including all of our non-capital liabilities (fully fund the PERS pension requirements and compensated absences for example), we would have a deficit of \$50,359,750.

The results of this year's operations for the school district Governmental Activities as a whole are reported in the Statement of Activities. Figure A-4 takes the information from that Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues and expenses for the year.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Figure A-3  
Net Position

	Governmental Activities June 30, 2021	Governmental Activities June 30, 2020 (Restated)	% Increase (Decrease)	Increase/ Decrease
<b>Assets</b>				
Current and other assets	\$ 63,103,368	\$ 17,055,099	270.00%	\$ 46,048,269
Capital assets	142,499,148	161,051,384	-11.52%	(18,552,236)
Total assets	205,602,516	178,106,483	15.44%	27,496,033
<b>Deferred outflow of resources</b>				
Pension Deferrals	9,106,535	11,364,626	-19.87%	(2,258,091)
Total deferred outflows of resources	9,106,535	11,364,626	-19.87%	(2,258,091)
<b>Liabilities</b>				
Current and other liabilities	18,347,755	7,783,843	135.72%	10,563,912
Long-term liabilities	56,142,669	60,486,866	-7.18%	(4,344,197)
Total liabilities	74,490,424	68,270,709	9.11%	6,219,715
<b>Deferred inflows of resources</b>				
Pension Deferrals	20,888,622	20,591,958	1.44%	296,664
Total deferred inflows of resources	20,888,622	20,591,958	1.44%	296,664
<b>Net position</b>				
Net Investment in Capital Assets	135,008,929	136,870,326	-1.36%	(1,861,397)
Restricted	39,795,587	26,836,394	48.29%	12,959,193
Unrestricted	(50,359,750)	(61,616,585)	-18.27%	11,256,835
Total net position	\$ 124,444,766	\$ 102,090,135	21.90%	\$ 22,354,631

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Figure A-4  
Change in Net Position

	Year ended June 30,		Increase
	2021	2020	(Decrease)
Revenues:			
Program revenue			
State grants and entitlements	\$ 72,429,613	\$ 58,178,754	\$ 14,250,859
General revenue			
Local tax levy	235,013,168	224,700,742	10,312,426
Federal and state aid	30,381,887	33,246,242	(2,864,355)
Miscellaneous revenues (Includes transfers and adjustments)	2,010,671	1,915,808	94,863
Total general revenues	267,405,726	259,862,792	7,542,934
Total revenues	339,835,339	318,041,546	21,793,793
Function/program expense:			
Instruction			
Regular programs	102,124,950	95,818,880	6,306,070
Special programs	21,340,533	21,243,809	96,724
Other Instructional programs	3,851,990	3,516,316	335,674
Support services			
Student services	29,497,016	28,436,453	1,060,563
Tuition	10,534,568	11,487,581	(953,013)
Instructional staff support			
General administration and business services	8,296,068	7,485,252	810,816
School administration	9,096,330	8,899,424	196,906
Plant services	17,956,035	19,910,646	(1,954,611)
Student transportation	12,196,544	15,067,180	(2,870,636)
Unallocated benefits	100,584,422	95,024,409	5,560,013
Unallocated depreciation and amortization	990,016	1,164,315	(174,299)
Special schools	314,668	339,924	(25,256)
Charter schools	683,298	756,104	(72,806)
Interest on long-term debt	14,270	(16,124)	30,394
Noncapitalized expenses and debt (net)		619,050	(619,050)
Total expenses	317,480,708	309,753,219	7,727,489
Increase (Decrease) net position	\$ 22,354,631	\$ 8,288,327	\$ 14,066,304

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

### Governmental Activities

As reported in the Statement of Activities, the cost of all our governmental activities this year, including other charges, was \$317,480,708. These costs were financed by \$235,013,168 in local property school taxes, \$30,381,887 in federal and state aid, and \$2,010,671 in miscellaneous revenues including interest, general entitlements, special items and transfers.

In Figure A-5, below, we have presented the cost of each of the school district's seven largest functions as listed below. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by the function.

Figure A-5  
Governmental Activities  
Total Cost of Services

	Year ended June 30,	
	2021	2020
Regular programs instruction	\$ 102,124,950	\$ 95,818,880
Unallocated benefits	100,584,422	95,024,409
Special programs instruction	21,340,533	21,243,809
Student services	29,497,016	28,436,453
Plant services	17,956,035	19,910,646
Tuition	10,534,568	11,487,581
Pupil transportation	12,196,544	15,067,180
All others	23,246,640	22,764,261
Total	<u>\$ 317,480,708</u>	<u>\$ 309,753,219</u>

### Financial Analysis of the District's Funds

As we noted earlier, the school district uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the school district is being accountable for the resources provided to it, and also, gives more insight into the school district's overall financial health.

As the school district completed this year, our governmental funds reported a combined fund balance of \$51,087,291, which is an increase of \$17,239,870 from last year, restated. As noted previously, the reported governmental fund balance is impacted by the non-recognition, on a GAAP basis, of State Aid payments deferred to July 2021 in the combined amount of \$2,364,034.

## General Fund Budgetary Highlights

Over the course of the year, the school district revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. Budget changes/transfers are approved by the Board of Education throughout the year. Although the district's projected budget for the general fund anticipated that revenues and expenditures would be roughly equal, the actual results for the year show a deficiency/deficit.

Actual revenues reflect a positive variance of \$53.9 million. This is due primarily to the State reimbursement in the amount of \$51.1 million for TPAF On-Behalf pension non-contributory insurance, post-retirement medical contributions and TPAF social security contributions. This is always a non-budgeted item that the State requires be included in the District's financial statements.

Actual expenditures reflect a negative variance of \$31.4 million even though all budget lines show a positive variance. This again is primarily due to the State requirement to include TPAF On-behalf pension and post-retirement medical contributions and TPAF social security contributions in the financial statements.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2021, the school district had \$242,365,675 invested in a broad range of capital assets, including land, buildings, building improvements, other improvements and furniture and equipment. Net governmental capital assets reported a net decrease (including additions, deductions, depreciation and adjustment for physical/revaluation inventory) of \$5,417,369, or -2.19% from last year.

Figure A-6  
Capital Assets at Year-End

<u>Governmental Activities:</u>	Year ended June 30,	
	2021	2020
Land	\$ 20,570,077	\$ 20,570,077
Building and improvements	200,949,052	195,699,911
Furniture, equipment and vehicles	20,846,546	31,513,056
Total	<u>\$ 242,365,675</u>	<u>\$ 247,783,044</u>

As noted above, this year's net changes are reported at (\$5,417,369). Capital asset additions were financed through lease agreements and capital outlay appropriations.



## Long-Term Liabilities

At the end of this year, the school district had \$7,490,221 in bonds (Type II debt), capital leases and lease purchase agreements outstanding versus \$4,130,926 the previous year – a differential of 81.32%. The long-term liabilities of the District consisted of:

Figure A-7  
Outstanding Liabilities, at Year-End

<u>Governmental Activities:</u>	Year ended June 30,	
	2021	2020
Lease purchase obligations and capital leases	\$ 6,490,221	\$ 2,630,926
General obligation bonds	1,000,000	1,500,000
Compensated absences	4,322,271	4,379,098
Bond premiums/discounts (net)	26,069	50,132
Net pension liability	47,458,258	51,926,710
Total	<u>\$ 59,296,819</u>	<u>\$ 60,486,866</u>

The school district's general obligation bond rating continues to be above investment grade. The state limits the amount of general obligation debt that Districts can issue to 4% (for K through 12 districts) of the most recent three-year average state equalized assessed value of the taxable property within the school district's corporate limits.

Other obligations include accrued vacation pay and sick leave. We present more detailed information about our long-term liabilities in the notes to the financial statement.

### THE FACTORS AFFECTING DISTRICT'S FUTURE

- Edison continues to experience growth to its ratable base. In 2021, Edison again experienced an increase in its ratable base. This makes 6 straight years that Edison had an increase in its ratable base bringing its total to just over \$7.28 billion. Indications are that this trend will continue for a few more years.
- Edison has two more years on the collective bargaining agreement for the Edison Township Education Association (certified and non-certified), four more years on the Edison Facilities Maintenance and Management Association, and three more years on the Edison Township Transportation Association. The Edison Principals and Supervisors Association collective bargaining agreement expired on June 30, 2021. It was negotiated and settled with a four year term that will expire on June 30, 2025. The Edison Public Schools Custodians and Maintenance Association collective bargaining agreement expired on June 30, 2021. It was negotiated and settled with a five year term that will expire on June 30, 2026.
- Edison Public Schools experienced a slight enrollment decrease in 2020-2021. During the 2020-2021 school year, Edison enrollment decreased to 16,333 due to the COVID pandemic. Edison is anticipating the enrollment will increase once full day Kindergarten is operational. The overcrowding problem that Edison has been dealing with for over two decades continues to get worse. The district has a proposed completion date of September 2022 for the Lincoln Elementary School Addition.

## CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the school district's finances and to show the school district's accountability for the money it received. If you have questions about this report or wish to request additional financial information, contact the District at Edison Township Board of Education, 312 Pierson Avenue, Edison, New Jersey 08837.

## **Basic Financial Statements**

## **Government-wide Financial Statements**

**EDISON TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 55,940,136	\$ 566,088	\$ 56,506,224
Receivables, net	8,010,225	409,536	8,419,761
Internal balances	(846,993)	846,993	-
Inventory		84,313	84,313
Capital assets, net:			
Nondepreciable assets	20,570,077		20,570,077
Depreciable assets, net	121,929,071	527,091	122,456,162
<b>Total assets</b>	<u>205,602,516</u>	<u>2,434,021</u>	<u>208,036,537</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	9,106,535		9,106,535
Capital lease related	5,114,761		5,114,761
<b>Total deferred outflows of resources</b>	<u>14,221,296</u>	<u>-</u>	<u>14,221,296</u>
<b>LIABILITIES</b>			
Accounts payable	12,230,478	342,201	12,572,679
Accrued interest payable	17,187		17,187
Claims payable	200,000		200,000
Payroll liabilities	2,559,777		2,559,777
Deferred revenue	186,163	200,359	386,522
Noncurrent liabilities:			
Due within one year	3,154,150		3,154,150
Due beyond one year	8,684,411		8,684,411
Net Pension Liability	47,458,258		47,458,258
<b>Total liabilities</b>	<u>74,490,424</u>	<u>542,560</u>	<u>75,032,984</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferrals	20,888,622		20,888,622
<b>Total deferred inflows of resources</b>	<u>20,888,622</u>	<u>-</u>	<u>20,888,622</u>
<b>NET POSITION</b>			
Net investment in capital assets	135,008,929	527,091	135,536,020
Restricted for:			
Capital projects, maintenance and emergency	30,233,967		30,233,967
Debt Service	(72,403)		(72,403)
Other Purposes	9,634,023		9,634,023
Unrestricted (Deficit)	(50,359,750)	1,364,370	(48,995,380)
<b>Total net position</b>	<u>\$ 124,444,766</u>	<u>\$ 1,891,461</u>	<u>\$ 126,336,227</u>

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

**EDISON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$ 102,124,950	\$	\$	\$ (102,124,950)	\$	\$ (102,124,950)
Special education	21,340,533		9,602,658	(11,737,875)		(11,737,875)
Other special instruction	1,516,973			(1,516,973)		(1,516,973)
Other Instruction	2,335,017			(2,335,017)		(2,335,017)
Support services:						
Tuition	10,534,568			(10,534,568)		(10,534,568)
Student & instruction related services	29,497,016			(29,497,016)		(29,497,016)
School administrative services	9,096,330			(9,096,330)		(9,096,330)
General and business administrative services	8,296,068			(8,296,068)		(8,296,068)
Plant operations and maintenance	17,956,035			(17,956,035)		(17,956,035)
Pupil transportation	12,196,544			(12,196,544)		(12,196,544)
Unallocated benefits	100,584,422		62,826,955	(37,757,467)		(37,757,467)
Special schools	314,668			(314,668)		(314,668)
Charter schools	683,298			(683,298)		(683,298)
Interest on long-term debt	14,270			(14,270)		(14,270)
Unallocated depreciation and amortization	990,016			(990,016)		(990,016)
Total governmental activities	<u>317,480,708</u>	<u>-</u>	<u>72,429,613</u>	<u>(245,051,095)</u>	<u>-</u>	<u>(245,051,095)</u>
Business-type activities:						
Food Service	2,918,645	84,280	2,958,650		124,285	124,285
Total business-type activities	<u>2,918,645</u>	<u>84,280</u>	<u>2,958,650</u>		<u>124,285</u>	<u>124,285</u>
Total primary government	<u>\$ 320,399,353</u>	<u>\$ 84,280</u>	<u>\$ 75,388,263</u>	<u>\$ (245,051,095)</u>	<u>\$ 124,285</u>	<u>\$ (244,926,810)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net				\$ 234,538,072	\$	\$ 234,538,072
Taxes levied for debt service				475,096		475,096
Federal and State aid not restricted				30,381,887		30,381,887
Tuition received				304,115		304,115
Miscellaneous Income				2,007,283		2,007,283
Other items - asset disposal				(300,727)		(300,727)
Total general revenues				<u>267,405,726</u>	<u>-</u>	<u>267,405,726</u>
Change in Net Position				22,354,631	124,285	22,478,916
Net Position—beginning (Restated)				102,090,135	1,767,176	103,857,311
Net Position—ending				<u>\$ 124,444,766</u>	<u>\$ 1,891,461</u>	<u>\$ 126,336,227</u>

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

## **Fund Financial Statements**

## **Governmental Funds**



EDISON TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 55,134,204	\$ -	\$ 680,932	\$ -	\$ 55,815,136
Cash Held with Fiscal Agent	125,000				125,000
Receivables from other governments	5,376,964	2,577,656			7,954,620
Other receivables		55,606			55,606
Total assets	<u>\$ 60,636,168</u>	<u>\$ 2,633,262</u>	<u>\$ 680,932</u>	<u>\$ -</u>	<u>\$ 63,950,362</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 7,648,713	\$ 836,316	\$ -	\$ -	\$ 8,485,029
Payables to state government		191,130			191,130
Payables to federal government		90,474			90,474
Payroll deductions and withholdings payable	2,559,777				2,559,777
Other liabilities	3,505				3,505
Interfund payable	226,007	670,955	377,628	72,403	1,346,993
Unearned revenue		186,163			186,163
Total liabilities	<u>10,438,002</u>	<u>1,975,038</u>	<u>377,628</u>	<u>72,403</u>	<u>12,863,071</u>
Fund Balances:					
Restricted for:					
Capital, maintenance and emergency reserve account	29,930,663				29,930,663
Reserved excess surplus - designated for subsequent year's expenditures	5,349,840				5,349,840
Reserve for excess surplus - current year	661,486				661,486
Unemployment compensation	605,650				605,650
Student Activities		629,761			629,761
Scholarships		22,021			22,021
JM Recovery Fund		6,442			6,442
Committed for:					
Capital projects			303,304		303,304
Assigned:					
Designated for subsequent years expenditures	2,412,876				2,412,876
Unassigned	11,237,651			(72,403)	11,165,248
Total fund balances	<u>50,198,166</u>	<u>658,224</u>	<u>303,304</u>	<u>(72,403)</u>	<u>51,087,291</u>
Total liabilities and fund balances	<u>\$ 60,636,168</u>	<u>\$ 2,633,262</u>	<u>\$ 680,932</u>	<u>\$ -</u>	<u>\$ 63,950,362</u>

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

EDISON TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:	\$ 51,087,291
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$242,365,675 and the accumulated depreciation is \$99,866,527	142,499,148
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 Illustrative Note 4).	(11,812,492)
Short-term Liabilities, including accrued interest on long-term debt, are not due payable in the current period and therefore are not reported as liabilities in the funds.	(17,187)
Transactions related to refunding of a long-term debt and refinancing of lease agreement are not reported in the funds. Issuance premium, net of amortization	(26,069)
Internal Service Fund -- Workers Compensation net position	300,000
Deferred outflows related to a capital lease issuance. The associated capital assets were received by the District in the subsequent year.	5,114,761
The Net Pension Liability, and associated Deferred Inflows and Outflows of Resources of the District relating to its participation in the PERS system are not recognized in the funds using the current financial resources measurement focus, but are recognized in the statement of net position using the economic resources measurement focus. The carrying amounts of the individual components are as follows:	
Deferred Outflows of Resources	5,646,194
Pension payment subsequent to measurement date	3,460,341
Accounts payable for pension expense	(3,460,341)
Net pension liability	(47,458,258)
Deferred Inflows of Resources	<u>(20,888,622)</u>
Net position of governmental activities	<u>\$ 124,444,766</u>

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

**EDISON TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>REVENUES</b>					
Local tax levy	\$ 234,538,072	\$ -	\$ -	\$ 475,096	\$ 235,013,168
Tuition charges	304,115				304,115
Transportation charges	113,172				113,172
Miscellaneous	1,264,101				1,264,101
Local sources		630,010			630,010
State sources	81,276,440	1,064,333			82,340,773
Federal sources	245,262	8,538,325			8,783,587
Total revenues	<u>317,741,162</u>	<u>10,232,668</u>	<u>-</u>	<u>475,096</u>	<u>328,448,926</u>
<b>EXPENDITURES</b>					
Current:					
Regular instruction	93,206,573	5,015,136			98,221,709
Special education instruction	21,340,533				21,340,533
Other special instruction	1,516,973				1,516,973
Other instruction	2,335,017				2,335,017
Support services and undistributed costs:					
Tuition	10,534,568				10,534,568
Student & instruction related services	24,477,440	5,019,576			29,497,016
School administrative services	9,096,330				9,096,330
General & other administrative services	8,296,068				8,296,068
Plant operations and maintenance	19,329,462				19,329,462
Pupil transportation	12,196,544				12,196,544
Unallocated Benefits	90,497,866				90,497,866
Special schools	314,668				314,668
Charter schools	683,298				683,298
Debt service:					
Principal				500,000	500,000
Interest and other charges				47,500	47,500
Capital outlay	11,379,625	315,751			11,695,376
Total expenditures	<u>305,204,965</u>	<u>10,350,463</u>	<u>-</u>	<u>547,500</u>	<u>316,102,928</u>
Excess (Deficiency) of revenues over expenditures	<u>12,536,197</u>	<u>(117,795)</u>	<u>-</u>	<u>(72,404)</u>	<u>12,345,998</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital leases (non-budgeted)	5,114,761				5,114,761
Total other financing sources and uses	<u>5,114,761</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,114,761</u>
Net change in fund balances	17,650,958	(117,795)	-	(72,404)	17,460,759
Fund balance—July 1, Restated	32,547,208	776,019	303,304	1	33,626,532
Fund balance—June 30	<u>\$ 50,198,166</u>	<u>\$ 658,224</u>	<u>\$ 303,304</u>	<u>\$ (72,403)</u>	<u>\$ 51,087,291</u>

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

**EDISON TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

<b>Total net change in fund balances - governmental funds (from B-2)</b>	<b>\$ 17,460,759</b>
Amounts reported for governmental activities in the statement of activities (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 capital outlays exceeded depreciation in the period (Includes asset revaluation).	
Depreciation expense	\$ (4,950,083)
Capital outlays	<u>6,698,574</u>
	1,748,491
Capital lease proceeds are recognized as long-term debt and the associated capital assets are capitalized. In the current year, a capital lease was executed and the associated debt was recognized, however the assets were received in the subsequent fiscal year, resulting in a deferred outflow on the statement of net position.	
	5,114,761
Repayment of bond and lease obligation (long-term debt) principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net positions and is not reported in the statement of activities.	
	500,000
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.	
Capital lease proceeds - Net	(3,859,295)
In the statement of activities, only the gain or loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net positions will differ from the change in fund balance by the cost of the asset removed. (-)	
	(300,727)
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The difference in accrued interest is an addition/subtraction in the reconciliation.	
	9,167
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) 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 (+).	
	56,828
Transactions related to the refunding of long-term debt, refinancing of lease obligations (costs of issuance, premium on refinancing, deferred amount on refinancing)	
Amortization Expense - Net	24,063
Internal Service Fund-Workers Compensation, change in net position	(36,421)
Pension expenditures in the governmental funds are recognized when paid or payable from expendable available financial resources. In the statement of activities, pension costs are recognized on a full accrual basis utilizing actuarial valuations. The amount by which actuarial calculated pension expense differs from the expenditure reported in the funds is as recorded.	
	<u>1,637,005</u>
<b>Change in net position of governmental activities (A-2)</b>	<b><u>\$ 22,354,631</u></b>

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

## **Proprietary Funds**

**EDISON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2021**

	Major Funds		
	Business-type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund
	Food Service	Total	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 566,088	\$ 566,088	\$ -
Accounts receivable	389,823	389,823	
Other accounts receivable	19,713	19,713	
Interfunds receivable	846,993	846,993	500,000
Inventories	84,313	84,313	
Total current assets	<u>1,906,930</u>	<u>1,906,930</u>	<u>500,000</u>
Noncurrent assets:			
Furniture, machinery & equipment	1,358,826	1,358,826	
Less accumulated depreciation	<u>(831,735)</u>	<u>(831,735)</u>	
Total noncurrent assets	<u>527,091</u>	<u>527,091</u>	<u>-</u>
Total assets	<u>\$ 2,434,021</u>	<u>\$ 2,434,021</u>	<u>\$ 500,000</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 342,201	\$ 342,201	
Accrued liability for claims payable			\$ 200,000
Deferred revenues	<u>200,359</u>	<u>200,359</u>	
Total current liabilities	<u>542,560</u>	<u>542,560</u>	<u>200,000</u>
<b>NET POSITION</b>			
Investment in capital assets	527,091	527,091	
Unrestricted	<u>1,364,370</u>	<u>1,364,370</u>	<u>300,000</u>
Total net position	<u>1,891,461</u>	<u>1,891,461</u>	<u>300,000</u>
Total liabilities and net position	<u>\$ 2,434,021</u>	<u>\$ 2,434,021</u>	<u>\$ 500,000</u>

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

**EDISON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Major Funds</b>		
	<b>Business-type Activities - Enterprise Fund</b>		<b>Governmental Activities - Internal Service Fund</b>
	<b>Food Service</b>	<b>Total</b>	
<b>Operating revenues:</b>			
Charges for services:			
Daily sales - reimbursable programs	\$ 25,732	\$ 25,732	
Daily sales - non-reimbursable programs	38,791	38,791	
Miscellaneous	19,757	19,757	
Total operating revenues	<u>84,280</u>	<u>84,280</u>	<u>-</u>
<b>Operating expenses:</b>			
Cost of sales:			
Reimbursable Program Food Cost	914,954	914,954	
Nonreimbursable Program Food Cost	5,312	5,312	
Nonreimbursable Paper Supplies	116,946	116,946	
Total cost of sales	<u>1,037,212</u>	<u>1,037,212</u>	<u>-</u>
Other Operating Expenses:			
Salaries	746,270	746,270	
Employee benefits	313,521	313,521	36,421
Depreciation	79,543	79,543	
Food Costs - Food Distribution Program	339,888	339,888	
Supplies and Materials - Semi-Variable Costs	197,177	197,177	
General & Administration	205,034	205,034	
Total operating expenses	<u>2,918,645</u>	<u>2,918,645</u>	<u>36,421</u>
Operating income (loss)	<u>(2,834,365)</u>	<u>(2,834,365)</u>	<u>(36,421)</u>
<b>Nonoperating revenues (expenses):</b>			
State sources:			
State school lunch program	83,739	83,739	
Extra State school lunch	7,213	7,213	
Federal sources:			
National school lunch program	1,495,334	1,495,334	
National school lunch program - performance based	29,821	29,821	
School breakfast program	841,641	841,641	
Food distribution program	339,888	339,888	
Other Income	161,014	161,014	
Total nonoperating revenues (expenses)	<u>2,958,650</u>	<u>2,958,650</u>	<u>-</u>
Change in net position	124,285	124,285	(36,421)
Total net position—beginning	1,767,176	1,767,176	336,421
Total net position—ending	<u>\$ 1,891,461</u>	<u>\$ 1,891,461</u>	<u>\$ 300,000</u>

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

**EDISON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Major Funds</b>	
	<b>Business-type Activities - Enterprise Fund</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash Flows from Operating Activities</b>		
Receipts from customers	\$ 45,489	\$
Payments to suppliers	(2,169,830)	
Accrued Compensation Claims and Other Expenses		(36,421)
Net cash used for operating activities	<u>(2,124,341)</u>	<u>(36,421)</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Operating subsidies and transfers from/to other funds	(6,691,997)	
Federal and State Sources	2,158,771	
Net cash provided by non-capital financing activities	<u>(4,533,226)</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchases of capital assets	(318,278)	
Net cash used for capital and related financing activities	<u>(318,278)</u>	<u>-</u>
Net decrease in cash and cash equivalents	(6,975,845)	(36,421)
Balances—beginning of year	7,541,933	36,421
Balances—end of year	<u>\$ 566,088</u>	<u>\$ -</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	\$ (2,834,365)	\$ (36,421)
Adjustments to reconcile operating loss to net cash provided used for operating activities		
Depreciation and net amortization	79,543	
Federal commodities	339,888	
Increase in Other Accounts Receivable	(19,713)	
Increase in Inventory	(3,288)	
Increase in accrued liability for claims payable		
Decrease in Deferred Revenues	(28,607)	
Increase in Accounts Payable	342,201	
Total adjustments	<u>710,024</u>	<u>-</u>
Net cash used for operating activities	<u>\$ (2,124,341)</u>	<u>\$ (36,421)</u>

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



**EDISON TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of Government-Wide Financial Statements**

The financial statements of the Board of Education (Board) of Edison School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB has issued codification and subsequent GASB pronouncements are recognized as U.S. generally accepted accounting principles for state and local governments. This financial report has been prepared in conformity with GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, issued in June 1999. The government-wide financial statements (i.e., the statement of net position and the statement of activities) of the District report information on all of the nonfiduciary activities of the primary government only. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The District is not financially accountable for any legally separate component units, and no component units have been included in the government-wide financial statements.

The more significant of the Board's accounting policies are described below.

**B. Reporting Entity:**

The Edison School District is a Type II district located in the County of Middlesex, State of New Jersey, serving students domiciled in the Town of Edison. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to staggered three-year terms. The purpose of the district is to educate students in grades K-12. The Edison School District had an approximate enrollment at June 30, 2021 of 16,465 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization’s board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**C. Basis of Presentation – Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**D. Basis of Presentation - Fund Financial Statements**

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. Any remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for 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 the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state 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 revenues.

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 from and to Current Expense by board resolution.

Since the District's unemployment, payroll, and payroll agency funds do not meet the new criteria defined by the new Government Accounting Standards Board Statement No. 84, the unemployment compensation fund which is used to account for contributions from the District and employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims and the payroll and payroll agency funds which are used to account for the assets that the District holds on behalf of others as their agent are reported in the general fund as governmental activities effective in the year ended June 30, 2021.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**D. Basis of Presentation - Fund Financial Statements (Cont'd)**

Since the District's student activity and scholarship funds do not meet the new criteria defined by the new Government Accounting Standards Board Statement No. 84, the student activities, which is used to account for funds derived from athletic events or other activities of pupil organizations and to account for the accumulation of money to pay for student group activities, and the private purpose scholarship fund, which is utilized to provide scholarships to students and to account for the related transactions, are reported in the special revenue fund as governmental activities effective June 30, 2021.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (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. State Aid in the form of Economic Development Authority Grants under EFCFA are also financial resources of this fund.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

The District reports the following proprietary funds:

**Food Service Fund** – The Food Service Enterprise Fund is used to account for the activities of the cafeteria operations of the District. The Food Service Fund is considered a major fund of the District.

**Internal Service Fund** – The Internal Service Fund is used to account for the District's accrued compensation claims and expenses. The Internal Service Fund is considered a major fund of the District.

During the course of its normal operations, the District will have activity between funds (interfund activity) for various purposes. Any residual interfund balances at year-end are reported as interfund accounts receivable/payable. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included within governmental activities (the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, any interfund balances between business-type (enterprise) funds are eliminated so that only the net amount is included as internal balances in the business-type activities columns.

Further, interfund activity may occur during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. In the preparation of the government-wide financial statements, transfers between funds included as governmental activities are eliminated so that only net amounts of resources transferred from or to the governmental activities are reported. A similar treatment is afforded transfers of resources between enterprise funds for the preparation of business-type activity financial statements.

**E. Measurement Focus and Basis of Accounting**

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Measurement Focus and Basis of Accounting (Cont'd)**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal period that the taxes are levied by the municipality(s) within which the District is domiciled. Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District recognizes the entire approved tax levy as revenue in the fiscal period for which they were levied. The District is entitled to receive moneys under an established payment schedule and any unpaid amount is considered to be an "accounts receivable". Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. State categorical aid revenues are recognized as District revenue during the fiscal period in which they are appropriated.

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual basis accounting. Exceptions to this general rule include debt service, for which interest and principal expenditures in the Debt Service Fund are recognized on their due dates, and expenditures relating to compensated absences, claims and judgments, which are recorded in the period when payment becomes due. General capital asset acquisitions are recorded as expenditures in the governmental funds and are not capitalized. The issuance of long-term debt for capital purposes and capital lease obligations incurred to acquire general capital assets are reported as "other financing sources".

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Entitlements are recorded as revenue when all eligibility requirements, including timing of funding appropriations, are met, subject to the availability requirement for collection. Interest and tuition revenues are considered susceptible to accrual and have been recognized as revenues of the current fiscal period, subject to availability. Expenditure driven grant revenues are recorded as qualifying expenditures as incurred and all other eligibility requirements have been met, subject to availability requirements. All other revenue items are considered measurable and available only when cash is received by the District.

The District's proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

**F. Budgets/Budgetary Control**

Annual budgets are adopted for the general, special revenue and debt service funds using a regulatory basis of accounting which differs from generally accepted accounting principles in one material respect; Budgetary revenues for certain nonexchange state aid transactions are recognized for budgetary purposes in the fiscal period prior to the period in which the state recognizes expenditures/expenses.

The amounts of the adjustments needed to reconcile the budgetary basis to the GAAP based fund financial statements is set forth in the explanation of differences schedules which follow.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**F. Budgets/Budgetary Control (Cont'd)**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. Pursuant to changes in the Local District School Budget Law, statutorily conforming base budgets of Districts with annual school elections held in November (The District has chosen this option) are no longer required to be presented to the voters for approval on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. New Jersey statutes place limits on the Board's ability to increase budgeted expenditures through the appropriation of previously undesignated fund balance and requires the District to obtain additional approvals when budgetary transfers, measured using the advertised budgetary account totals rather than line-item totals, exceed certain thresholds.

The Board of Education did not make any supplemental budgetary appropriations during the fiscal year that required additional approvals from oversight agencies.

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 legally mandated revenue recognition of the one or more June state aid payment for budgetary purposes only and 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.

Appropriations in the general and debt service funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances, for which the contracted performance is expected during the subsequent budget cycle, are legally restricted at year-end and are automatically re-appropriated and become part of the subsequent years' budget pursuant to state regulations.

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

The following presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules – General and Special Revenue Funds to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**F. Budgets/Budgetary Control (Cont'd)**

Explanation of differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 317,910,763	\$ 10,232,668
Difference - budget to GAAP:		
State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes	2,194,433	-
State aid payments recognized for budgetary purposes, not recognized for GAAP statements	(2,364,034)	-
Total revenues as reported on the statement of revenues, expenditures and change in fund balances - governmental	<u>\$ 317,741,162</u>	<u>\$ 10,232,668</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison	<u>\$ 305,204,965</u>	<u>\$ 10,350,463</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental	<u>\$ 305,204,965</u>	<u>\$ 10,350,463</u>

**G. 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 reservations of 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 deferred revenues 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.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**H. Cash, Cash Equivalents and Investments:**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types 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 public 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. GUDPA was amended, effective July 1, 2010, by P.L. 2009, c. 326. The amendments provide a greater level of security protection for covered deposits by increasing collateralization requirements and revising the enforcement protocol to allow for timely response in the event that a member bank shows signs of stress.

Under the law, collateralization of GUDPA deposits up to 75% of New Jersey capital is based on a sliding scale that requires the minimum of 5% collateral for Well Capitalized institutions to a maximum of 120% collateral for Critically Undercapitalized institutions. All uninsured GUDPA deposits in excess of 75% of New Jersey capital require 100% collateral. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**I. Tuition Revenue**

Tuition revenues for the fiscal year 2020-2021 were based on contractual per pupil rates established by and between the sending and receiving districts. These rates are not subject to change except through amendatory contracts.

**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.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The cost of such inventories is recorded as expenses when consumed rather than when purchased

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**K. 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.

**L. Capital Assets:**

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the acquisition value at the date of acquisition. The District maintains a threshold level of \$2,000 or more for capitalizing capital assets. The system for accumulation of fixed assets cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated cost.

Capital assets are recorded in the District-wide financial statement, but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes.

Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

Capital assets not being depreciated include land and construction in progress.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund:	
Equipment	5-20 Years

**M. Accounts Receivable State – Capital Projects Fund:**

The District recognizes SDA grant revenue as earned, i.e., as eligible expenditures are incurred. At June 30, 2021, the District had no accounts receivable amount recorded or due in SDA grant revenue.



**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**N. Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued in the government-wide financial statements as the employees earn the rights to the benefits. Compensated absences that related to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. The School District reports compensated absences in accordance with the provisions of GASB No. 16, *Accounting for Compensated Absences*.

In the governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as a fund liability and expenditure in the fund that will pay for the compensated absence. The noncurrent portion for governmental funds is maintained separately and is a reconciling item between the fund and government-wide presentations.

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

**P. Other Post-Employment Benefits:**

Pursuant to State Statute, the State Health Benefits Local Education Retirees Employees Plan was established to oversee the funding and payment of post-employment medical benefits for eligible LEA employees. This plan is a multi-employer defined benefit OPEB Plan that is administered on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75. The Plan is a "Special Funding Situation" as defined in GASB Statement No. 75 as the State of New Jersey is solely responsible for funding the Plan's obligations (net of employee contributions). Accordingly, no net OPEB liability is reported on the District's Statement of Net Position. In the Statement of Activities, the District reports an annual OPEB expense and a corresponding revenue, equal to the allocated expense of the District as reported by the State.

**Q. Deferred Outflows/Inflows of Resources:**

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recorded as an outflow of resources (expenditure/expense) until that time. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding bonds. Deferred Outflows for Changes in Pension Assumptions future outflows of resources resulting from changes in actuarial assumptions used in the valuation of the pension liability. Deferred outflows for the Change in Pension Proportion represents the District's proportionate share of plan earnings in excess of assumed amounts. The Difference in Pension Experience represents the District's proportionate share of actual experience deficit of assumed amounts. Deferred outflows for subsequent pension payments reflects payments made by the District to the pension system subsequent to June 30, 2021.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Q. Deferred Outflows/Inflows of Resources (Cont'd):**

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recorded as an inflow of resources (revenue) until that time. The Difference in Pension Earnings represents the favorable impact of a decline in the District's proportionate share of system wide net pension liability. Deferred inflows for the Change in Pension Proportion represents the District's proportionate share of plan earnings deficit of assumed amounts.

**R. Unearned Revenue/Advances from Grantors:**

Unearned revenue represents cash advances received relating to services (expenditures/expenses) that will be provided in a subsequent fiscal period. Similarly, for expenditure-driven grants, amounts advanced to the District in excess of the amounts expended and earned are recorded as advances from grantors.

**S. Net Position Flow Assumption (District-Wide and Proprietary Fund Financial Statements)**

Periodically, the District may fund outlays for a particular purpose from both restricted resources, such as bond referendum proceeds and/or grant proceeds, and unrestricted resources. To determine the amounts of net position- restricted and unrestricted that should be reported in the government-wide and proprietary fund financial statements, a flow assumption must be made to establish the order in which resources are considered to be applied. In the absence of specific grant compliance requirements to the contrary, the District policy is to utilize all amounts of available restricted net position prior to applying unrestricted net position to fund acquisition costs.

**T. Fund Balance Flow Assumption (Governmental Fund Financial Statements)**

Periodically, the District may fund outlays for a particular purpose from both restricted resources and unrestricted resources (the total of the committed, assigned and unassigned fund balance). To determine the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made to establish the order in which resources are considered to be applied. In the absence of specific grant compliance requirements to the contrary, the District policy is to utilize all amounts of available restricted fund balance prior to applying any component of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance, with unassigned fund balance applied last.

**U. Fund Balance Policies:**

Fund balance of the governmental funds is reported in various categories based upon the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through actions to transfer amounts to legally restricted reserve accounts (capital, maintenance and emergency reserves), or actions to commit or assign fund balance.

The committed fund balance includes amounts that can only be used for the specific purposes determined by a formal action of the Board of Education. Commitments of fund balance remain in place until the committed fund balance is fully depleted or an amendatory action is taken by the Board of Education.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**U. Fund Balance Policies (Cont'd):**

Assignments of fund balance are made by the Board of Education for specific purposes that do not meet the criteria to be classified as committed. The Board of Education also assigns fund balance when it appropriates unrestricted/unassigned fund balance to bridge a gap between estimated revenue and appropriations in the subsequent year budget. Unlike commitments, assignments are generally temporary in nature, and additional actions of the Board are generally not required to remove an assignment, whereas an action of the Board is essential to the modification or elimination of an unexpended committed fund balance.

**V. Government-Wide Financial Statement Classifications**

1. Program Revenues – Amounts reported as program revenues include a) charges to customers or applicants who purchase, use or benefit from goods services or privileges provided by a given function or segment and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.
2. General Revenues – All taxes, including those designated for specific purposes such as debt service, are reported as general revenues. All other resources, including internally dedicated resources, unrestricted entitlements, and investment income are reported as general revenues.
3. Capital Assets – In the statement of net position, capital assets are reported, net of accumulated depreciation as assets of the governmental activities and business-type activities.
4. Long-term Debt - In the statement of net position, long-term debt is reported as a component of long-term liabilities of the governmental activities and business-type activities.
5. Net Investment in Capital Assets – In the statement of Net Position, the net undepreciated value of capital assets, less the value of outstanding debt issued to purchase acquire or build those capital assets, is reported as Net Investment in Capital Assets as a component of net position for the governmental activities and business-type activities.

**W. Proprietary Fund Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and products in connection with the primary purpose or function for which the fund was established. The District's Food Service proprietary fund reports operating revenues from the sales of lunches and a la carte items, and operating expenses include the costs of sales (food, supplies and labor), administrative costs and depreciation on capital assets. Revenues earned through the District's participation in the National School Lunch Program are classified as nonoperating revenues, notwithstanding the limitations on the pricing of Type A student lunches that is required for program participation.

**X. Reconciliation of Government-Wide and Fund Financial Statements**

Differences between governmental fund balance sheet and Government-wide statement of net position and the differences between governmental fund statement of revenues, expenditures and changes in fund balances and Government-wide statement of activities are set forth in Exhibits B-1 and B-3, respectively.

**Y. Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Z. Recently Issued Accounting Pronouncements**

The GASB issued Statement No. 84, *Fiduciary Activities* in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. Management has appropriately implemented this standard for the year ended June 30, 2021.

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 15, 2019. Due to the COVID-19 pandemic, the effective date has been postponed by eighteen months. Management has not yet determined the impact of the Statement on the financial statements.

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

State statutes set forth deposit requirements and investments that may be purchased by local units and the District deposits and invests its funds pursuant to statutory requirements, its policies and an adopted cash management plan.

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation (FDIC), New Jersey’s Governmental Unit Deposit Protection Act, by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. The New Jersey Governmental Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain collateral in the amount of 5% of the average public deposits and deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units’ deposits in excess of the federal deposit insurance maximums.

Based upon GASB criteria, the District considers cash and cash equivalents to include petty cash, change funds, demand deposits, money market accounts and short-term investments and are either any direct and general obligation of the United States of America or certificates of deposit issued by any bank, savings and bank or national banking association if qualified to serve as a depository for public funds under the provisions of the Governmental Unit Depository Protection Act.

The Edison Board of Education had the following depository accounts. All deposits are carried at cost plus accrued interest. The government does not have a deposit policy.

<u>Depository Account</u>	<u>Bank Balance</u>
Insured—FDIC	\$ 282,284
Insured—NJGUDPA (N.J.S.A. 17:941)	58,778,611
Uninsured	<u>3,952,862</u>
Total	<u>\$ 63,013,757</u>

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the board's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2021, the carrying amount of the District's deposits was \$56,506,224 and the bank balance was \$63,013,757. Of the bank balance, \$282,284 of the District's cash deposits on June 30, 2021 was covered by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$58,778,611. \$3,952,862 held in the District agency accounts are not covered by GUDPA.

Concentration of Credit Risk – This is the risk associated with the amount of investments that the Board has with any one issuer that exceeds 5 percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. In general, the Board does not have an investment policy regarding Credit Risk except to the extent outlined under the Board's investment policy.

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

**New Jersey Cash Management Fund** – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

The District had no funds on deposit with the New Jersey Cash Management Fund at June 30, 2021.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. CAPITAL ASSETS**

The following is disclosure of information about capital assets. Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital Assets not being depreciated:					
Land	\$ 20,570,077	\$ -	\$ -	\$ -	\$ 20,570,077
Total Capital Assets not being depreciated	<u>20,570,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,570,077</u>
Building and Building Improvements	195,699,911	1,172,101	213,590	4,290,630	200,949,052
Equipment	<u>31,513,056</u>	<u>4,690,986</u>	<u>5,186,724</u>	<u>(10,170,772)</u>	<u>20,846,546</u>
Totals at Historical Cost	<u>227,212,967</u>	<u>5,863,087</u>	<u>5,400,314</u>	<u>(5,880,142)</u>	<u>221,795,598</u>
Less Accumulated Depreciation For:					
Building and Improvements	81,210,087	4,180,824	104,770	1,454,466	86,740,607
Equipment	<u>25,521,573</u>	<u>769,259</u>	<u>4,994,817</u>	<u>(8,170,095)</u>	<u>13,125,920</u>
Total Accumulated Depreciation*	<u>106,731,660</u>	<u>4,950,083</u>	<u>5,099,587</u>	<u>(6,715,629)</u>	<u>99,866,527</u>
Total Capital Assets being depreciated (Net of Accumulated Depreciation)	<u>120,481,307</u>	<u>913,004</u>	<u>300,727</u>	<u>835,487</u>	<u>121,929,071</u>
Government Activities Capital Assets, Net	<u>\$ 141,051,384</u>	<u>\$ 913,004</u>	<u>\$ 300,727</u>	<u>\$ 835,487</u>	<u>\$ 142,499,148</u>
Business-type Activities					
Equipment	\$ 1,314,956	\$ 392,871	\$ 160,661	\$ (193,340)	\$ 1,353,826
Less Accumulated Depreciation for:					
Equipment	<u>1,187,614</u>	<u>79,543</u>	<u>153,525</u>	<u>(281,897)</u>	<u>831,735</u>
Business-type Activities Capital Assets, Net	<u>\$ 127,342</u>	<u>\$ 313,328</u>	<u>\$ 7,136</u>	<u>\$ 88,557</u>	<u>\$ 522,091</u>

The Adjustments column above is reflective of a physical/revaluation inventory undertaken by the District during the fiscal year as applied.

\* Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 3,960,066
Direct expense of various functions	990,017
Total depreciation expense	<u>\$ 4,950,083</u>

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4. LONG TERM LIABILITIES**

The following is disclosure of information about long term liabilities. Long-term liability activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Adjustments</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	\$ 1,500,000	\$ -	\$ 500,000	\$ 1,000,000	\$ 500,000
Other Liabilities:					
Obligations Under Capital Lease	2,630,926	5,114,761	1,255,466	6,490,221	2,654,150
Compensated Absences Payable	4,379,099	86,498	143,326	4,322,271	
Subtotal - Other Liabilities	<u>7,010,025</u>	<u>5,201,259</u>	<u>1,398,792</u>	<u>10,812,492</u>	<u>2,654,150</u>
Subtotal - Bonds Payable and Other Liabilities	<u>8,510,025</u>	<u>5,201,259</u>	<u>1,898,792</u>	<u>11,812,492</u>	<u>3,154,150</u>
Bond Premiums/					
Discounts (Net)	50,132	-	24,063	26,069	
Net Pension Liability (PERS)	51,926,710	-	4,468,452	47,458,258	
Total Liabilities	<u>\$ 60,486,867</u>	<u>\$ 5,201,259</u>	<u>\$ 6,391,307</u>	<u>\$ 59,296,819</u>	<u>\$ 3,154,150</u>

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4. LONG TERM LIABILITIES (CONT'D)**

**A. Bonds Payable** – Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Effective November 3, 1992, the District changed its designation from a Type I to Type II school district. Under these circumstances and pursuant to statute, previously authorized and unissued Type I debt is to be issued by the school district in accordance with the provisions applicable to Type II school districts. The Board permanently financed previously issued outstanding notes and authorized but not issued debt in a sale of School Bonds dated August 15, 1995, in the amount of \$3,000,000. The following schedule sets forth the debt service requirements on the type II debt.

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 500,000	\$ 28,750	\$ 528,750
2023	<u>500,000</u>	<u>10,000</u>	<u>510,000</u>
	<u>\$ 1,000,000</u>	<u>\$ 38,750</u>	<u>\$ 1,038,750</u>

**B. Capital Leases** – The District is leasing eleven (11) additional School Buses under a capital lease. All capital leases are for the terms of three to five years. The following is a schedule of the future minimum lease payments under this capital lease and including principal and interest payments.

Year ending June 30,	<u>Total</u>
2022	<u>\$ 234,071</u>
Total Minimum Lease Payments	234,071
Less: Amount Representing Interest	<u>3,732</u>
Present Value of Net Minimum Lease Payments	<u>\$ 230,339</u>

The District is leasing MacBook Air Laptops under a capital lease. All capital leases are for the terms of three to five years. The District refinanced the existing lease in July 2018 for new discounted product pricing and entered into new . The following is a schedule of the future minimum lease payments under this capital lease and including principal and interest payments.

Year ending June 30,	<u>Total</u>
2022	<u>\$ 1,145,120</u>
Present Value of Net Minimum Lease Payments	<u>\$ 1,145,120</u>



**NOTE 4. LONG TERM LIABILITIES (CONT'D)**

**B. Capital Leases (Cont'd)** – The District is leasing Apple Computers under a capital lease. All capital leases are for the terms of three to five years. The following is a schedule of the future minimum lease payments under this capital lease and including principal and interest payments.

Year ending June 30,	<u>Total</u>
2022	\$ 1,278,690
2023	1,278,690
2024	1,278,690
2025	<u>1,278,691</u>
Present Value of Net Minimum Lease Payments	<u>\$ 5,114,761</u>

**NOTE 5. PENSION PLANS**

**Description of Plans** – The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan’s designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of the plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the Public Employees’ Retirement System (PERS) and the Teachers’ Pension and Annuity Fund (TPAF), once a Target Ration (TFR) is met, they will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions.

However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**A. PUBLIC EMPLOYEES’ RETIREMENT SYSTEM**

The Public Employees’ Retirement System (PERS) is a cost-sharing, multi-employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by the New Jersey Division of Pension and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

**NOTE 5. PENSION PLANS (CONT'D)**

**A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D)**

*Plan Membership and Contributing Employers-* Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2021:

Inactive plan members or beneficiaries currently receiving benefits	182,492
Inactive plan members entitled to but not yet receiving benefits	942
Active plan members	<u>249,045</u>
Total	<u>432,479</u>

Contributing Employers – 1,691  
 Contribution Nonemployers – 1

*Significant Legislation* – Chapter 19, P.L. 2009, effective March 17, 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 an employer 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 PERS, 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.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended June 30, 2021, the Board's total payroll for all employees was \$154,907,785. Total covered payroll was \$21,838,054. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan.

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, employee contribution rates have increased to the final phase in rate of 7.5% of employees' annual compensation, effective July 1, 2018. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The School Board's cash contribution to the Plan for the years ended June 30, 2021 and 2020 were \$3,183,649 and \$2,817,476, respectively equal to the required contributions. School Board Contributions are due and payable in the fiscal period subsequent to the plan year for which the contribution requirements were calculated.

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.

**NOTE 5. PENSION PLANS (CONT'D)**

**A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D)**

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 on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, 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.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – At June 30, 2021 based upon the pension system measurement date of June 30, 2020, the School Board reported a liability of \$47,458,258 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's 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 entities, actuarially determined. At June 30, 2020, the District's proportion was 0.2910231063%, which was an increase of 0.0028373004% percent from its proportion measure as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expenses of \$1,546,639. At June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 1,539,600	\$ 19,871,222
Net difference between projected and actual experience	864,137	167,833
Net difference between projected and actual earnings on plan investments	1,622,161	
Changes in proportion and differences between District contributions and proportionate share of contributions	1,620,296	849,567
District contributions subsequent to the measurement date	<u>3,460,341</u>	
Total	<u>\$ 9,106,535</u>	<u>\$ 20,888,622</u>

**NOTE 5. PENSION PLANS (CONT'D)**

**A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D)**

The \$3,460,341 of deferred outflows of resources resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ending subsequent to June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending June 30,	
2022	\$ (5,829,905)
2023	(5,271,140)
2024	(2,751,095)
2025	(1,135,800)
2026	<u>(254,488)</u>
	<u>\$ (15,242,428)</u>

*Actuarial Assumptions-* The collective total pension liability in the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases: Through 2026	2.00-6.00% Based on years of service
Thereafter	3.00-7.00% Based on years of service
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

*Mortality Rates* - Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and a 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 Pub-2010 General Below-Median Income Employee 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 a 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-2020.

**NOTE 5. PENSION PLANS (CONT'D)**

**A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D)**

*Long-Term Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and 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 the PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

*Discount Rate* – The discount rate used to measure the total pension liabilities of PERS was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% 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 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 to determine the total pension liability.

**NOTE 5. PENSION PLANS (CONT'D)**

**A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D)**

*Sensitivity of Net Pension Liability* – the following presents the net pension liability of PERS participating employers as of June 30, 2020, calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	At 1% Decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
PERS			
State of New Jersey	\$ 25,353,758,472	\$ 22,223,967,525	\$ 19,576,310,991
Local Units	<u>20,689,699,233</u>	<u>16,435,616,426</u>	<u>12,825,910,903</u>
	<u>\$ 46,043,457,705</u>	<u>\$ 38,659,583,951</u>	<u>\$ 32,402,221,894</u>
District's proportionate share of the net pension liability	<u>\$ 59,742,030</u>	<u>\$ 47,458,258</u>	<u>\$ 37,035,142</u>

*Components of Net Pension Liability* – The components of the net pension liability for PERS, including State of New Jersey, at June 30, 2020 is as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 28,272,160,382	\$ 39,432,792,871	\$ 67,704,953,253
Plan Fiduciary Net Position	<u>6,048,192,857</u>	<u>22,997,176,445</u>	<u>29,045,369,302</u>
Net Pension Liability	<u>\$ 22,223,967,525</u>	<u>\$ 16,435,616,426</u>	<u>\$ 38,659,583,951</u>

**B. TEACHERS' PENSION AND ANNUITY FUND – SPECIAL FUNDING SITUATION**

The Teachers' Pension and Annuity Fund is a cost-sharing, multi-employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by the New Jersey Division of Pension and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

*Plan Membership and Contributing Employers*- Substantially all teachers or members of the professional staff of Local Education Agencies that are certified by the State Board of Examiners, and Employees of the Department of Education who have titles that are unclassified, professional and certified are enrolled in the TPAF. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2020:

Inactive plan members or beneficiaries currently receiving benefits	106,388
Inactive plan members entitled to but not yet receiving benefits	432
Active plan members	<u>156,066</u>
Total	<u>262,886</u>

Contributing Employers – 23  
Contribution Nonemployers – 1

**NOTE 5. PENSION PLANS (CONT'D)**

**B. TEACHERS' PENSION AND ANNUITY FUND – SPECIAL FUNDING SITUATION (CONT'D)**

In addition to the State, who is the sole payer of regular employer contributions to the fund, TPAF's contributing employers include boards of education who elected to participate in the Early Retirement Incentive Program (ERIP) and are legally responsible to continue to pay towards their incurred liability.

*Significant Legislation* –Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of TPAF.

For the year ended June 30, 2021, the Board's total payroll for all employees was \$154,907,785. Total covered payroll was \$124,670,404. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan.

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. 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 2020, the State's pension contribution was less than the actuarial determined amount.

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

The following represents the membership tiers for TPAF:

<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 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 tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more 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.

**NOTE 5. PENSION PLANS (CONT'D)**

**B. TEACHERS' PENSION AND ANNUITY FUND – SPECIAL FUNDING SITUATION (CONT'D)**

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The State of New Jersey is solely responsible for funding the normal pension obligations of the TPAF, including 100% of the obligations of LEAs within the State. Accordingly, the District does not report TPAF pension liabilities or deferred inflows and outflows of financial resources in its financial statements. Payments made by the State to the TPAF “on-behalf” of the LEAs are reported to the LEAs and reported as TPAF pension expenditures/expenses as made.

Three-Year Trend Information for TPAF (Paid on-behalf of the District, excluding post-retirement medical benefits which are reported in Note 6)

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/21	\$ 32,177,807	Unknown	\$ -0-
6/30/20	23,917,681	Unknown	-0-
6/30/19	21,543,203	Unknown	-0-

At June 30, 2020, the TPAF reported a net pension liability of \$65,848,796,740 for its Non-State Employer Member Group. The proportionate share of the State of New Jersey’s net pension liability for the Non-State Employer Member Group that is attributable to the District is \$705,402,748 or 1.07%. State non-employer contributions allocated to the Board were \$24,274,740 and \$21,572,331 for 2020 and 2019, respectively.

*Actuarial Assumptions* - The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 – 4.45%
	Based on years of service
Thereafter	2.75 – 5.65%
	Based on years of service
Investment rate of return	7.00%

*Mortality Rates* - Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.



**NOTE 5. PENSION PLANS (CONT'D)**

**B. TEACHERS' PENSION AND ANNUITY FUND – SPECIAL FUNDING SITUATION (CONT'D)**

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) was 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

*Discount Rate* – The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**NOTE 5. PENSION PLANS (CONT'D)**

**B. TEACHERS' PENSION AND ANNUITY FUND – SPECIAL FUNDING SITUATION (CONT'D)**

*Sensitivity of Net Pension Liability to Changes in the Discount Rate*– The following presents the net pension liability of the State as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease (4.40%)	At current discount rate (5.40%)	At 1% increase (6.40%)
TPAF	\$ 77,517,093,055	\$ 65,993,498,688	\$ 56,425,087,777
District's proportionate share of the net pension liability	\$ 828,578,141	\$ 705,402,748	\$ 603,126,259

*Components of Net Pension Liability* – The components of the net pension liability for TPAF, including the State of New Jersey, at June 30, 2020 is as follows:

Total Pension Liability	\$ 87,522,678,686
Plan Fiduciary Net Position	<u>21,529,179,998</u>
Net Pension Liability	<u>\$ 65,993,498,688</u>

Plan fiduciary net position as a percentage of the total pension liability	24.60%
--	--------

*Additional Information* – Collective balances at June 30, 2020 were as follows:

Collective Deferred Outflows of Resources	\$ 9,626,548,228
Collective Deferred Inflows of Resources	14,591,988,841
State's Total Non-employer Net Pension Liability	65,993,498,688
District's Proportion	1.0712462227%

Collective pension expense for the plan for the measurement period ended June 30, 2020 is \$4,099,006,933.

The average of the expected remaining service lives of all employees that are provided pension benefits through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 7.99, 8.04, 8.29, 8.30, 8.30, 8.30 and 8.50 years, respectively.

**C. DEFINED CONTRIBUTION RETIREMENT PLAN**

*Plan Description* – The Defined Contribution Retirement Plan (DCRP) is a multi-employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by the New Jersey Division of Pension and Benefits (Division). The more significant aspects of the DCRP Plan are as follows:

**NOTE 5. PENSION PLANS (CONT'D)**

**C. DEFINED CONTRIBUTION RETIREMENT PLAN (CONT'D)**

*Plan Membership and Contributing Employers-* Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually.

*Contribution Requirement and Benefit Provisions -* State and local government employers contribute 3% of the employee's base salary. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

For the year ended June 30, 2021 the Board's total Payroll for all employees was \$154,907,785. Total DCRP covered payroll was \$293,515. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan. The Board and employee contributions to the DCRP for the year ended June 30, 2021 were \$8,805 and \$16,143, respectively.

**NOTE 6. POST-RETIREMENT BENEFITS**

**General Information about the OPEB Plan:**

*Plan Description and Benefits Provided:*

P.L. 1987, c.384 and P.L. 1990, c.6. required the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees Retirement System (PERS), respectively, to fund post-retirement medical benefits for those members who retire after accumulating a minimum of 25 years of credited service or on a disability retirement. Pursuant to P.L 2007, c.103, separate funds outside the pension plans were established for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. Pursuant to this Act, the State Health Benefits Local Education Retired Employees Plan (SHBLEREP) was established to oversee the funding and payment of post-employment medical benefits for eligible LEA employees. The SHBPLEREP is a multiple employer defined benefit OPEB plan that is administered on a pay-as-you-go basis in accordance with P.L. 1994, c.62. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria set forth in paragraph 4 of GASB Statement No. 75. The SHBPLEREP provides medical, prescription drug and Medicare Part B reimbursement to retirees and retiree dependents of local education employers.

Coverage is provided at no cost to members of the TPAF and PERS that had retired on a disability retirement or retired after accumulating 25 years of creditable service prior to June 28, 2011 and to those who had a minimum of 20 years of creditable service on June 28, 2011 and who subsequently retire after accumulating 25 years of credited service or on a disability retirement. Employees who had less than 20 years of creditable service on June 28, 2011 and subsequently retire after accumulating a

**NOTE 6. POST-RETIREMENT BENEFITS (CONT'D)**

minimum of 25 years of creditable service are required by Chapter 78, P.L. 2011 to contribute a percentage of the cost of their health care coverage in retirement. The percentage of the premium that will be the responsibility of the retiree is determined based upon the retiree’s annual retirement benefit and level of coverage.

The State is also responsible for the costs attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service or on a disability retirement if the member’s employer does not provide this coverage.

The State funds post-employment health benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the OPEB expenses that the State may incur in future years.

*Total OPEB Liability:*

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make contributions to OPEB for qualified retired SHBLEREP participants. The State of New Jersey’s Total Non-employer OPEB Liability for the SHBLEREP was \$67,809,962,608 and \$41,729,081,045 at June 30, 2020 and 2019, respectively. The amounts of the State’s Non-employer OPEB Liability that are attributable to employees and retirees of the Edison Township School District was \$614,178,022 and \$375,405,577 at June 30, 2020 and 2019, respectively. These allocated liabilities represent 0.90% of the State’s Total Non-employer OPEB Liability for each of the years reported. However, the Edison Township School District’s proportionate share percentage as determined in accordance with the provisions of paragraphs 193 and 203 to 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Based upon the preceding, the OPEB liability information that follows is reported at the State’s level and does not reflect expenses and liabilities of the District that are required to be funded through annual District budgets.

*Actuarial Assumptions and Other Inputs:*

The total non-employer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019 that was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending upon the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary Increases:		
Through 2026	1.55-4.45%	2.00-6.00%
	Based on Years of Service	Based on Age
Thereafter	1.55-4.45%	3.00-7.00%
	Based on Years of Service	Based on Age

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality

**NOTE 6. POST-RETIREMENT BENEFITS (CONT'D)**

improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disable mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015-June 30, 2018, July 1, 2014-June 30, 2018, and July 1, 2013-June 30, 2018 for TPAF and PERS, respectively.

*Healthcare Trend Assumptions:*

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

*Discount Rate:*

The discount rate for June 30, 2020 and 2019 was 2.21% and 3.50%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

*Changes in the Total Non-employer OPEB Liability reported by the State of New Jersey:*

Changes to the State's Total Non-employer OPEB Liability during the fiscal year ended June 30, 2020 were as follows:

	<u>State Totals</u>	<u>District Allocation</u>
Balance at June 30, 2019	\$ 41,729,081,045	\$ 375,405,577
Changes during the Current Year:		
Service Cost	1,790,973,822	16,154,161
Interest on the Total OPEB Liability	1,503,341,357	13,524,707
Differences Between Expected and Actual Experience	11,544,750,637	107,272,608
Changes in Assumptions	12,386,549,981	112,189,219
Gross Benefit Payments	(1,180,515,618)	(10,692,334)
Employee Contributions	35,781,384	324,084
Net Changes	26,080,881,563	238,772,445
Balance at June 30, 2020	<u>\$ 67,809,962,608</u>	<u>\$ 614,178,022</u>

*Changes in Assumptions* - Reflects a change in the discount rate from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020.

**NOTE 6. POST-RETIREMENT BENEFITS (CONT'D)**

*Sensitivity of the State's Total Non-employer OPEB Liability to Changes in the Discount Rate:*

The following presents the total nonemployer OPEB liability as of June 30, 2020, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percent point lower or 1-percent point higher than the current rate:

	At 1% decrease <u>(1.21%)</u>	At discount rate <u>(2.21%)</u>	At 1% increase <u>(3.21%)</u>
Total Non-employer OPEB Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160
District's proportionate share	\$ 740,423,307	\$ 614,178,022	\$ 515,466,368

*Sensitivity of the State's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:*

The following presents the total nonemployer OPEB liability as of June 30, 2020 calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% decrease</u>	Healthcare cost <u>trend rate</u>	<u>1% increase</u>
Total Non-employer OPEB Liability	\$ 54,738,488,540	\$ 67,809,962,608	\$ 83,375,182,975
District's proportionate share	\$ 495,785,211	\$ 614,178,022	\$ 755,157,546

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

For the year ended June 30, 2020, in the Statement of Activities, the School District recognized OPEB expense of \$31,962,336. This amount was determined by the State of New Jersey as the District's allocated special funding share of the State's \$3,337,755,596 Total OPEB Non-employer Expense for the year ended June 30, 2020. These expense amounts represent calculations in accordance with GASB Statement No. 75 for the defined benefit OPEB Plan that is not operated through a trust that meets the criteria of paragraph 4 of the Statement and in which there is a special funding situation. As the State of New Jersey is the only entity with a legal responsibility to fund SHBLEREP OPEB obligations, the District's recognized OPEB expense is offset by Program Revenues/Operating Contributions in an equal amount in the Statement of Activities. Due to this special funding situation, there is no recognition of the allocation of the proportionate shares of deferred outflows of resources and deferred inflows of resources in the District's financial statements.

*On-behalf Payments by the State of New Jersey for Retiree Health Benefits Costs:*

As noted above, the State of New Jersey, pursuant to P.L. 1994, c. 62, administers the OPEB Plan on a pay-as-you-go basis. The following table sets forth the amounts of State contributions to the SHBLEREP allocated to the District for the last three years for post-employment medical costs. These amounts are reported in the governmental funds and budgetary comparison schedules as revenues and expenditures.

**NOTE 6. POST-RETIREMENT BENEFITS (CONT'D)**

Three-Year Trend Information for TPAF Retiree Health Benefits (Paid on-behalf of the District)

<u>Year Funding</u>		<u>Annual Post-Retirement Medical Cost (APC)</u>	<u>Percentage of APC Contributed</u>
6/30/21	\$	10,084,023	100%
6/30/20		8,873,023	100%
6/30/19		9,771,963	100%

*Additional Information:*

Collective balances of the SHBLREP at June 30, 2020 were as follows:

Deferred Outflows of Resources	\$24,023,298,802
Deferred Inflows of Resources	19,101,933,244
State's Total Non-employer OPEB Liability	67,809,962,608
District's Proportion	0.905734199%

**NOTE 7. COMPENSATED ABSENCES**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". 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 vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and accumulate for use in future years. Upon the attainment of specified years of service or upon reaching normal retirement age, employees become eligible to receive compensation for unused accumulated sick leave. The specific terms for eligibility and compensation are governed by the various collective bargaining agreements and employment contracts.

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.

**NOTE 8. DEFERRED COMPENSATION**

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by third parties who are authorized by the Board and selected by each participant individually, permits 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.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9. 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 and Liability Insurance** - During the school year ended June 30, 2021, the District continued to transfer its insurable risks through the purchase of commercial insurance policies.

**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.

**Workers' Compensation** - In prior years, the Board instituted a risk management program, which combines risk retention and reinsurance coverage for claims relating to statutory worker's compensation. The Board also obtained specific excess workers' compensation insurance coverage. Effective for the fiscal year beginning July 1, 2011, the Board has obtained workers' compensation insurance through a premium based risk transfer policy.

**Retained Insurance Risk** - For years prior to 2011-2012, the Board engaged an outside claims service company to serve as administrator of the worker's compensation program. Loss reserves are established by the administrator for estimated benefits and expenses for reported claims. Established reserves are subject to change as facts and circumstances relating to claims dictate, and no provision is made for estimated losses relating to costs incurred but not reported (IBNR). At June 30, 2021, the administrator has established an estimated reserve requirement for reported claims prior to July 1, 2011 in the amount of \$200,000. The accrued claim liability results in a reported net position in the Workers' Compensation Fund in the amount of \$300,000 at June 30, 2021. Based upon its review of claims liability, management believes the Fund to be adequately funded at year-end. The Board continues to carry commercial insurance for other risks of loss, including accident insurance.

**NOTE 10. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2021:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		\$ 226,007
Special Revenue Fund		670,955
Capital Projects Fund		377,628
Debt Service Fund		72,403
Food Service Fund	\$ 846,993	
Workers Compensation Fund	500,000	
Total	\$ 1,346,993	\$ 1,346,993

The interfunds above are the result of cash flow matters and are expected to be cleared in the subsequent fiscal year.



**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11. INVENTORY**

Inventory in the Food Service Fund at June 30, 2021 consisted of the following:

USDA Commodities	\$30,089
Food & Supplies	54,224

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**NOTE 12. CAPITAL RESERVE/CAPITAL OUTLAY**

A capital reserve account was originally established by the Edison Board of Education in the amount of \$10,500.00 on September 25, 2000. The capital reserve account is for 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 submissions of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any anticipated 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. 6A:26-9(d)1, 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 July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance	\$	9,579,017
Board Contribution (Approved on June 29, 2021)		15,000,000
Budgeted Increase		3,000,000
Interest Earnings		18,403
		<hr/>
Ending Balance	\$	<u>27,597,420</u>

The June 30, 2021 LRFP balance of local support costs of uncompleted capital projects at June 30, 2021 is \$27,597,420. Withdrawals authorized from the capital reserve are for use in DOE approved facilities projects, consistent with the district's Long-Range Facilities Plan.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 13. OTHER RESERVE ACCOUNTS**

Pursuant to enabling legislation and rulemaking, the District is permitted to establish legally restricted Reserve funds for Maintenance and Emergencies.

The activity of the maintenance reserve for July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance	\$	764,365
Transfer Out		(131,603)
Budgeted Increase		698,831
Interest Earnings		1,650
		<hr/>
Ending Balance	\$	<u>1,333,243</u>

The activity of the emergency reserve for July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance	\$	1,000,000
Interest Earnings		1,914
Transfer out to General Fund		(1,914)
		<hr/>
Ending Balance	\$	<u>1,000,000</u>

**NOTE 14. FUND BALANCE APPROPRIATED**

General Fund - Of the \$50,198,166 General Fund fund balance at June 30, 2021, \$2,412,876 has been appropriated and included as anticipated revenue for the year ending June 30, 2022; \$5,349,840 is reserved and is appropriated and included as anticipated revenue as "Excess Surplus" for the year ending June 30, 2022; \$661,486 has been reserved as "Excess Surplus N.J.S.A. 18A:7F-7"; \$605,650 has been reserved for unemployment compensation. \$1,333,243 has been reserved for the Maintenance Reserve Account; \$1,000,000 has been reserved for the Emergency Reserve Account; \$27,597,420 has been reserved for the Capital Reserve Account; and the remaining \$11,237,651 is unassigned.

Capital Projects Fund – At June 30, 2021, the Capital Projects Fund reported a fund balance of \$303,304.

Debt Service Fund – There is a deficit in fund balance of \$72,403 at June 30, 2021.

**NOTE 15. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved 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 reserve 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 years' budget. Based upon the reduction in the maximum undesignated surplus permitted as a result of the enactment of S1701, the District had excess surplus at June 30, 2021 in the amount of \$661,486. This amount is required to be utilized as tax relief in the 2021-2022 budget. There is another \$5,349,840 of excess surplus designated for subsequent year's expenditures.

**NOTE 16. TRANSFERS**

The District had transfers between the General Fund, Special Revenue Fund, Capital Projects Fund and Internal Service Fund in order to adjust for required activity as recorded in the financial statements.

**NOTE 17. PENDING LITIGATION AND CONTINGENT LIABILITIES**

**Federal and State Assistance Programs**

The Board participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of June 30, 2021, the Board does not believe that any material liabilities will result from such audits.

**Contingencies**

The District is involved in several claims and lawsuits incidental to its operation, which are generally defended through the Board's insurance carriers. Certain claims are in their discovery stage and the potential financial exposure to the Board, if any, cannot currently be ascertained.

**NOTE 18. TAX ABATEMENTS**

The Township of Edison participates in long-term tax exemption programs for affordable housing projects, as authorized and permitted by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. Taxes abated by other governments include local, school, county, and, in some cases, fire district taxes. The tax-exempt project makes payments to the municipalities in lieu of taxes (PILOT payments). School districts are not authorized by New Jersey statute to enter into tax abatement agreements.

A municipal or county tax abatement agreement will not directly affect the school district's local tax revenue as N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be raised by the tax base. The most recent Township information indicates PILOT billings for 2020 were \$529,392; whereas the amount of property taxes that otherwise may have been billed based upon the assessed valuations of these projects is calculated to be \$2,258,105. The Township also indicates that in most cases these housing projects would not have taken place without the benefit of the tax abatement program.

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.

**NOTE 19. SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and March 15, 2022, the date that the financial statements were available for issuance and no events have occurred that would have a material effect on the financial statements.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 20. CHANGE IN ACCOUNTING PRINCIPLE/RESTATEMENT**

Beginning General Fund Budgetary Fund Balance Per Schedule C-1 at June 30, 2020	\$ 34,035,968
General Fund Adjustments	
Recognition of the Following June 30, 2020 Balances:	
Unemployment compensation net position	<u>705,673</u>
Beginning General Fund Budgetary Fund Balance Per Schedule C-1 at June 30, 2020 (as restated)	<u>\$ 34,741,641</u>
Beginning Special Revenue Budgetary and Modified Accrual Fund Balances Per Schedules B-2, C-2 and E-1 at June 30, 2020	
	\$ -
Special Revenue Fund Adjustments	
Recognition of the Following June 30, 2020 Balances:	
Scholarship net position	21,306
Recovery net position	8,839
Due to student groups	<u>745,874</u>
Total	<u>776,019</u>
Beginning Special Revenue Fund Budgetary Fund Balance Per Schedules E-1 and C-2 at June 30, 2020 (as restated)	<u>\$ 776,019</u>
Beginning General Fund Modified Accrual Fund Balance Per Schedule B-2 at June 30, 2020	\$ 31,841,535
General Fund Adjustments	
Recognition of the Following June 30, 2020 Balances:	
Unemployment compensation net position	<u>705,673</u>
Beginning General Fund Modified Accrual Fund Balance - June 30, 2020 (as restated)	<u>\$ 32,547,208</u>
Beginning Full Accrual Net Position Per Schedule A-2 at June 30, 2020	\$ 100,608,443
Adjustments to Government-Wide Net Position	
Recognition of the Following June 30, 2020 Balances:	
Unemployment compensation net position	705,673
Scholarship net position	21,306
Recovery net position	8,839
Due to student groups	<u>745,874</u>
Total	<u>1,481,692</u>
Beginning Full Accrual Net Position Per Schedule A-2 at June 30, 2020 (as restated)	<u>\$ 102,090,135</u>

Effective in the fiscal year ended June 30, 2021, the District implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* as described in the recently issued accounting pronouncements footnote above. The implementation of this statement required a restatement of prior year fund balance and net position in the governmental fund financial statements.

**Required Supplementary Information  
Part II**

## **Budgetary Comparison Schedules**

EDISON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 234,538,072	\$ -	\$ 234,538,072	\$ 234,538,072	\$ -
Tuition - Individuals	100,000		100,000	105,507	5,507
Tuition - Other than Individuals - LEA's within the State	150,000	4,658	154,658	198,608	43,950
Transportation Fees from Individuals	1,200,000		1,200,000	113,172	(1,086,828)
Interest Earned on Capital Reserve Funds	5,000		5,000	18,404	13,404
Miscellaneous	1,001,000	500	1,001,500	1,242,589	241,089
Miscellaneous Restricted Income				1,335	1,335
Maintenance Reserve Interest	2,000		2,000	1,650	(350)
Emergency Reserve Interest	-		-	123	123
<b>Total - Local Sources</b>	<u>236,996,072</u>	<u>5,158</u>	<u>237,001,230</u>	<u>236,219,460</u>	<u>(781,770)</u>
State Sources:					
Categorical Special Education Aid	8,719,977		8,719,977	8,719,977	-
Equalization Aid	12,556,614	(2,966,942)	9,589,672	9,589,672	-
Categorical Security Aid	1,078,233		1,078,233	1,078,233	-
Categorical Transportation Aid	4,964,654		4,964,654	4,964,654	-
Extraordinary Aid	500,000	575,000	1,075,000	4,718,669	3,643,669
Non-Public Transportation Aid		210,250	210,250	210,250	-
Homeless Children Aid		1,020,000	1,020,000	1,024,771	4,771
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)			-	32,177,807	32,177,807
On-Behalf T.P.A.F. Post-Retirement Medical (non-budgeted)			-	10,084,023	10,084,023
On-Behalf T.P.A.F. LTDI Contributions (non-budgeted)			-	13,020	13,020
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)			-	8,864,965	8,864,965
<b>Total - State Sources</b>	<u>27,819,478</u>	<u>(1,161,692)</u>	<u>26,657,786</u>	<u>81,446,041</u>	<u>54,788,255</u>
Federal Sources:					
Special Education Medical Initiative (SEMI)	296,262	-	296,262	217,811	(78,451)
Random Moment in Time			-	27,451	27,451
<b>Total - Federal Sources</b>	<u>296,262</u>		<u>296,262</u>	<u>245,262</u>	<u>(51,000)</u>
<b>Total Revenues</b>	<u>\$ 265,111,812</u>	<u>\$ (1,156,534)</u>	<u>\$ 263,955,278</u>	<u>\$ 317,910,763</u>	<u>\$ 53,955,485</u>

EDISON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES</b>					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	\$ 219,377	\$ 5,000	\$ 224,377	\$ 172,544	\$ 51,833
Preschool/Kinderg-Salaries	2,985,223	(455,800)	2,529,423	2,450,750	78,673
Grades 1-5 Salaries of Teacher	36,710,789	(1,805,321)	34,905,468	34,902,907	2,561
Grades 6-8 Salaries of Teacher	22,790,110	(1,620,000)	21,170,110	21,156,965	13,145
Grades 9-12 Salaries of Teacher	25,249,961	(80,000)	25,169,961	25,146,979	22,982
Regular Programs-Undistributed Instruction					
Salaries of Teachers	-	222,000	222,000	221,566	434
Other Salaries for Instruction	119,125	60,000	179,125	135,689	43,436
Purch Professional - Educational Services	15,000	89,000	104,000	103,990	10
Other Purch Services	20,000	(14,000)	6,000	209	5,791
General Supplies	3,015,000	2,540,936	5,555,936	5,554,931	1,005
Textbooks	3,053,000	267,000	3,320,000	3,319,602	398
Other Objects	160,000	10,000	170,000	40,441	129,559
<b>Total Regular Programs</b>	<b>94,337,585</b>	<b>(781,185)</b>	<b>93,556,400</b>	<b>93,206,573</b>	<b>349,827</b>
Special Education-Instruction:					
Special Education - Multiple Disabilities					
Salaries of Teachers	694,202	170,000	864,202	840,995	23,207
Other Salaries for Instruction	377,706	140,000	517,706	508,804	8,902
General Supplies	5,000	12,000	17,000	15,078	1,922
Textbooks	1,000	-	1,000	-	1,000
<b>Total Multiple Disabilities</b>	<b>1,077,908</b>	<b>322,000</b>	<b>1,399,908</b>	<b>1,364,877</b>	<b>35,031</b>
Special Education - Learning/Language Disabilities					
Salaries of Teachers	515,117	15,000	530,117	502,836	27,281
Other Salaries for Instruction	210,885	80,000	290,885	216,210	74,675
General Supplies	5,000	-	5,000	3,979	1,021
Textbooks	1,000	-	1,000	-	1,000
<b>Total Learning/Language Disabilities</b>	<b>732,002</b>	<b>95,000</b>	<b>827,002</b>	<b>723,025</b>	<b>103,977</b>



EDISON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance <u>Final to Actual</u>
Special Education-Instruction - Resource Room/Resource Center					
Salaries of Teachers	\$ 13,862,145	\$ (290,000)	\$ 13,572,145	\$ 13,090,985	\$ 481,160
Other Salaries for Instruction	275,512	(125,000)	150,512	54,230	96,282
General Supplies	15,000	-	15,000	10,930	4,070
Textbooks	5,000	-	5,000	-	5,000
	<u>14,157,657</u>	<u>(415,000)</u>	<u>13,742,657</u>	<u>13,156,145</u>	<u>586,512</u>
Total Resource Room/Resource Center					
Special Education Instruction - Autism					
Salaries of Teachers	2,111,970	534,000	2,645,970	2,522,513	123,457
Other Salaries for Instruction	1,173,328	41,000	1,214,328	1,197,648	16,680
General Supplies	5,000	3,000	8,000	263	7,737
Textbooks	1,000	-	1,000	-	1,000
	<u>3,291,298</u>	<u>578,000</u>	<u>3,869,298</u>	<u>3,720,424</u>	<u>148,874</u>
Total Instruction - Autism					
Special Education Instruction - Preschool Disabilities-Part Time					
Salaries of Teachers	590,568	10,000	600,568	550,865	49,703
Other Salaries for Instruction	294,456	(10,000)	284,456	279,200	5,256
General Supplies	5,000	-	5,000	3,952	1,048
	<u>890,024</u>	<u>-</u>	<u>890,024</u>	<u>834,017</u>	<u>56,007</u>
Total Preschool Disabilities-Part Time					
Special Education Instruction -Preschool Disabilities-Full Time					
Salaries of Teachers	1,155,090	(50,000)	1,105,090	1,076,191	28,899
Other Salaries for Instruction	626,247	(100,000)	526,247	401,711	124,536
General Supplies	5,000	-	5,000	2,595	2,405
	<u>1,786,337</u>	<u>(150,000)</u>	<u>1,636,337</u>	<u>1,480,497</u>	<u>155,840</u>
Total Preschool Disabilities-Full Time					
Special Education-Instruction - Supplemental					
Salaries of Teachers	10,000	-	10,000	-	10,000
	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total Home Instruction					
	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>

EDISON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance <u>Final to Actual</u>
Special Education-Instruction - Home Instruction					
Salaries of Teachers	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ 75,000
Purch Professional - Educational Services	125,000	-	125,000	61,548	63,452
<b>Total Home Instruction</b>	<b>200,000</b>	<b>-</b>	<b>200,000</b>	<b>61,548</b>	<b>138,452</b>
<b>Total Special Education - Instruction</b>	<b>22,145,226</b>	<b>430,000</b>	<b>22,575,226</b>	<b>21,340,533</b>	<b>1,234,693</b>
Bilingual Education-Instruction					
Salaries of Teachers	1,493,236	-	1,493,236	1,443,756	49,480
Other Salaries for Instruction	74,615	5,000	79,615	66,675	12,940
General Supplies	10,000	-	10,000	6,442	3,558
Textbooks	15,000	-	15,000	100	14,900
<b>Total Bilingual Education</b>	<b>1,592,851</b>	<b>5,000</b>	<b>1,597,851</b>	<b>1,516,973</b>	<b>80,878</b>
School Sponsored Co/Extracurricular Activities - Instruction					
Salaries	555,000	-	555,000	538,515	16,485
Supplies and Materials	90,000	(12,500)	77,500	53,880	23,620
<b>Total School Sponsored Co/Extracurricular Activities - Instruction</b>	<b>645,000</b>	<b>(12,500)</b>	<b>632,500</b>	<b>592,395</b>	<b>40,105</b>
School - Sponsored Athletics - Instruction					
Salaries	1,174,970	24,900	1,199,870	1,199,077	793
Purch Services	167,000	(90,700)	76,300	72,637	3,663
Supplies and Materials	400,000	78,300	478,300	470,908	7,392
<b>Total School - Sponsored Athletics - Instruction</b>	<b>1,741,970</b>	<b>12,500</b>	<b>1,754,470</b>	<b>1,742,622</b>	<b>11,848</b>
<b>Total Instruction</b>	<b>120,462,632</b>	<b>(346,185)</b>	<b>120,116,447</b>	<b>118,399,096</b>	<b>1,717,351</b>

EDISON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures: Instruction					
Tuition to Other LEA's within the State - Regular	\$ 80,000	\$ 54,000	\$ 134,000	\$ 119,210	\$ 14,790
Tuition to Private Schools for the Handicapped - within State	12,540,869	(1,016,280)	11,524,589	10,216,526	1,308,063
Tuition-State Facilities	194,832	-	194,832	194,832	-
Tuition-Other	35,000	(30,000)	5,000	4,000	1,000
	<u>12,850,701</u>	<u>(992,280)</u>	<u>11,858,421</u>	<u>10,534,568</u>	<u>1,323,853</u>
Total Undistributed Expenditures-Instruction (Tuition)					
Undistributed Expenditures-Attendance and Social Work					
Salaries	255,228	10,140	265,368	261,173	4,195
Other Purchased Services	600	(140)	460	-	460
	<u>255,828</u>	<u>10,000</u>	<u>265,828</u>	<u>261,173</u>	<u>4,655</u>
Total Undistributed Expenditures Attend. & Social Work					
Undistributed Expenditures-Health Services					
Salaries	2,419,066	-	2,419,066	2,208,010	211,056
Purchased Professional and Tech Services	42,000	50,000	92,000	84,219	7,781
Supplies and Materials	40,000	45,000	85,000	30,339	54,661
	<u>2,501,066</u>	<u>95,000</u>	<u>2,596,066</u>	<u>2,322,568</u>	<u>273,498</u>
Total Undistributed Expenditures-Health Services					
Undistributed Expenditures-Speech, OT, PT & Related Services:					
Salaries	2,449,319	250,000	2,699,319	2,593,635	105,684
Purchased Professional- Educational Services	3,475,000	-	3,475,000	2,577,271	897,729
Supplies and Materials	30,000	-	30,000	29,137	863
	<u>5,954,319</u>	<u>250,000</u>	<u>6,204,319</u>	<u>5,200,043</u>	<u>1,004,276</u>
Total Undistributed Expenditures-Speech, OT, PT & Related Services					
Undistributed Expenditures-Other Support Services Students-Extra. Serv.:					
Salaries	1,421,229	-	1,421,229	1,161,833	259,396
	<u>1,421,229</u>	<u>-</u>	<u>1,421,229</u>	<u>1,161,833</u>	<u>259,396</u>
Total Undistributed Expenditures-Other Support Services Students-Extra. Serv.					

EDISON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures-Guidance					
Students-Extra. Serv.:					
Salaries of Other Professional Staff	\$ 4,375,652	\$ -	\$ 4,375,652	\$ 4,288,370	\$ 87,282
Salaries of Secretarial and Clerical Assistants	552,069	-	552,069	526,282	25,787
Purch Professional - Educ Services	980,000	-	980,000	894,254	85,746
Other Purchased Services	15,000	-	15,000	1,524	13,476
Supplies and Materials	25,000	-	25,000	14,440	10,560
Total Undistributed Expenditures-Guidance	<u>5,947,721</u>	<u>-</u>	<u>5,947,721</u>	<u>5,724,870</u>	<u>222,851</u>
Undistributed Expenditures-Child Study Teams					
Salaries of Other Professional Staff	4,444,416	140,000	4,584,416	4,562,222	22,194
Salaries of Secretarial and Clerical Assistants	302,143	60,000	362,143	359,525	2,618
Other Purch Services	6,500	1,099	7,599	733	6,866
Residential Costs	270,000	(40,000)	230,000	189,896	40,104
Supplies and Materials	20,000	-	20,000	5,422	14,578
Total Undistributed Expenditures-Child Study Teams	<u>5,043,059</u>	<u>161,099</u>	<u>5,204,158</u>	<u>5,117,798</u>	<u>86,360</u>
Undistributed Expenditures-Improvement of Instruction Services					
Salaries of Supervisor of Instruction	3,007,010	75,000	3,082,010	3,038,276	43,734
Salaries of Other Professional Staff	90,000	-	90,000	74,490	15,510
Salaries of Secretarial and Clerical Assistants	195,658	-	195,658	187,408	8,250
Other Purch Services	5,500	-	5,500	2,018	3,482
Supplies and Materials	12,000	-	12,000	596	11,404
Total Undistributed Expenditures-Improvement of Instruction Services	<u>3,310,168</u>	<u>75,000</u>	<u>3,385,168</u>	<u>3,302,788</u>	<u>82,380</u>
Undistributed Expenditures-Educa. Media Serv./School Library					
Salaries	827,714	(46,222)	781,492	719,042	62,450
Supplies and Materials	132,700	46,222	178,922	133,897	45,025
Total Undistributed Expenditures-Educa. Media Serv./School Library	<u>960,414</u>	<u>-</u>	<u>960,414</u>	<u>852,939</u>	<u>107,475</u>

EDISON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures-Instructional Staff Training Services					
Salaries of Supervisor of Instruction	\$ 296,883	\$ -	\$ 296,883	\$ 275,678	\$ 21,205
Salaries of Other Professional Staff	80,000	-	80,000	70,318	9,682
Salaries of Secretarial & Clerical Assist.	47,084	-	47,084	46,500	584
Supplies and Materials	5,000	-	5,000	1,197	3,803
Other Objects	164,000	-	164,000	139,735	24,265
	<u>592,967</u>	<u>-</u>	<u>592,967</u>	<u>533,428</u>	<u>59,539</u>
Total Undistributed Expenditures-Instructional Staff Training Services					
Undistributed Expenditures-Support Services-Gen Admin.					
Salaries	1,138,992	334,523	1,473,515	1,398,436	75,079
Legal Services	410,000	90,000	500,000	468,147	31,853
Audit Fees	55,000	25,000	80,000	79,042	958
Other Purch Professional Services	106,500	(35,400)	71,100	65,908	5,192
Communication / Telephone	703,500	(17,299)	686,201	685,688	513
Misc Purchase Services	1,133,000	3,000	1,136,000	1,108,115	27,885
General Supplies	90,000	(28,199)	61,801	29,547	32,254
Board of Ed In-House Training/Meeting Supplies	5,000	(100)	4,900	1,861	3,039
Misc. Expenditures	20,000	22,000	42,000	30,556	11,444
Board of Ed Membership Dues and Fees	26,663	-	26,663	26,663	-
	<u>3,688,655</u>	<u>393,525</u>	<u>4,082,180</u>	<u>3,893,963</u>	<u>188,217</u>
Total Undistributed Expenditures-Support Services-Gen. Admin.					
Undistributed Expenditures-Support Serv-School Admin:					
Salaries of Principals/Asst. Pr/Prog Dir	6,488,160	35,000	6,523,160	6,400,485	122,675
Salaries of Secretarial and Clerical Assistants	2,715,197	(29,200)	2,685,997	2,528,972	157,025
Other Salaries	5,000	-	5,000	670	4,330
Other Purchased Services	58,000	10,000	68,000	52,997	15,003
Supplies and Materials	105,000	29,200	134,200	113,206	20,994
	<u>9,371,357</u>	<u>45,000</u>	<u>9,416,357</u>	<u>9,096,330</u>	<u>320,027</u>
Total Undistributed Expenditures-Support Serv-School Admin					

EDISON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures-Central Services					
Salaries	\$ 1,563,454	\$ (136,000)	\$ 1,427,454	\$ 1,380,158	\$ 47,296
Purchased Professional Services	64,500	(11,000)	53,500	52,666	834
Misc. Purchased Services	13,000	350	13,350	13,264	86
Supplies and Materials	35,000	(16,000)	19,000	12,174	6,826
Miscellaneous Expenditures	5,000	-	5,000	2,803	2,197
<b>Total Undistributed Expenditures-Central Services</b>	<b>1,680,954</b>	<b>(162,650)</b>	<b>1,518,304</b>	<b>1,461,065</b>	<b>57,239</b>
Undistributed Expenditures-Admin. Info. Tech					
Salaries	1,027,163	64,000	1,091,163	1,089,506	1,657
Purchased Professional Services	225,000	119,900	344,900	342,828	2,072
Purchased Technical Services	300,000	495,200	795,200	794,503	697
Other Purchased Services	280,000	184,600	464,600	464,629	(29)
Supplies and Materials	270,000	(20,400)	249,600	249,574	26
<b>Total Undistributed Expenditures-Admin. Info. Tech</b>	<b>2,102,163</b>	<b>843,300</b>	<b>2,945,463</b>	<b>2,941,040</b>	<b>4,423</b>
Undistributed Expenditures-Required Maint for School Facilities					
Salaries	1,364,124	7,200	1,371,324	1,211,515	159,809
Cleaning, Repair, and Maintenance Services	2,627,000	133,290	2,760,290	2,583,710	176,580
General Supplies	767,300	95,902	863,202	799,773	63,429
Other Objects	75,000	26,589	101,589	85,274	16,315
<b>Total Undistributed Expenditures-Required Maint for School Facilities</b>	<b>4,833,424</b>	<b>262,981</b>	<b>5,096,405</b>	<b>4,680,272</b>	<b>416,133</b>
Undistributed Expenditures-Custodial Services					
Salaries	6,839,120	(424,700)	6,414,420	6,259,206	155,214
Salaries of Non-Instructional Aides	1,066,400	-	1,066,400	890,477	175,923
Cleaning, Repair, and Maintenance Services	389,000	242,800	631,800	589,699	42,101
Other Purchased Property Services	400,000	3,559	403,559	312,627	90,932
Insurance	355,000	-	355,000	353,621	1,379
General Supplies	555,900	55,300	611,200	498,362	112,838
Energy (Natural Gas)	1,375,000	-	1,375,000	796,479	578,521
Energy (Electricity)	1,650,000	43,522	1,693,522	1,110,188	583,334
Other Objects	6,000	-	6,000	181	5,819
<b>Total Undistributed Expenditures-Custodial Services</b>	<b>12,636,420</b>	<b>(79,519)</b>	<b>12,556,901</b>	<b>10,810,840</b>	<b>1,746,061</b>

EDISON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures- Care & Upkeep of Grounds					
Salaries	\$ 1,040,002	\$ -	\$ 1,040,002	\$ 1,031,937	\$ 8,065
Cleaning, Repair, and Maintenance Services	45,000	-	45,000	24,437	20,563
General Supplies	149,800	438	150,238	110,275	39,963
<b>Total Undistributed Expenditures- Care &amp; Upkeep of Grounds</b>	<b>1,234,802</b>	<b>438</b>	<b>1,235,240</b>	<b>1,166,649</b>	<b>68,591</b>
Undistributed Expenditures- Security					
Salaries	2,081,531	(40,650)	2,040,881	1,952,715	88,166
Purchased Professional and Technical Services	250,000	-	250,000	227,598	22,402
General Supplies	85,000	420,000	505,000	491,388	13,612
<b>Total Undistributed Expenditures- Security</b>	<b>2,416,531</b>	<b>379,350</b>	<b>2,795,881</b>	<b>2,671,701</b>	<b>124,180</b>
<b>Total Undist. Expenditures - Oper &amp; Maint of Plant Serv.</b>	<b>21,121,177</b>	<b>563,250</b>	<b>21,684,427</b>	<b>19,329,462</b>	<b>2,354,965</b>
Undistributed Expenditures-Student Transportation Services					
Salaries of Non-Instructional Aides	153,000	-	153,000	137,721	15,279
Salaries for Pupil Trans (Bet Home & Sch) - Reg.	1,352,258	13,000	1,365,258	1,234,791	130,467
Cleaning, Repair, and Maintenance Services	125,000	-	125,000	56,719	68,281
Contracted Services Aid in Lieu of Payments - NonPublic Sch	714,000	1,794	715,794	597,484	118,310
Contracted Services Aid in Lieu of Payments - Charter Sch	36,000	-	36,000	11,344	24,656
Contracted Services (Bet. Home and Sch) - Vendors	4,350,000	945,776	5,295,776	5,291,701	4,075
Contracted Services (Oth. than Bet. Home and Sch) - Vendors	627,500	(15,610)	611,890	58,536	553,354
Contracted Services (Special Ed Stds) - Vendors	5,600,000	(1,169,073)	4,430,927	3,249,336	1,181,591
Contracted Services (Special Ed Stds) - Joint Agrmnts	10,000	-	10,000	-	10,000
Contracted Services (Spl. Ed. Students) - ESCs & CTSAAs	3,500,000	(560,000)	2,940,000	1,191,764	1,748,236
Misc Purchased Services - Transportation	190,000	-	190,000	186,520	3,480
General Supplies	178,000	100,000	278,000	180,628	97,372
<b>Total Undistributed Expenditures-Student Transportation Serv.</b>	<b>16,835,758</b>	<b>(684,113)</b>	<b>16,151,645</b>	<b>12,196,544</b>	<b>3,955,101</b>
Unallocated Benefits:					
Social Security Contributions	2,400,000	46,217	2,446,217	2,446,217	-
Other Retirement Contributions - PERS	3,000,000	226,446	3,226,446	3,226,446	-
Worker's Compensation	1,000,000	55,000	1,055,000	1,017,987	37,013
Health Benefits	35,350,000	(284,232)	35,065,768	32,490,363	2,575,405
Tuition Reimbursement	150,000	27,353	177,353	177,038	315
<b>Total Unallocated Benefits</b>	<b>41,900,000</b>	<b>70,784</b>	<b>41,970,784</b>	<b>39,358,051</b>	<b>2,612,733</b>

EDISON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
On-Behalf T.P.A.F. Pension Contrib. (non-budgeted)	\$	\$	\$ -	\$ 32,177,807	\$ (32,177,807)
On-Behalf T.P.A.F. Post-Retirement Medical (non-budgeted)			-	10,084,023	(10,084,023)
On-Behalf T.P.A.F. LTDI Contributions (non-budgeted)			-	13,020	(13,020)
Reimbursed TPAF SS Contributions (non-budgeted)			-	8,864,965	(8,864,965)
<b>Total On-behalf Contributions</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,139,815</u>	<u>(51,139,815)</u>
<b>Total Undistributed Expenditures</b>	<u>135,537,536</u>	<u>667,915</u>	<u>136,205,451</u>	<u>174,428,278</u>	<u>(38,222,827)</u>
Interest Earned on Maintenance Reserve	2,000		2,000	-	2,000
Increase in Maintenance Reserve	698,831		698,831	-	698,831
<b>Total Reserves and Interest Earned</b>	<u>700,831</u>	<u>-</u>	<u>700,831</u>	<u>-</u>	<u>700,831</u>
<b>Total Current Expense</b>	<u>256,700,999</u>	<u>321,730</u>	<u>257,022,729</u>	<u>292,827,374</u>	<u>(35,804,645)</u>
<b>Capital Outlay:</b>					
Capital Reserve Increase	3,000,000		3,000,000	-	3,000,000
Capital Reserve Interest	5,000		5,000	-	5,000
<b>Total Capital Reserve</b>	<u>3,005,000</u>	<u>-</u>	<u>3,005,000</u>	<u>-</u>	<u>3,005,000</u>
Equipment:					
Undistributed Expenditures:					
Instructional Equipment-Undistributed	1,395,120	1,477,194	2,872,314	2,402,121	470,193
Technology Equipment	-	2,700	2,700	2,700	-
Required Maint for School Fac.	100,000	122,111	222,111	221,005	1,106
School Buses - Regular	335,866	-	335,866	115,866	220,000
<b>Total Equipment</b>	<u>1,830,986</u>	<u>1,602,005</u>	<u>3,432,991</u>	<u>2,741,692</u>	<u>691,299</u>



EDISON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	\$ 600,000	\$ 75,000	\$ 675,000	\$ 671,077	\$ 3,923
Land and Improvements	400,000	125,000	525,000	390,371	134,629
Bldgs. Other than Lease Purchase Agreements	11,000,000	(3,041,942)	7,958,058	2,359,607	5,598,451
Assessment for Debt Service on SDA Funding	102,117	-	102,117	102,117	-
Total Facilities Acquisition and Construction Services	<u>12,102,117</u>	<u>(2,841,942)</u>	<u>9,260,175</u>	<u>3,523,172</u>	<u>5,737,003</u>
Assets Acquired Under Capital Leases - (Non-Budgeted)					
Undistributed Expenditures - School Administration			-	5,114,761	(5,114,761)
Total Capital Outlay	<u>16,938,103</u>	<u>(1,239,937)</u>	<u>15,698,166</u>	<u>11,379,625</u>	<u>4,318,541</u>
Special Schools:					
Summer School - Instruction					
Salaries of Teachers	145,000	5,000	150,000	147,488	2,512
Total Summer School - Instruction	<u>145,000</u>	<u>5,000</u>	<u>150,000</u>	<u>147,488</u>	<u>2,512</u>
Summer School - Support Service					
Salaries	19,000	-	19,000	-	19,000
Total Summer School - Support Service	<u>19,000</u>	<u>-</u>	<u>19,000</u>	<u>-</u>	<u>19,000</u>
Total Summer School Instruction	<u>164,000</u>	<u>5,000</u>	<u>169,000</u>	<u>147,488</u>	<u>21,512</u>
Other Special Schools - Instruction					
Salaries of Teachers	180,000	(5,000)	175,000	166,336	8,664
General Supplies	15,000	-	15,000	844	14,156
Total Other Special Schools - Instruction	<u>195,000</u>	<u>(5,000)</u>	<u>190,000</u>	<u>167,180</u>	<u>22,820</u>

EDISON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Special Schools- Support Services					
Salaries	\$ 5,500	\$ -	\$ 5,500	\$ -	\$ 5,500
Other Objects	2,500	-	2,500	-	2,500
Total Other Special Services- Support Services	8,000	-	8,000	-	8,000
Total Other Special Schools	203,000	(5,000)	198,000	167,180	30,820
Total Special Schools	367,000	-	367,000	314,668	52,332
Transfer of Funds to Charter Schools	609,155	90,321	699,476	683,298	16,178
<b>Total Expenditures</b>	<b>274,615,257</b>	<b>(827,886)</b>	<b>273,787,371</b>	<b>305,204,965</b>	<b>(31,417,594)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (9,503,445)	(328,648)	\$ (9,832,093)	12,705,798	\$ 22,537,891
Other Financing Sources (Uses): Operating Transfers In/(Out): Capital Leases (non-budgeted)				5,114,761	5,114,761
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(9,503,445)	(328,648)	(9,832,093)	17,820,559	27,652,652
Fund Balances, July 1, Restated	34,741,641	-	34,741,641	34,741,641	-
Fund Balances, June 30	\$ 25,238,196	\$ (328,648)	\$ 24,909,548	\$ 52,562,200	\$ 27,652,652
<b>Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)</b>					
Budgeted fund balance	\$ (9,503,445)	827,886	\$ (8,675,559)	18,977,093	\$ 27,652,652
Budgeted withdrawal from unassigned		(2,966,942)	(2,966,942)	(2,966,942)	-
Increases in budgeted revenues		1,810,408	1,810,408	1,810,408	-
Total	\$ (9,503,445)	\$ (328,648)	\$ (9,832,093)	\$ 17,820,559	\$ 27,652,652

EDISON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b><u>Recapitulation:</u></b>					
Restricted Fund Balance:					
Capital Reserve				\$ 27,597,420	
Emergency Reserve				1,000,000	
Maintenance Reserve				1,333,243	
Unemployment Compensation				605,650	
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures -					
Prior Year Excess Surplus				5,349,840	
Excess Surplus - Current Year				661,486	
Assigned Fund Balance:					
Designated for Subsequent Years Expenditure's				2,412,876	
Unassigned Fund Balance				<u>13,601,685</u>	
				52,562,200	
<b><u>Reconciliation to Governmental Funds Statements (GAAP):</u></b>					
Less:					
Last Two (2) State Aid Payments not recognized on GAAP basis				<u>(2,364,034)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 50,198,166</u>	

EDISON TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit C- 2  
Page 1 of 2

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Revenue from Local Sources	\$ -	\$ 91,212	\$ 91,212	\$ 630,010	\$ 538,798
Total - Local Sources	-	91,212	91,212	630,010	538,798
State Sources:					
NJ Nonpublic:					
Textbooks	90,415	32,619	123,034	117,972	(5,062)
Auxiliary Services	143,505	(5,926)	137,579	80,953	(56,626)
Handicapped Services	175,395	114,051	289,446	208,655	(80,791)
Nursing	169,352	36,076	205,428	183,942	(21,486)
Technology	61,751	(61,751)	-	-	-
Security	261,885	90,565	352,450	325,285	(27,165)
FHA/HERO Grant		158,500	158,500	147,526	(10,974)
Total - State Sources	902,303	364,134	1,266,437	1,064,333	(202,104)
Federal Sources:					
Title I	1,128,515	672,263	1,800,778	849,523	(951,255)
Reallocated Title I		-	-	-	-
Title I - SIA Part A		38,893	38,893	14,536	(24,357)
I.D.E.A., Part B	3,215,507	1,133,566	4,349,073	3,742,465	(606,608)
I.D.E.A., Preschool		120,155	120,155	100,661	(19,494)
Title II A	265,059	99,959	365,018	285,800	(79,218)
Title III	67,621	76,225	143,846	117,831	(26,015)
Title III-Immigrant	95,827	117,277	213,104	180,252	(32,852)
Title IV	60,660	90,359	151,019	135,019	(16,000)
CARES Act		950,381	950,381	949,296	(1,085)
CRRSA-ESSER II		-	-	315,751	315,751
CR Learning Acceleration		-	-	2,417	2,417
Coronavirus Relief Fund		832,483	832,483	804,912	(27,571)
CRF-Digital Divide		955,323	955,323	955,323	-
CRF-NP Digital Divide		87,612	87,612	84,539	(3,073)
Total - Federal Sources	4,833,189	5,174,496	10,007,685	8,538,325	(1,469,360)
Total Revenues	5,735,492	5,629,842	11,365,334	10,232,668	(1,132,666)

EDISON TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit C- 2  
Page 2 of 2

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	\$ 805,000	\$ 379,383	\$ 1,184,383	\$ 989,796	\$ 194,587
Purch. Prof. & Tech. Services	-	115,414	115,414	24,245	91,169
Other Purch. Services	1,595,000	5,000	1,600,000	1,551,069	48,931
General Supplies	409,182	2,365,902	2,775,084	2,332,054	443,030
Textbooks	90,415	32,619	123,034	117,972	5,062
Other Objects	14,561	(5,537)	9,024	-	9,024
<b>Total Instruction</b>	<b>2,914,158</b>	<b>2,892,781</b>	<b>5,806,939</b>	<b>5,015,136</b>	<b>791,803</b>
Support Services:					
Salaries of Supervisors of Instruc.	196,000	(66,410)	129,590	133,398	(3,808)
Other Salaries	65,000	(2,254)	62,746	66,909	(4,163)
Personal Services- Empl. Benefits	312,149	16,319	328,468	88,450	240,018
Purchased Prof Educ Svcs.	1,230,000	600,128	1,830,128	1,495,000	335,128
Other Purch. Prof. Services	-	51,500	51,500	14,870	36,630
Purch. Technical Services	65,000	223,928	288,928	245,579	43,349
Travel	15,000	(9,765)	5,235	-	5,235
Other Purch. Services	906,888	255,622	1,162,510	882,593	279,917
Supplies and Materials	31,297	1,513,994	1,545,291	1,286,098	259,193
Student Activities	-	-	-	707,026	(707,026)
Miscellaneous Expenditures	-	153,999	153,999	99,653	54,346
<b>Total Support Services</b>	<b>2,821,334</b>	<b>2,737,061</b>	<b>5,558,395</b>	<b>5,019,576</b>	<b>538,819</b>
Facilities Acquis. & Const. Serv.:					
Buildings	-	-	-	315,751	(315,751)
<b>Total Facil. Acquis. &amp; Const. Serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>315,751</b>	<b>(315,751)</b>
<b>Total Expenditures</b>	<b>5,735,492</b>	<b>5,629,842</b>	<b>11,365,334</b>	<b>10,350,463</b>	<b>1,014,871</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	(117,795)	\$ (117,795)
Fund Balance, July 1 - Restated				776,019	
Fund Balance, June 30				\$ 658,224	
Recapitulation:					
Restricted:					
Student Activities				\$ 629,761	
Scholarships				22,021	
JM Recovery				6,442	
<b>Total Fund Balance</b>				<b>\$ 658,224</b>	

## **Notes to the Required Supplementary Information**

EDISON TOWNSHIP SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	\$ 317,910,763	(C-2)	\$ 10,232,668
Difference - budget to GAAP:				
State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes		2,194,433		
State aid payments recognized for budgetary purposes, not recognized for GAAP statements		<u>(2,364,034)</u>		
Total revenues as reported on the statement of revenues, expenditures, and change in fund balances - governmental funds	(B-2)	<u>\$ 317,741,162</u>	(B-2)	<u>\$ 10,232,668</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	<u>\$ 305,204,965</u>	(C-2)	<u>\$ 10,350,463</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental fund	(B-2)	<u>\$ 305,204,965</u>	(B-2)	<u>\$ 10,350,463</u>

**Required Supplementary Information**  
**Part III**



**Schedules Related to Accounting and Reporting for Pensions  
(GASB 68)**

EDISON TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION

Last 10 Fiscal Years\*

	Year ended June 30,							
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's Proportion of the Net Pension Liability - Local Group	0.2707115%	0.2865743%	0.2826250%	0.2949936%	0.2805651%	0.2866955%	0.2881858%	0.2910231%
District's Proportionate Share of the Net Pension Liability	\$51,738,350	\$53,654,542	\$63,443,649	\$87,368,643	\$65,311,070	\$56,448,916	\$51,926,710	\$47,458,258
District's Covered-Employee Payroll	\$19,363,025	\$19,363,025	\$19,750,285	\$19,750,285	\$19,067,407	\$19,460,136	\$20,083,828	\$21,024,258
District's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	267.20%	277.10%	321.23%	442.37%	342.53%	290.07%	258.55%	225.73%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability - Local Group	48.72%	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

EDISON TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S CONTRIBUTION  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Local Group)  
REQUIRED SUPPLEMENTARY INFORMATION

Last 10 Fiscal Years\*

	Year Ended June 30,							
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually Required Contribution	\$ 2,039,814	\$ 2,362,537	\$ 2,429,817	\$ 2,644,532	\$ 2,647,751	\$ 2,867,862	\$ 2,817,476	\$ 3,183,469
Contribution in Relation to Contractually Required Contribution	(2,039,814)	(2,362,537)	(2,429,817)	(2,644,532)	(2,647,751)	(2,867,862)	(2,817,476)	(3,183,469)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Proportionate Share of the Payroll	\$ 19,363,025	\$ 19,750,285	\$ 19,750,285	\$ 19,067,407	\$ 19,460,136	\$ 20,083,828	\$ 21,024,258	\$ 21,838,054
Contributions as a percentage of Covered Employee Payroll	10.53%	11.96%	12.30%	13.87%	13.61%	14.28%	13.40%	14.58%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

EDISON TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT  
 TEACHERS PENSION AND ANNUITY FUND  
REQUIRED SUPPLEMENTARY INFORMATION

Last 10 Fiscal Years\*

	Year Ended June 30,							
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State's proportion of the net pension liability (asset) associated with the District-Local Group	1.0713351%	1.0496700%	1.0552426%	1.0706800%	1.0693907%	1.0741236%	1.0729074%	1.0712462%
District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability(asset) associated with the District	541,444,343	561,014,437	666,958,416	842,265,079	721,021,770	683,334,392	658,453,411	705,402,748
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 541,444,343</u>	<u>\$ 561,014,437</u>	<u>\$ 666,958,416</u>	<u>\$ 842,265,079</u>	<u>\$ 721,021,770</u>	<u>\$ 683,334,392</u>	<u>\$ 658,453,411</u>	<u>\$ 705,402,748</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	33.76%	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make contributions to this Plan.

**Schedules Related to Accounting and Reporting of OPEB  
(GASB 75)**

EDISON TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
 AND CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS  
 STATE HEALTH BENEFITS LOCAL EDUCATION RETIRED EMPLOYEES PLAN  
REQUIRED SUPPLEMENTARY INFORMATION

Last Ten Fiscal Years\*

	Year Ended June 30,			
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State's proportion of the OPEB Liability Associated with the District	0.8756324%	0.8914025%	0.8996258%	0.9057342%
State's Proportionate Share of the OPEB Liability Associated with the District	\$ 469,687,820	\$ 411,033,110	\$ 375,405,577	\$ 614,178,022
District's Covered Employee Payroll	\$ 134,438,201	\$ 137,799,156	\$ 141,575,502	\$ 146,508,458
State's Proportionate Share of the Net OPEB Liability Associated with the District's as a percentage of its Covered Employee Payroll	349.37%	298.28%	265.16%	419.21%
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%
Beginning Balance	\$ 507,848,643	\$ 469,687,820	\$ 411,033,110	\$ 375,405,577
Increased by:				
Service cost	21,048,998	17,376,451	15,557,301	16,154,161
Interest cost	14,925,315	17,248,634	16,294,727	13,524,707
Member contributions	400,591	379,862	341,598	324,084
Changes of assumptions			5,597,328	112,189,219
Difference between expected and actual experience				107,272,608
	<u>544,223,547</u>	<u>504,692,767</u>	<u>448,824,064</u>	<u>624,870,356</u>
Decreased by:				
Difference between expected and actual experience		35,500,672	61,894,655	
Changes of assumptions	63,656,760	47,168,106		
Gross benefit payments	<u>10,878,967</u>	<u>10,990,879</u>	<u>11,523,832</u>	<u>10,692,334</u>
Ending Balance	<u>\$ 469,687,820</u>	<u>\$ 411,033,110</u>	<u>\$ 375,405,577</u>	<u>\$ 614,178,022</u>

\*This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten year trend is compiled, governments should present information for those years for which information is available.

## **Other Supplementary Information**

**Special Revenue Fund**



EDISON TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Total Brought Forward (Ex. E-1a)	Title I Part A	Title I SIA Part A	Title III Language Instr.	Title III Immigrant	Title IV Part A	I.D.E.A. Part B Basic Regular	I.D.E.A. Part B Preschool	Title II, Part A Teacher Grants	Totals
<b>REVENUES:</b>										
State Sources	\$ 1,064,333	\$	\$	\$	\$	\$	\$	\$	\$	\$ 1,064,333
Federal Sources	3,112,238	849,523	14,536	117,831	180,252	135,019	3,742,465	100,661	285,800	8,538,325
Local Sources	630,010									630,010
<b>Total Revenues</b>	<b>4,806,581</b>	<b>849,523</b>	<b>14,536</b>	<b>117,831</b>	<b>180,252</b>	<b>135,019</b>	<b>3,742,465</b>	<b>100,661</b>	<b>285,800</b>	<b>10,232,668</b>
<b>EXPENDITURES:</b>										
Instruction:										
Salaries of Teachers	-	339,079		62,758	540		388,740		198,679	989,796
Purch. Prof. & Tech. Services	1,800	18,295				4,150				24,245
Other Purch. Services	-						1,551,069			1,551,069
General Supplies	1,803,586	287,002	11,561	11,183	74,958	21,080	122,023	661		2,332,054
Textbooks	117,972									117,972
<b>Total Instruction</b>	<b>1,923,358</b>	<b>644,376</b>	<b>11,561</b>	<b>73,941</b>	<b>75,498</b>	<b>25,230</b>	<b>2,061,832</b>	<b>661</b>	<b>198,679</b>	<b>5,015,136</b>
Support Services:										
Salaries of Supervisors of Instruc.	117,718	80				6,000			9,600	133,398
Other Salaries	-						66,909			66,909
Personal Services - Empl. Benefits	2,978	69,327		906					15,239	88,450
Purch. Prof. - Educ. Services	-						1,475,162		19,838	1,495,000
Other Purch. Prof. Services	-	14,870								14,870
Purch. Technical Services	5,395			31,500		103,584		100,000	5,100	245,579
Other Purch. Services	818,470	6,980		6,877		45	41,931		8,290	882,593
Supplies and Materials	1,002,901	45,176	2,975	4,607	104,754		96,631		29,054	1,286,098
Student Activities	707,026									707,026
Miscellaneous Expenditures	30,779	68,714				160				99,653
<b>Total Support Services</b>	<b>2,685,267</b>	<b>205,147</b>	<b>2,975</b>	<b>43,890</b>	<b>104,754</b>	<b>109,789</b>	<b>1,680,633</b>	<b>100,000</b>	<b>87,121</b>	<b>5,019,576</b>
Facilities Acquis. & Const. Serv.:										
Buildings	315,751									315,751
<b>Total Facil. Acquis. &amp; Const. Serv.</b>	<b>315,751</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>315,751</b>
<b>Total Expenditures</b>	<b>4,924,376</b>	<b>849,523</b>	<b>14,536</b>	<b>117,831</b>	<b>180,252</b>	<b>135,019</b>	<b>3,742,465</b>	<b>100,661</b>	<b>285,800</b>	<b>10,350,463</b>
Excess (Deficiency) of Revenues Over Expenditures	(117,795)	-	-	-	-	-	-	-	-	(117,795)
Fund Balance, July 1 - Restated	776,019									776,019
Fund Balance, June 30	\$ 658,224	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 658,224

EDISON TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Total Brought Forward (Ex. E-1b)	CARES Act - ERF	CRRSA ESSER II	CR Learning Acceleration	Coronavirus Relief Fund	CRF-Digital Divide	CRF-NP Digital Divide	FHA/HERO Grant	FHA/HERO Org. Funds	Nonpublic Textbooks	Nonpublic Nursing	Total Carried Forward
<b>REVENUES:</b>												
State Sources	\$ 614,893	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	-	949,296	315,751	2,417	804,912	955,323	84,539	147,526	-	117,972	183,942	1,064,333
Local Sources	604,394	-	-	-	-	-	-	-	25,616	-	-	3,112,238
<b>Total Revenues</b>	<b>1,219,287</b>	<b>949,296</b>	<b>315,751</b>	<b>2,417</b>	<b>804,912</b>	<b>955,323</b>	<b>84,539</b>	<b>147,526</b>	<b>25,616</b>	<b>117,972</b>	<b>183,942</b>	<b>4,806,581</b>
<b>EXPENDITURES:</b>												
<b>Instruction:</b>												
Salaries of Teachers	-	-	-	-	-	-	-	-	-	-	-	-
Purch. Prof. & Tech. Services	-	-	-	-	-	-	-	1,800	-	-	-	1,800
Other Purch. Services	-	-	-	-	-	-	-	-	-	-	-	-
General Supplies	10,000	751,742	-	1,982	-	955,323	84,539	-	-	-	-	1,803,586
Textbooks	-	-	-	-	-	-	-	-	-	117,972	-	117,972
<b>Total Instruction</b>	<b>10,000</b>	<b>751,742</b>	<b>-</b>	<b>1,982</b>	<b>-</b>	<b>955,323</b>	<b>84,539</b>	<b>1,800</b>	<b>-</b>	<b>117,972</b>	<b>-</b>	<b>1,923,358</b>
<b>Support Services:</b>												
Salaries of Supervisors of Instruc.	-	-	-	-	-	-	-	117,718	-	-	-	117,718
Other Salaries	-	-	-	-	-	-	-	-	-	-	-	-
Personal Services - Empl. Benefits	-	-	-	-	-	-	-	2,978	-	-	-	2,978
Purch. Prof. - Educ. Services	-	-	-	-	-	-	-	-	-	-	-	-
Other Purch. Prof. Services	-	-	-	-	-	-	-	-	-	-	-	-
Purch. Technical Services	-	-	-	-	-	-	-	5,395	-	-	-	5,395
Other Purch. Services	614,893	-	-	-	-	-	-	19,635	-	-	183,942	818,470
Supplies and Materials	-	197,554	-	435	804,912	-	-	-	-	-	-	1,002,901
Student Activities	707,026	-	-	-	-	-	-	-	-	-	-	707,026
Miscellaneous Expenditures	5,163	-	-	-	-	-	-	-	25,616	-	-	30,779
<b>Total Support Services</b>	<b>1,327,082</b>	<b>197,554</b>	<b>-</b>	<b>435</b>	<b>804,912</b>	<b>-</b>	<b>-</b>	<b>145,726</b>	<b>25,616</b>	<b>-</b>	<b>183,942</b>	<b>2,685,267</b>
<b>Facilities Acquis. &amp; Const. Serv.:</b>												
Buildings	-	-	315,751	-	-	-	-	-	-	-	-	315,751
<b>Total Facil. Acquis. &amp; Const. Serv.</b>	<b>-</b>	<b>-</b>	<b>315,751</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>315,751</b>
<b>Total Expenditures</b>	<b>1,337,082</b>	<b>949,296</b>	<b>315,751</b>	<b>2,417</b>	<b>804,912</b>	<b>955,323</b>	<b>84,539</b>	<b>147,526</b>	<b>25,616</b>	<b>117,972</b>	<b>183,942</b>	<b>4,924,376</b>
Excess (Deficiency) of Revenues Over Expenditures	(117,795)	-	-	-	-	-	-	-	-	-	-	(117,795)
Fund Balance, July 1 - Restated	776,019	-	-	-	-	-	-	-	-	-	-	776,019
<b>Fund Balance, June 30</b>	<b>\$ 658,224</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 658,224</b>

EDISON TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Non-Public Chapter 192			Non-Public Chapter 193			Nonpublic Security	Amazon STEM	JM Recovery Fund	Scholarship	Student Activities	Total Carried Forward
	ESL	Transportation	Comp. Education	Supplemental Instruction	Examination & Classification	Corrective Speech						
<b>REVENUES:</b>												
State Sources	\$ 7,105	\$ 23,335	\$ 50,513	\$ 59,902	\$ 116,854	\$ 31,899	\$ 325,285	\$ -	\$ -	\$ -	\$ -	\$ 614,893
Federal Sources												-
Local Sources								10,000	16	3,465	590,913	604,394
<b>Total Revenues</b>	<b>7,105</b>	<b>23,335</b>	<b>50,513</b>	<b>59,902</b>	<b>116,854</b>	<b>31,899</b>	<b>325,285</b>	<b>10,000</b>	<b>16</b>	<b>3,465</b>	<b>590,913</b>	<b>1,219,287</b>
<b>EXPENDITURES:</b>												
Instruction:												
Salaries of Teachers												-
Purch. Prof. & Tech. Services												-
Other Purch. Services												-
General Supplies								10,000				10,000
Textbooks												-
<b>Total Instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000</b>
Support Services:												
Salaries of Supervisors of Instruc.												-
Other Salaries												-
Personal Services - Empl. Benefits												-
Purch. Prof. - Educ. Services												-
Other Purch. Prof. Services												-
Purch. Technical Services												-
Other Purch. Services	7,105	23,335	50,513	59,902	116,854	31,899	325,285					614,893
Supplies and Materials												-
Student Activities											707,026	707,026
Miscellaneous Expenditures									2,413	2,750		5,163
<b>Total Support Services</b>	<b>7,105</b>	<b>23,335</b>	<b>50,513</b>	<b>59,902</b>	<b>116,854</b>	<b>31,899</b>	<b>325,285</b>	<b>-</b>	<b>2,413</b>	<b>2,750</b>	<b>707,026</b>	<b>1,327,082</b>
Facilities Acquis. & Const. Serv.:												
Buildings												-
<b>Total Facil. Acquis. &amp; Const. Serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>7,105</b>	<b>23,335</b>	<b>50,513</b>	<b>59,902</b>	<b>116,854</b>	<b>31,899</b>	<b>325,285</b>	<b>10,000</b>	<b>2,413</b>	<b>2,750</b>	<b>707,026</b>	<b>1,337,082</b>
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	-	(2,397)	715	(116,113)	(117,795)
Fund Balance, July 1 - Restated									8,839	21,306	745,874	776,019
<b>Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,442</b>	<b>\$ 22,021</b>	<b>\$ 629,761</b>	<b>\$ 658,224</b>

## **Capital Projects Fund**

EDISON TOWNSHIP SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY STATEMENT OF PROJECT EXPENDITURES  
YEAR ENDED JUNE 30, 2021

<u>ISSUE/PROJECT TITLE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>TRANSFERS/ CANCELLATIONS</u>	<u>UNEXPENDED BALANCE</u>
		<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>		
Woodbrook School Addition	\$ 11,006,804	\$ 10,703,500	\$ -	\$ -	\$ 303,304
<b>TOTALS</b>	<b>\$ 11,006,804</b>	<b>\$ 10,703,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 303,304</b>

Reconciliation - Unexpended Capital Project Balances  
to Fund Balance - June 30, 2021:

Unexpended Project Balances - June 30, 2021	\$ 303,304
Less:	
State Aid Not Earned or Not Funded by State until subsequent period	<u>-</u>
Total Fund Balance - June 30, 2021	<u>\$ 303,304</u>

EDISON TOWNSHIP SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE  
 IN FUND BALANCE - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021

Revenues and Other Financing Sources	
State Sources	\$ -
Bond proceeds and transfers	
Lease purchase agreement	
Proceeds from other sources- accounts payable cancelation	
Transfer from capital reserve	
Transfer from general fund	
Total revenues	<u>-</u>
Expenditures and Other Financing Uses	
Purchased professional and technical services	
Land and Improvements	
Construction services	
Equipment purchases	
Furniture, fixture and supply purchases	
Other	
Transfer to debt service fund	
Transfer to general fund	
Total expenditures	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-
Less: Deferred Revenue adjustment	
Subtotal	-
Fund balance - beginning	303,304
Fund balance - ending	<u>\$ 303,304</u>



## **Proprietary Funds**



## **Enterprise Fund**

EDISON TOWNSHIP SCHOOL DISTRICT  
FOOD SERVICES ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2021

ASSETS

Current Assets:		
Cash and Cash Equivalents	\$	566,088
Accounts Receivable:		
State		24,134
Federal		365,689
Inventories		84,313
Other Receivable		19,713
Interfunds Receivable		<u>846,993</u>
Total Current Assets		<u>1,906,930</u>
Noncurrent Assets		
Equipment		1,358,826
Accumulated Depreciation		<u>(831,735)</u>
Total Noncurrent Assets		<u>527,091</u>
Total Assets	\$	<u><u>2,434,021</u></u>

LIABILITIES AND NET POSITION

Current Liabilities		
Accounts Payable	\$	342,201
Deferred Revenue - Prepaid Lunch Fees		170,270
Deferred Revenue - USDA Commodities		<u>30,089</u>
Total Current Liabilities		<u>542,560</u>
NET POSITION		
Investment in Capital Assets		527,091
Unrestricted		<u>1,364,370</u>
Total Net Position		<u>1,891,461</u>
Total Liabilities and Net Position	\$	<u><u>2,434,021</u></u>

EDISON TOWNSHIP SCHOOL DISTRICT  
 FOOD SERVICES ENTERPRISE FUND  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

OPERATING REVENUES

Charges for services:	
Daily sales - reimbursable programs	\$ 25,732
Daily sales - non-reimbursable programs	38,791
Miscellaneous	<u>19,757</u>
Total Operating Revenues	<u>84,280</u>

OPERATING EXPENSES

Cost of Sales:	
Reimbursable Program Food Cost	914,954
Nonreimbursable Program Food Cost	5,312
Nonreimbursable Paper Supplies	<u>116,946</u>
Total Cost of Sales	1,037,212
Other Operating Expenses:	
Salaries	746,270
Employee Benefits	313,521
Depreciation	79,543
Food Costs - Food Distribution Program	339,888
Supplies and Materials - Semi-Variable Costs	197,177
General & Administrative - Management Fee	<u>205,034</u>
Total Operating Expenses	<u>2,918,645</u>
Operating Loss	<u>(2,834,365)</u>

Non-Operating Revenues:

State Sources	
State School Lunch Program	83,739
Extra State School Lunch	7,213
Federal Sources:	
National School Lunch Program	1,495,334
National School Lunch Program - Performance Based	29,821
School Breakfast Program	841,641
Food Distribution Program	339,888
Other - Miscellaneous	<u>161,014</u>
Total Non-Operating Revenues	<u>2,958,650</u>
Change in Net Position	124,285
Net Position - Beginning of the year	<u>1,767,176</u>
Net Position - End of the year	<u>\$ 1,891,461</u>

EDISON TOWNSHIP SCHOOL DISTRICT  
FOOD SERVICES ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2021

**Cash Flows from Operating Activities:**

Receipts from Customers	\$ 45,489
Payments to Suppliers	<u>(2,169,830)</u>
Net Cash Used for Operating Activities	<u>(2,124,341)</u>

**Cash Flows from Non-Capital Financing Activities:**

Operating Transfers/Interfund Transfers/Contributions	(6,691,997)
Federal and State Sources	<u>2,158,771</u>
Net Cash Provided by Non-Capital Financing Activities	<u>(4,533,226)</u>

**Cash Flows from Capital and Related Financing Activities:**

Purchase of Capital Assets	<u>(318,278)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(318,278)</u>

Net Decrease in Cash and Cash Equivalents	(6,975,845)
Cash and Cash Equivalents, July 1	<u>7,541,933</u>
Cash and Cash Equivalents, June 30	<u>\$ 566,088</u>

**Reconciliation of Operating Income (Loss) to Net Cash  
Provided (Used) by Operating Activities:**

Operating Loss	\$ (2,834,365)
Adjust. to Reconcile Operating Loss to Cash Used by Operating Activities:	
Depreciation	79,543
Federal Commodities	339,888
Increase in Other Accounts Receivable	(19,713)
Increase in Inventory	(3,288)
Decrease in Deferred Revenues	(28,607)
Increase in Accounts Payable	<u>342,201</u>

Net Cash Used by Operating Activities	<u>\$ (2,124,341)</u>
---------------------------------------	-----------------------

## **Internal Service Fund**

EDISON TOWNSHIP SCHOOL DISTRICT  
WORKERS COMPENSATION INSURANCE INTERNAL SERVICE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2021

ASSETS

Interfunds Receivable	\$ <u>500,000</u>
Total Assets	\$ <u><u>500,000</u></u>

LIABILITIES

Accrued Liability for Compensation Claims	\$ <u>200,000</u>
Total Liabilities	<u>200,000</u>

NET POSITION

Net Position Unrestricted	<u>300,000</u>
Total Net Position	\$ <u><u>300,000</u></u>

EDISON TOWNSHIP SCHOOL DISTRICT  
WORKERS COMPENSATION INSURANCE INTERNAL SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

EXPENSES

Employee Benefits	\$ <u>36,421</u>
Total Expenses	<u>36,421</u>
Operating Loss	(36,421)
Net Position - Beginning of the year	<u>336,421</u>
Net Position - End of the year	\$ <u><u>300,000</u></u>

EDISON TOWNSHIP SCHOOL DISTRICT  
 WORKERS COMPENSATION INSURANCE INTERNAL SERVICE FUND  
 STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2021

Cash Flows from Operating Activities:	
Accrued Compensation Claims and Other Expenses	\$ <u>(36,421)</u>
Net Cash used for Operating Activities	<u>(36,421)</u>
Net decrease in cash and cash equivalents	(36,421)
Cash and Cash Equivalents, July 1	<u>36,421</u>
Cash and Cash Equivalents, June 30	\$ <u><u>-</u></u>
Reconciliation of operating loss to net cash (used) by operating activities:	
Operating loss	\$ <u>(36,421)</u>
Net Cash used for operating activities	\$ <u><u>(36,421)</u></u>



## **Long-Term Debt**

EDISON TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF SERIAL BONDS  
JUNE 30, 2021

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES</u>		<u>INTEREST RATES</u>	<u>BALANCE JUNE 30, 2020</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2021</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Refunding School Bonds (\$5,092,000 of 10/15/2002)	11/17/10	\$ 4,995,000	07/15/21	\$ 500,000	3.500%	\$ 1,500,000	\$ 500,000	\$ 1,000,000
			07/15/22	500,000	4.000%	\$ 1,500,000	\$ 500,000	\$ 1,000,000
						<u>\$ 1,500,000</u>	<u>\$ 500,000</u>	<u>\$ 1,000,000</u>

EDISON TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
JUNE 30, 2021

<u>SERIES</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2020</u>	<u>CURRENT YEAR ISSUANCE</u>	<u>RETIRED CURRENT YEAR</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2021</u>
Equipment Lease - Buses	\$ 340,686		\$ 110,347	\$ 230,339
Equipment Lease - Apple Comps.*	2,290,240		1,145,120	1,145,120
Equipment Lease - Apple Comps. <sup>1</sup>		<u>\$ 5,114,761</u>		<u>5,114,761</u>
	<u>\$ 2,630,926</u>	<u>\$ 5,114,761</u>	<u>\$ 1,255,466</u>	<u>\$ 6,490,221</u>

\* Apple Comps. lease difference between the principal amount and the issue price is OID with the yield for this lease reported at 4.18% per annum.

<sup>1</sup> Apple Comps. Lease difference between the principal amount and the issue price is OID with the yield for this lease reported at 1.778% per annum.

EDISON TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 DEBT SERVICE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 475,096	\$ -	\$ 475,096	\$ 475,096	\$ -
Budgeted Fund Balance	72,404	-	72,404	-	(72,404)
Total Revenues	547,500	-	547,500	475,096	(72,404)
EXPENDITURES:					
Regular Debt Service:					
Redemption of Bond Principal	500,000		500,000	500,000	-
Bond Interest	47,500		47,500	47,500	-
Total Regular Debt Service	547,500	-	547,500	547,500	-
Total expenditures	547,500	-	547,500	547,500	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(72,404)	(72,404)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	(72,404)	(72,404)
Fund Balance, July 1	1	-	1	1	
Fund Balance, June 30	\$ 1	\$ -	\$ 1	\$ (72,403)	\$ (72,404)

## **Statistical Section**

(Unaudited)

## **Financial Trends**

**EDISON SCHOOL DISTRICT  
NET POSITION BY COMPONENTS  
LAST TEN FISCAL YEARS  
UNAUDITED**

**Exhibit J-1**

	As of June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
									(Restated)	
Governmental activities										
Net investment in capital assets	\$ 81,142,921	\$ 88,724,307	\$ 97,494,793	\$ 100,882,684	\$ 125,431,804	\$ 119,585,314	\$ 129,852,664	\$ 132,853,609	\$ 136,870,326	\$ 135,008,929
Restricted	4,036,225	5,934,671	10,805,180	18,635,666	8,987,280	18,505,264	12,200,776	22,995,185	28,318,087	39,795,587
Unrestricted	6,112,464	4,882,021	(50,137,013)	(52,267,015)	(55,358,297)	(61,481,104)	(63,664,829)	(63,528,679)	(63,098,278)	(50,359,750)
Total governmental activities net assets	<u>\$ 91,291,611</u>	<u>\$ 99,540,999</u>	<u>\$ 58,162,960</u>	<u>\$ 67,251,336</u>	<u>\$ 79,060,786</u>	<u>\$ 76,609,474</u>	<u>\$ 78,388,611</u>	<u>\$ 92,320,115</u>	<u>\$ 102,090,135</u>	<u>\$ 124,444,766</u>
Business-type activities										
Investment in capital assets	\$ 81,007	\$ 77,235	\$ 295,283	\$ 249,443	\$ 344,442	\$ 265,401	\$ 282,720	\$ 190,410	\$ 127,342	\$ 527,091
Restricted										
Unrestricted	225,462	144,660	149,726	304,821	312,806	410,949	599,165	1,247,498	1,639,834	1,364,370
Total business-type activities net assets	<u>\$ 306,468</u>	<u>\$ 221,895</u>	<u>\$ 445,009</u>	<u>\$ 554,263</u>	<u>\$ 657,248</u>	<u>\$ 676,349</u>	<u>\$ 881,885</u>	<u>\$ 1,437,908</u>	<u>\$ 1,767,176</u>	<u>\$ 1,891,461</u>
District-wide										
Invested in capital assets, net of related debt	\$ 81,223,928	\$ 88,801,542	\$ 97,790,076	\$ 101,132,127	\$ 125,776,246	\$ 119,850,715	\$ 130,135,384	\$ 133,044,019	\$ 136,997,668	\$ 135,536,020
Restricted	4,036,225	5,934,671	10,805,180	18,635,666	8,987,280	18,505,264	12,200,776	22,995,185	28,318,087	39,795,587
Unrestricted	6,337,926	5,026,681	(49,987,286)	(51,962,194)	(55,045,491)	(61,070,155)	(63,065,664)	(62,281,181)	(61,458,444)	(48,995,380)
Total district net position	<u>\$ 91,598,079</u>	<u>\$ 99,762,894</u>	<u>\$ 58,607,969</u>	<u>\$ 67,805,599</u>	<u>\$ 79,718,034</u>	<u>\$ 77,285,823</u>	<u>\$ 79,270,496</u>	<u>\$ 93,758,023</u>	<u>\$ 103,857,311</u>	<u>\$ 126,336,227</u>

Source: ACFR Schedule A-1

Note: Reflects Implementation of GASB 68 for 2014 and subsequent years  
 Reflects Implementation of GASB 75 for 2018 and subsequent years  
 Reflects Implementation of GASB 84 for 2021, which required the restatement of beginning net position.

**EDISON SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
UNAUDITED**

**Exhibit J-2  
Page 1 of 2**

	Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>EXPENSES</b>										
Governmental Activities										
Instruction										
Regular	\$ 77,501,977	\$ 79,340,121	\$ 81,833,869	\$ 85,784,306	\$ 86,217,699	\$ 87,673,141	\$ 91,031,978	\$ 92,698,514	\$ 95,818,880	\$ 102,124,950
Special Education	20,533,556	20,918,581	21,357,288	19,316,496	19,842,956	20,059,605	20,508,656	21,065,750	21,243,809	21,340,533
Other Special Instruction	1,617,027	1,365,947	1,280,357	1,011,309	930,588	906,479	1,200,052	1,210,686	1,330,839	1,516,973
Other Instruction	1,788,852	1,895,474	1,827,688	1,949,085	2,039,350	2,122,360	2,148,738	2,196,501	2,185,477	2,335,017
Adult/ continuing education programs										
Support Services										
Tuition	10,463,006	11,886,418	11,097,935	10,347,435	11,143,730	11,332,821	11,412,604	11,626,621	11,487,581	10,534,568
Student & Instruction Related Services	23,598,078	24,378,565	24,154,306	27,074,494	30,704,194	29,419,548	27,032,395	28,448,055	28,436,452	29,497,016
School Administrative Services	6,292,457	6,545,514	6,596,004	6,785,658	7,118,576	7,291,271	7,277,622	8,056,964	8,899,424	9,096,330
General & Business Administrative Services	5,520,361	5,822,925	6,348,868	6,798,706	6,025,237	6,004,082	6,800,169	7,346,041	7,485,252	8,296,068
Plant Operations and Maintenance	15,970,556	16,228,439	16,413,203	16,550,505	17,345,265	17,002,638	17,486,575	17,487,273	19,910,646	17,956,035
Pupil Transportation	9,477,918	9,722,794	10,083,828	10,836,391	11,768,590	12,459,613	13,438,666	16,267,147	15,067,180	12,196,544
Unallocated Benefits	49,696,265	50,598,631	48,838,297	53,867,809	60,156,953	120,942,893	139,188,592	102,382,149	95,024,409	100,584,422
Special Schools	283,557	347,500	343,070	332,925	299,703	333,170	275,713	348,439	339,924	314,668
Charter Schools										683,298
Interest on Long-Term Debt	492,801	460,308	357,357	286,626	249,435	224,480	12,162	62,957	(16,124)	14,270
Other related capital assets and debt (net)		(2,688,062)	(2,678,590)	-			539,837	1,783,048	619,050	-
Unallocated Depreciation & Amortization	726,878	888,895	1,404,837	1,285,512	1,003,407	1,210,319	1,165,319	1,153,413	1,164,315	990,016
Capital Outlay										
Total Governmental Activities	<u>223,963,288</u>	<u>227,712,048</u>	<u>229,258,318</u>	<u>242,227,257</u>	<u>254,845,682</u>	<u>316,982,420</u>	<u>339,519,079</u>	<u>312,133,556</u>	<u>308,997,114</u>	<u>317,480,708</u>
Business-Type Activities:										
Food Service										
	4,400,187	4,614,168	4,417,049	4,814,955	4,779,797	4,828,483	4,711,360	4,835,078	4,030,582	2,918,645
Total Business-Type Activities	<u>4,400,187</u>	<u>4,614,168</u>	<u>4,417,049</u>	<u>4,814,955</u>	<u>4,779,797</u>	<u>4,828,483</u>	<u>4,711,360</u>	<u>4,835,078</u>	<u>4,030,582</u>	<u>2,918,645</u>
Total Primary Government Expenses	<u>\$ 228,363,475</u>	<u>\$ 232,326,216</u>	<u>\$ 233,675,366</u>	<u>\$ 247,042,212</u>	<u>\$ 259,625,480</u>	<u>\$ 321,810,903</u>	<u>\$ 344,230,440</u>	<u>\$ 316,968,634</u>	<u>\$ 313,027,696</u>	<u>\$ 320,399,353</u>
<b>Program Revenues</b>										
Governmental Activities										
Charges for Services										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,602,658
Pupil Transportation										
Unallocated Benefits	18,296,710	22,567,903	19,555,148	22,606,846	26,731,872	81,385,438	100,800,533	67,904,519	57,911,976	62,826,955
Business and Other Support Services										
Operating Grants and Contributions										
Interest on Long-Term Debt	545,590	261,377	257,511	254,852	235,206	239,886	239,430	266,778	266,778	-
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	<u>18,842,300</u>	<u>22,829,280</u>	<u>19,812,659</u>	<u>22,861,698</u>	<u>26,967,078</u>	<u>81,625,324</u>	<u>101,039,963</u>	<u>68,171,297</u>	<u>58,178,754</u>	<u>72,429,613</u>
Business-Type Activities										
Charges for Services										
Food Service	2,744,292	2,563,961	2,532,414	2,672,971	2,594,457	2,509,724	2,612,130	2,942,264	1,952,270	84,280
Child Care										
Operating Grants and Contributions	1,576,360	1,965,376	2,105,405	2,251,239	2,288,325	2,337,861	2,304,766	2,448,836	2,407,580	2,958,650
Capital Grants and Contributions										
Total Business-Type Activities Program Revenues	<u>4,320,652</u>	<u>4,529,338</u>	<u>4,637,818</u>	<u>4,924,210</u>	<u>4,882,782</u>	<u>4,847,585</u>	<u>4,916,896</u>	<u>5,391,101</u>	<u>4,359,850</u>	<u>3,042,930</u>
Total District Program Revenues	<u>\$ 23,162,952</u>	<u>\$ 27,358,618</u>	<u>\$ 24,450,477</u>	<u>\$ 27,785,908</u>	<u>\$ 31,849,860</u>	<u>\$ 86,472,909</u>	<u>\$ 105,956,859</u>	<u>\$ 73,562,398</u>	<u>\$ 62,538,604</u>	<u>\$ 75,472,543</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities										
	\$ (205,120,987)	\$ (204,882,768)	\$ (209,445,659)	\$ (219,365,559)	\$ (227,878,605)	\$ (235,357,096)	\$ (238,479,116)	\$ (243,962,259)	\$ (250,818,360)	\$ (245,051,095)
Business-Type Activities										
	(79,536)	(84,830)	220,770	109,254	102,985	19,101	205,536	556,023	329,268	124,285
Total District-Wide Net Expense	<u>\$ (205,200,523)</u>	<u>\$ (204,967,598)</u>	<u>\$ (209,224,889)</u>	<u>\$ (219,256,304)</u>	<u>\$ (227,775,620)</u>	<u>\$ (235,337,994)</u>	<u>\$ (238,273,580)</u>	<u>\$ (243,406,236)</u>	<u>\$ (250,489,092)</u>	<u>\$ (244,926,810)</u>



**EDISON SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
UNAUDITED**

**Exhibit J-2  
Page 2 of 2**

	Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities										
Property Taxes, Levied for General Purposes, Net	\$ 186,903,983	\$ 186,560,713	\$ 188,618,861	\$ 192,344,442	\$ 202,733,373	\$ 208,422,141	\$ 210,979,513	\$ 221,404,709	\$ 223,780,133	\$ 234,538,072
Taxes Levied for Debt Service	1,387,738	1,674,995	1,572,148	1,652,756	1,633,488	1,581,038	1,609,314	1,020,612	920,609	475,096
Unrestricted Grants and Contributions	14,908,375	16,949,425	16,669,027	17,934,322	17,272,473	17,959,653	19,117,380	25,768,626	27,005,051	30,381,887
Restricted Grants and Contributions	5,510,649	5,794,819	5,862,203	5,930,738	6,006,674	6,189,095	6,723,469	6,900,421	6,241,191	-
Tuition Received	357,727	729,781	1,131,055	679,042	410,151	428,771	326,726	315,723	377,421	304,115
Fire Recovery			4,385,300	8,310,723	10,903,978					
Refunding Bonds Net Proceeds			54,500							
Miscellaneous Income	1,264,921	1,733,559	2,009,746	2,173,012	2,150,459	2,223,361	1,982,038	2,768,237	2,267,601	2,007,283
Special Item(s) - Charges and Adjustments - Net	(3,307)	132,266	118,331		(999,880)	(3,444,783)		182,663	(729,214)	(300,727)
Transfers Out to Charter Schools	(217,020)	(443,401)	(482,538)	(571,100)	(422,660)	(453,494)	(480,186)	(467,228)	(756,104)	-
Total Governmental Activities	<u>210,113,066</u>	<u>213,132,157</u>	<u>219,938,634</u>	<u>228,453,934</u>	<u>239,688,055</u>	<u>232,905,783</u>	<u>240,258,253</u>	<u>257,893,763</u>	<u>259,106,688</u>	<u>267,405,726</u>
Business-Type Activities										
Miscellaneous Income	222	-	2,345							
Transfers										
Total Business-Type Activities	<u>222</u>	<u>-</u>	<u>2,345</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 210,113,287</u>	<u>\$ 213,132,157</u>	<u>\$ 219,940,978</u>	<u>\$ 228,453,934</u>	<u>\$ 239,688,055</u>	<u>\$ 232,905,783</u>	<u>\$ 240,258,253</u>	<u>\$ 257,893,763</u>	<u>\$ 259,106,688</u>	<u>\$ 267,405,726</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 4,992,078	\$ 8,249,389	\$ 10,492,975	\$ 9,088,375	\$ 11,809,450	\$ (2,451,312)	\$ 1,779,137	\$ 13,931,504	\$ 8,288,328	\$ 22,354,631
Business-Type Activities	(79,314)	(84,830)	223,114	109,254	102,985	19,101	205,536	556,023	329,268	124,285
Total District	<u>\$ 4,912,764</u>	<u>\$ 8,164,559</u>	<u>\$ 10,716,089</u>	<u>\$ 9,197,630</u>	<u>\$ 11,912,435</u>	<u>\$ (2,432,211)</u>	<u>\$ 1,984,673</u>	<u>\$ 14,487,527</u>	<u>\$ 8,617,596</u>	<u>\$ 22,478,916</u>

Source: ACFR Schedule A-2

Note: Reflects Implementation of GASB 68 for 2014 and subsequent years  
Reflects Implementation of GASB 75 for 2018 and subsequent years

**EDISON SCHOOL DISTRICT**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**  
*(modified accrual basis of accounting)*

**Exhibit J-3**

	2012	2013	2014	2015	As of June 30,		2018	2019	2020	2021
					2016	2017			(Restated)	
General Fund										
Restricted	\$ 2,938,867	\$ 5,075,951	\$ 9,276,614	\$ 10,579,611	\$ 5,817,000	\$ 7,363,987	\$ 10,241,349	\$ 22,132,965	\$ 26,902,339	\$ 39,960,515
Unrestricted	8,733,763	6,956,488	4,934,734	4,526,526	2,398,736	2,683,381	3,200,856	4,113,587	5,644,869	11,237,651
Total General Fund	<u>\$ 11,672,629</u>	<u>\$ 12,032,439</u>	<u>\$ 14,211,348</u>	<u>\$ 15,106,138</u>	<u>\$ 8,215,736</u>	<u>\$ 10,047,368</u>	<u>\$ 13,442,206</u>	<u>\$ 26,246,552</u>	<u>\$ 32,547,208</u>	<u>\$ 51,198,166</u>
All Other Governmental Funds										
Restricted	\$ 1,243,331	\$ 547,507	\$ (386,860)	\$ 5,427,103	\$ 1,873,271	\$ 9,346,967	\$ 390,109	\$ 375,708	\$ 1,079,324	\$ 961,528
Unrestricted, Reported In: Debt Service Fund										(72,403)
Total All Other Governmental Funds	<u>\$ 1,243,331</u>	<u>\$ 547,507</u>	<u>\$ (386,860)</u>	<u>\$ 5,427,103</u>	<u>\$ 1,873,271</u>	<u>\$ 9,346,967</u>	<u>\$ 390,109</u>	<u>\$ 375,708</u>	<u>\$ 1,079,324</u>	<u>\$ 889,125</u>

Source: ACFR Schedule B-1

Note: Reflects Implementation of GASB 84 for 2021, which required the establishment of new restricted fund balances for scholarship and student activity accounts.

**EDISON SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**  
*(modified accrual basis of accounting)*

**Exhibit J-4**  
Page 1 of 2

	2012	2013	2014	2015	Year Ended June 30,		2018	2019	2020	2021
					2016	2017				
<b>Revenues</b>										
Tax levy	\$ 188,291,721	\$ 188,235,708	\$ 190,191,009	\$ 193,997,198	\$ 204,366,861	\$ 210,003,179	\$ 212,588,827	\$ 222,425,321	\$ 224,700,742	\$ 235,013,168
Tuition charges	357,727	729,781	1,131,055	679,042	410,151	428,771	326,726	315,723	377,421	304,115
Transportation charges	773,676	797,137	1,011,345	1,086,685	1,167,520	1,297,471	1,040,637	1,337,950	770,050	113,172
Miscellaneous	418,049	839,386	998,401	1,013,869	895,880	863,255	860,954	1,359,575	1,432,931	1,264,101
Financing sources		5,000,000				5,000,000				
Local sources	73,196	97,036	88,970	72,458	87,059	62,636	80,446	70,712	64,621	630,010
State sources	33,905,359	40,457,534	37,250,007	41,369,159	44,892,036	48,971,310	55,034,372	66,815,110	69,326,179	82,340,773
Federal sources	5,355,965	5,115,991	5,108,036	5,357,599	5,354,188	5,564,103	5,937,536	5,975,174	5,294,714	8,783,587
Total revenue	<u>229,175,693</u>	<u>241,272,572</u>	<u>235,778,824</u>	<u>243,576,010</u>	<u>257,173,695</u>	<u>272,190,726</u>	<u>275,869,499</u>	<u>298,299,565</u>	<u>301,966,658</u>	<u>328,448,926</u>
<b>Expenditures</b>										
Instruction										
Regular Instruction	74,684,942	76,044,909	77,295,794	80,781,441	81,052,274	83,096,228	86,067,824	88,019,812	90,116,989	98,221,709
Special education instruction	20,533,556	20,918,581	21,357,288	19,316,496	19,842,956	20,059,605	20,508,656	21,065,750	21,243,809	21,340,533
Other special instruction	1,617,027	1,365,947	1,280,357	1,011,309	930,588	906,479	1,200,052	1,210,686	1,330,839	1,516,973
Other instruction	1,788,852	1,895,474	1,827,688	1,949,085	2,039,350	2,122,360	2,148,738	2,196,501	2,185,477	2,335,017
Support Services:										
Tuition	10,463,006	11,886,418	11,097,935	10,347,435	11,143,730	11,332,821	11,412,604	11,626,621	11,487,581	10,534,568
Student & inst. related services	23,598,078	24,378,565	24,154,306	25,637,598	25,958,443	27,057,754	27,032,395	28,448,055	28,436,453	29,497,016
School administrative services	6,263,586	6,545,514	6,596,004	6,785,658	7,118,576	7,291,271	7,277,622	8,056,964	8,899,424	9,096,330
Other administrative services	5,520,361	5,822,925	6,348,868	6,798,706	6,025,237	6,004,082	6,800,169	7,346,041	7,485,252	8,296,068
Plant operations and maintenance	15,970,556	16,228,439	16,413,203	16,550,505	17,345,265	17,002,638	17,486,575	17,487,273	19,910,646	19,329,462
Pupil transportation	9,477,918	9,722,794	10,083,828	10,836,391	11,768,590	12,459,613	13,438,666	16,267,147	15,067,180	12,196,544
Unallocated Benefits	47,661,928	51,603,300	49,454,050	52,875,108	58,036,598	63,701,878	70,738,152	74,686,854	78,336,992	90,497,866
Special Schools	283,557	347,500	343,070	332,925	299,703	333,170	275,713	348,439	339,924	314,668
Capital outlay	7,021,558	12,621,651	10,745,385	10,643,808	38,739,269	10,490,492	15,205,832	15,064,099	9,264,328	11,695,376
Debt service:										
Principal	1,435,000	1,465,000	1,490,000	1,580,082	1,605,000	1,635,000	1,685,000	1,110,000	1,000,000	500,000
Interest and other charges	548,229	471,371	421,228	297,838	263,694	215,613	163,744	104,988	71,175	47,500
Cost of issuance			54,500							
Total expenditures	<u>226,868,152</u>	<u>241,318,388</u>	<u>238,963,505</u>	<u>245,744,384</u>	<u>282,169,273</u>	<u>263,709,003</u>	<u>281,441,743</u>	<u>293,039,229</u>	<u>295,176,069</u>	<u>315,419,630</u>
Excess (Deficiency) of revenues over (under) expenditures	2,307,541	(45,815)	(3,184,681)	(2,168,374)	(24,995,578)	8,481,723	(5,572,244)	5,260,335	6,790,589	13,029,296

EDISON SCHOOL DISTRICT  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 UNAUDITED  
 (modified accrual basis of accounting)

	2012	2013	2014	2015	Year Ended June 30,		2018	2019	2020	2021
					2016	2017				
<b>Other Financing sources (uses)</b>										
Refunding Bonds proceeds	\$	\$	\$ 2,585,000	\$	\$	\$	\$	\$	\$	\$
Refunding Bonds Premium			83,163							
Payment to Bond Escrow Agent			(2,613,663)							
Insurance- Fire Recovery			4,385,300	8,310,723	10,903,978					
Capital leases (non-budgeted)	33,345	20,936	353,629	1,137,505	4,070,026	1,277,099	490,410	6,422,141	217,309	5,114,761
Spec. Education Extraordinary Aid Recovery										
Debt Service Aid Adjustment	(69,351)									
Transfer in/(out) - Workers Compensation							(102,920)	1,392,033		
Prior Year Accounts Receivable/ Payables Adjusted - Net	66,044	132,266	118,331					191,963		
Prior Year State Aid Exp. Adjustment								(9,300)	(729,214)	
Transfers in										
Transfers out	(217,020)	(443,401)	(482,538)	(571,100)	(422,660)	(453,494)	(377,266)	(467,228)	(756,104)	(683,298)
Total other financing sources (uses)	<u>(186,982)</u>	<u>(290,199)</u>	<u>4,429,223</u>	<u>8,877,127</u>	<u>14,551,344</u>	<u>823,605</u>	<u>10,224</u>	<u>7,529,610</u>	<u>(1,268,009)</u>	<u>4,431,463</u>
Net change in fund balances	<u>\$ 2,120,559</u>	<u>\$ (336,014)</u>	<u>\$ 1,244,542</u>	<u>\$ 6,708,753</u>	<u>\$ (10,444,234)</u>	<u>\$ 9,305,328</u>	<u>\$ (5,562,020)</u>	<u>\$ 12,789,945</u>	<u>\$ 5,522,580</u>	<u>\$ 17,460,759</u>
Debt service as a percentage of noncapital expenditures	0.90%	0.85%	0.84%	0.80%	0.77%	0.73%	0.69%	0.44%	0.37%	0.18%

Source: ACFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

**EDISON SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED**

**Exhibit J-5**

*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2012	\$ 357,727	\$ 51,588	\$ 1,140,136	\$ 1,549,451
2013	729,781	76,734	1,559,789	2,366,304
2014	1,131,055	66,030	932,371	2,129,456
2015	679,042	72,557	594,227	1,345,826
2016	410,151	97,143	798,737	1,306,031
2017	428,771	122,038	764,291	1,315,100
2018	326,726	266,491	774,861	1,368,078
2019	315,723	534,257	825,318	1,675,298
2020	377,421	436,689	1,766,291	2,580,401
2021	304,115	20,177	1,357,096	1,681,388

Source: District records

## **Revenue Capacity**

**EDISON SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 UNAUDITED**

**Exhibit J-6**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate <sup>b</sup>
2012	\$ 139,055,500	\$ 4,484,044,000	\$ 21,500	\$ 1,091,939,000	\$ 946,466,000	\$ 385,957,000	\$ 7,047,483,000	\$ 796,430,100	\$ 8,894,673	\$ 7,056,377,673	\$ 7,852,807,773	2.668
2013	130,070,200	4,492,524,800	21,500	1,076,715,300	904,392,300	385,687,000	6,989,411,100	802,582,800	8,475,734	6,997,886,834	7,800,469,634	2.668
2014	127,961,100	4,495,846,500	21,500	1,079,794,800	934,318,300	385,687,000	7,023,629,200	804,283,500	6,974,696	6,226,320,396	7,030,603,896	2.733
2015	123,956,600	4,505,085,800	21,500	1,066,092,500	941,348,900	423,345,800	7,059,851,100	804,265,100	6,934,622	6,262,520,622	7,066,785,722	2.820
2016	118,113,900	4,514,156,800	21,500	1,049,012,000	960,164,300	421,038,400	7,062,506,900	804,137,500	6,439,352	6,264,808,752	7,068,946,252	2.932
2017	110,765,600	4,537,471,500	21,500	1,037,523,300	985,777,300	421,098,400	7,092,657,600	807,916,600	6,341,083	6,291,082,083	7,098,998,683	2.978
2018	112,334,500	4,555,103,000	14,600	1,050,210,000	1,001,824,600	421,062,100	7,140,548,800	810,168,100	6,286,427	6,336,667,127	7,146,835,227	3.045
2019	117,169,300	4,576,640,200	14,600	1,055,954,300	1,015,239,200	423,752,100	7,188,769,700	821,986,200	6,056,065	6,372,839,565	7,194,825,765	3.108
2020	119,748,350	4,600,896,200	9,700	1,054,359,700	1,021,513,000	461,956,800	7,258,483,750	817,750,000	-	6,440,733,750	7,258,483,750	3.166
2021	130,153,700	4,605,065,900	13,000	1,049,489,700	1,021,960,800	469,101,500	7,275,784,600	951,863,000	-	6,323,921,600	7,275,784,600	3.228

Source: Middlesex County Abstract of Ratables

**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

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

<sup>b</sup> Tax rates are per \$100

**EDISON SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
UNAUDITED**

**Exhibit J-7**

*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30	EDISON SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATE		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Township of Edison	Middlesex County	
2012*	2.620	0.048	2.668	1.128	0.733	4.529
2013*	2.625	0.043	2.668	1.126	0.687	4.481
2014*	2.695	0.038	2.733	1.205	0.788	4.726
2015*	2.787	0.033	2.820	1.235	0.809	4.864
2016*	2.906	0.026	2.932	1.269	0.855	5.056
2017*	2.957	0.021	2.978	1.288	0.890	5.156
2018*	3.029	0.016	3.045	1.306	0.921	5.272
2019*	3.103	0.005	3.108	1.360	0.940	5.408
2020*	3.161	0.005	3.166	1.431	1.032	5.629
2021*	3.223	0.005	3.228	1.470	0.985	5.683

Source: District Records and Middlesex County Abstract of Ratables

\* Middlesex County - Includes County Open Space Recreation & Historic Preservation for years 2006 and subsequent.

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.



**EDISON SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT AND TEN YEARS AGO  
UNAUDITED**

**Exhibit J-8**

Taxpayer	YEAR ENDED JUNE 30, 2021			YEAR ENDED JUNE 30, 2012		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Federal Business Ctrs	\$ 164,348,200	1	2.60%	\$ 149,116,100	1	2.11%
Isaac Heller	159,509,400	2	2.52%			
Shopping Ctr. Assoc. (Menlo Park)	144,309,800	3	2.28%	143,882,400	2	2.04%
Center Realty/Fed. Storage Whse.			0.00%	143,618,500	3	2.04%
Summit Assoc.	82,746,300	4	1.31%			
Garden State Bldgs./Raritan Plaza			0.00%	116,881,400	4	1.66%
Cooper Associates	55,481,000	5	0.88%	59,362,200	5	0.84%
Durham Woods Assoc	55,000,000	6	0.87%	47,764,500	6	0.68%
Prologis/Security Capital Trust	54,296,600	7	0.86%	43,113,300	8	0.61%
Seagis Edison	46,389,700	8	0.73%			
E W Land Holdings	45,718,500	9	0.72%			0.00%
Blueberry Village/Edison Village	43,896,000	10	0.69%	35,368,700	13	0.50%
Morris Associates	43,844,300	11	0.69%	38,602,600	10	0.55%
Rivendell	38,436,500	12	0.61%	29,228,400	15	0.41%
Hartz Mountain	37,701,100	13	0.60%	41,370,500	9	0.59%
Wick Company	37,006,300	14	0.59%			
I/O New Jersey	35,353,600	15	0.56%			
Segme Cedar Lane	31,990,500	16	0.51%			
PSE&G	30,127,600	17	0.48%	36,365,900	12	0.52%
Millbrook Gardens	28,549,000	18	0.45%	20,431,800	17	0.29%
NJIND, LLC	27,919,400	19	0.44%			
Torsiello Assoc	26,493,100	20	0.42%	27,861,200	16	0.39%
Edison Center Assoc.				36,744,800	11	0.52%
KTR Edison, LLC				45,693,600	7	0.65%
Margate Tennants Corp.				32,864,000	14	0.47%
Edison Woods				17,995,300	20	0.26%
OTR Associates				19,164,900	18	0.27%
Oxford Arms				18,309,700	19	0.26%
<b>TOTAL</b>	<b>\$ 1,189,116,900</b>		<b>18.80%</b>	<b>\$ 1,103,739,800</b>		<b>15.64%</b>

SOURCE: DISTRICT ACFR & MUNICIPAL TAX ASSESSOR

**EDISON SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED**

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 188,291,721	\$ 188,291,721	100.00%	-
2013	188,235,708	188,235,708	100.00%	-
2014	190,191,009	190,191,009	100.00%	-
2015	193,997,198	192,094,103	99.02%	\$ 1,903,095
2016	204,366,861	204,366,861	100.00%	-
2017	210,003,178	210,003,178	100.00%	-
2018	212,588,827	212,588,827	100.00%	-
2019	222,425,321	222,425,321	100.00%	-
2020	224,700,742	224,700,742	100.00%	-
2021	234,538,072	234,538,072	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F)

<sup>a</sup> 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.

## **Debt Capacity**

**EDISON SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED**

**Exhibit J-10**

Fiscal Year Ended June 30,	Type II General Obligation Bonds	Lease Purchase Agreements	Capital Leases	Total District	Percentage of Personal Income	Per Capita
2012	\$ 8,970,000	\$ 7,497,000	\$ 233,048 *	\$ 16,700,048	0.311%	\$ 315
2013	8,100,000	10,806,000	154,843 *	19,060,843	0.368%	375
2014	7,230,000	9,036,000	366,531 *	16,632,531	0.312%	319
2015	6,320,000	7,195,000	1,156,502 *	14,671,502	0.265%	271
2016	5,385,000	4,930,000	4,428,647 *	14,743,647	0.257%	263
2017	4,440,000	7,580,000	4,375,922 *	16,395,922	0.393%	396
2018	3,480,000	3,459,077	3,286,806	10,225,883	0.238%	239
2019	2,500,000	-	1,746,999	4,246,999	N/A	N/A
2020	1,500,000	-	2,630,926	4,130,926	N/A	N/A
2021	1,000,000	-	1,746,999	2,746,999	N/A	N/A

Source: District ACFR Schedules I-1, I-2

\* Includes Principal and interest requirements

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

**EDISON SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED**

**Exhibit J-11**

Fiscal Year Ended June 30,	Type II General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
2012	\$ 8,970,000	\$ -	\$ 8,970,000	0.13%	\$ 169
2013	8,100,000	-	8,100,000	0.12%	160
2014	7,255,000	-	7,255,000	0.12%	139
2015	6,320,000	-	6,320,000	0.10%	117
2016	5,385,000	-	5,385,000	0.09%	96
2017	4,440,000	-	4,440,000	0.07%	107
2018	3,480,000	-	3,480,000	0.05%	81
2019	2,500,000	-	2,500,000	0.04%	N/A
2020	1,500,000	-	1,500,000	0.02%	N/A
2021	1,000,000	-	1,000,000	0.02%	N/A

Source: Township of Edison Tax Assessor District Records

- a See Exhibit J-6 for Property Tax Data
- b See Exhibit J-14 for Population Data

EDISON SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2021  
UNAUDITED

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
Township of Edison	\$ 135,369,949	100.00%	\$ 135,369,949
<b>Other Debt</b>			
County of Middlesex - Statutory Debt Township's Share	437,455,272	15.31%	<u>66,955,694</u>
<b>Subtotal Overlapping Debt</b>			202,325,643
<b>Net Direct Debt of School District</b>			
Edison Township School District General Bond			\$ 1,000,000
Edison Township School District Capital Lease			<u>1,746,999</u>
			<u>2,746,999</u>
<b>Total Direct and Overlapping Debt</b>			<u>\$ 205,072,642</u>

**Sources:** 2020 Annual Debt Statement of Township of Edison, Edison Township Finance Office, 2020 Annual Debt Statement of the County of Middlesex.

**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 is borne by the residents and the businesses of Edison. This process recognizes that when considering the District's ability to issue and repay long-term debt, 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 government.

<sup>a</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

EDISON SCHOOL DISTRICT  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS  
 UNAUDITED

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2020	Equalized Valuation Basis
2018	\$ 17,363,040,866
2019	18,977,744,720
2020	<u>18,027,033,665</u>
[A]	<u>\$ 54,367,819,251</u>
Avg Equalized Valuation of Taxable Property	[A/3] \$ 18,122,606,417
School Borrowing Margin (4%)	[B] 724,904,257
Net Bonded School Debt	[C] 1,000,000
Legal Debt Margin	[B-C] <u>\$ 723,904,257</u>

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Limit	\$ 622,336,277	\$ 595,132,099	\$ 572,536,174	\$ 568,837,499	\$ 403,038,459	\$ 614,096,880	\$ 638,615,522	\$ 450,285,423	\$ 703,322,020	\$ 724,904,257
Total Net Debt Applicable to Limit	<u>16,700,048</u>	<u>8,100,000</u>	<u>7,230,000</u>	<u>6,320,000</u>	<u>5,385,000</u>	<u>4,440,000</u>	<u>3,480,000</u>	<u>2,500,000</u>	<u>1,500,000</u>	<u>1,000,000</u>
Legal Debt Margin	<u>\$ 605,636,229</u>	<u>\$ 587,032,099</u>	<u>\$ 565,306,174</u>	<u>\$ 562,517,499</u>	<u>\$ 397,653,459</u>	<u>\$ 609,656,880</u>	<u>\$ 635,135,522</u>	<u>\$ 447,785,423</u>	<u>\$ 701,822,020</u>	<u>\$ 723,904,257</u>
Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit	2.68%	1.36%	1.26%	1.11%	1.34%	0.72%	0.54%	0.56%	0.21%	0.14%

Source: Annual Debt Statement of the Township of Edison

## **Demographic and Economic Statistics**



**EDISON SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED**

**Exhibit J-14**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2012	100,900 <sup>R</sup>	\$ 5,342,554,100 <sup>R</sup>	\$ 52,949 <sup>R</sup>	9.30% <sup>R</sup>
2013	100,921 <sup>R</sup>	5,124,465,617 <sup>R</sup>	50,777 <sup>R</sup>	8.20% <sup>R</sup>
2014	101,054 <sup>R</sup>	5,261,982,834 <sup>R</sup>	52,071 <sup>R</sup>	6.80% <sup>R</sup>
2015	100,948 <sup>R</sup>	5,460,983,956 <sup>R</sup>	54,097 <sup>R</sup>	5.80% <sup>R</sup>
2016	100,631 <sup>R</sup>	5,633,323,380 <sup>R</sup>	55,980 <sup>R</sup>	5.00% <sup>R</sup>
2017	100,605 <sup>R</sup>	4,169,171,805 <sup>R</sup>	41,441 <sup>R</sup>	4.60% <sup>R</sup>
2018	100,287 <sup>R</sup>	4,299,203,403 <sup>R</sup>	42,869 <sup>R</sup>	4.10% <sup>R</sup>
2019	99,758	N/A	N/A	3.60%
2020	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A

**Source:**

<sup>a</sup> Population information provided by US Bureau of Census, Population Division - Estimates

<sup>b</sup> Personal income has been estimated based upon the municipal population and the personal income presented

<sup>c</sup> Per Capita Data represents County of Middlesex available through 2018

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

<sup>R</sup> Revised

**EDISON SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT AND SEVEN YEARS AGO  
UNAUDITED**

**Exhibit J-15**

Employer	2021			Employer	2015		
	Employees	Rank (Optional)	Percentage of Total Employment		Employees	Rank (Optional)	Percentage of Total Employment
RWJ UNIVERSITY HOSPITAL	5,000-5,249	1	N/A	MIDDLESEX COUNTY COLLEGE	N/A	1	N/A
NOVO NORDISK	4,500-4,579	2	N/A	NY TIMES	N/A	2	N/A
WAKEFERN FOOD CORP.	3,500-3,749	3	N/A	JFK MEDICAL CENTER	N/A	3	N/A
J.F.K. MEDICAL CENTER	3,000-3,369	4	N/A	DR. LEONARD'S HEALTHCARE	N/A	4	N/A
BRISTOL-MYERS SQUIBB	3,000-3,249	5	N/A	WAKEFERN	N/A	5	N/A
ST. PETER'S HEALTHCARE SYSTEM	2,750-2,999	6	N/A	K. HOVANIAN HOMES	N/A	6	N/A
SILVERLINE BUILDING PRODUCTS	2,250-2,299	7	N/A	ITC	N/A	7	N/A
JOHNSON & JOHNSON	2,000-2,249	8	N/A	VICTORIA CLASSICS	N/A	8	N/A
RARITAN BAY MEDICAL CENTER	2,000-2,249	8	N/A	EDISON POST OFFICE	N/A	9	N/A
HOME DEPOT	1,750-1,999	10	N/A	AUTOMATIC DISTRIBUTION SYSTEM	N/A	10	N/A
UNITED PARCEL SERVICE	1,750-1,999	10	N/A	CARDINAL HEALTH	N/A	11	N/A
AMERADA HESS CORPORATION	1,500-1,749	12	N/A	AMPER, POLITZINER & MATTIA	N/A	12	N/A
WALMART STORES INC.	1,250-1,499	13	N/A	YMCA	N/A	13	N/A
ERICSSON	1,000-1,249	14	N/A	EDISON JOB CORPS ACADEMY	N/A	14	N/A
PRUDENTIAL INSURANCE COMPANY	1,000-1,249	14	N/A	HORIBA JOBIN YVON, INC	N/A	15	N/A
AETNA/US HEALTHCARE	1,000-1,249	14	N/A	FRANCO MANUFACTURING	N/A	16	N/A
BASF CATALYST, LLC	1,000-1,249	14	N/A	CLARION HOTEL & TOWERS	N/A	17	N/A
COLGATE-PALMOLIVE	1,000-1,249	14	N/A	EXXON MOBIL	N/A	18	N/A
DOW JONES & COMPANY	1,000-1,249	14	N/A	SHERATON EDISON	N/A	19	N/A
WHITE ROSE INC.	750-1,000	20	N/A	BOSELL EDISON	N/A	20	N/A

Source: Township of Edison Chamber of Commerce

Historical Data Not Available

## **Operating Information**

**EDISON SCHOOL DISTRICT  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS  
 UNAUDITED**

**Exhibit J-16**

<b><u>Function/Program</u></b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Instruction										
Teachers	880	888	890	918	921	921	926	946	965	969
Special Education	224	224	225	214	213	211	213	219	219	215
Other Special Education	28	28	28	27	26	25	24	24	24	26
Classroom Aides	138	138	138	147	145	146	150	153	158	158
Other Instruction	14	14	14	11	11	14	14	16	17	15
Support Services:										
Tuition										
Student & Instruction Related Services	163	166	167	167	172	176	178	181	182	191
General Administrative Services	12	10	10	10	9	9	9	9	11	11
School Administrative Services	80	80	80	83	85	85	84	93	93	94
Other Administrative Services	16	18	17	17	16	16	17	19	19	19
Admin Info Technology Services	9	10	11	12	15	15	13	13	14	15
Plant Operations and Maintenance	139	138	143	140	142	141	141	157	177	180
Pupil Transportation	43	43	44	52	52	52	46	42	46	46
Other Support Services	2	2	2	2	2	2	2	2	2	2
<b>Total</b>	<b>1,748</b>	<b>1,759</b>	<b>1,769</b>	<b>1,800</b>	<b>1,809</b>	<b>1,813</b>	<b>1,817</b>	<b>1,874</b>	<b>1,927</b>	<b>1,941</b>

**Source:** District Personnel Records

**EDISON SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED**

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Attendance (ADA) <sup>c</sup>	Average Daily Enrollment (ADE) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2011-12	14,496	\$ 217,863,366	\$ 15,029	6.30%	1,146	24:1	25:1	26:1	13,755	14,217	0.16%	96.75%
2012-13	14,475	226,760,365	15,666	7.28%	1,154	24:1	26:1	26:1	13,844	14,367	1.06%	96.36%
2013-14	14,878	226,252,392	15,207	1.18%	1,157	25:1	26:1	26:1	13,984	14,497	0.90%	96.46%
2014-15	15,168	258,266,112	17,027	8.69%	1,170	25:1	26:1	26:1	14,162	14,697	1.38%	96.36%
2015-16	15,479	241,561,310	15,606	2.62%	1,171	26:1	26:1	27:1	14,553	15,096	2.71%	96.40%
2016-17	15,550	251,367,899	16,165	-5.06%	1,171	27:1	26:1	27:1	14,941	15,532	2.89%	96.19%
2017-18	16,152	264,387,167	16,369	4.89%	1,177	27:1	27:1	28:1	15,415	16,081	3.53%	95.86%
2018-19	16,475	276,760,143	16,799	3.92%	1,205	27:1	28:1	29:1	15,695	16,344	1.64%	96.03%
2019-20	16,687	285,584,049	17,114	4.55%	1,225	27:1	29:1	29:1	16,022	16,490	0.89%	97.16%
2020-21	16,893	259,396,062	15,355	-8.59%	1,225	27:1	29:1	29:1	15,948	16,333	-0.95%	97.64%

**Sources:** District 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).

EDISON SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

Exhibit J-18

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>BUILDING</b>										
<b>ELEMENTARY</b>										
<b>Benjamin Franklin (1960, 1965, 1990, 2003)</b>										
Square Feet	52,696	52,696	52,696	52,696	52,696	52,696	52,696	52,696	52,696	52,696
Capacity (Students)	580	580	580	580	580	580	580	580	580	580
Enrollment	556	598	609	606	632	592	618	592	576	601
<b>Early Learning Center (2004)</b>										
Square Feet	7,297	7,297	7,297	7,297	7,297	7,297	7,297	7,297	7,297	7,297
Capacity (Students)	100	100	100	100	100	100	100	100	100	100
Enrollment	93	91	75	95	95	97	99	103	98	67
<b>Franklin D. Roosevelt (1968)</b>										
Square Feet	17,712	17,712	17,712	17,712	17,712	17,712	17,712	17,712	28,252	28,252
Capacity (Students)	150	150	150	150	150	150	150	150	280	280
Enrollment	101	103	114	130	133	163	160	136	193	144
<b>James Madison Intermediate (1959, 1968)</b>										
Square Feet	42,768	42,768	42,768	42,768	42,768	42,768	42,768	42,768	42,768	42,768
Capacity (Students)	540	540	540	540	540	540	540	540	540	540
Enrollment	602	605	643	596	621	636	685	687	674	647
<b>James Madison Primary (1971, 1998, 2003)</b>										
Square Feet	46,294	46,294	46,294	46,294	46,294	46,294	46,294	46,294	46,294	46,294
Capacity (Students)	600	600	600	600	600	600	600	600	600	600
Enrollment	601	522	516	581	581	568	620	557	540	489
<b>James Monroe (2017)</b>										
Square Feet	41,100	41,100	41,100	92,560	92,560	67,775	67,775	67,775	67,775	67,775
Capacity (Students)	400	400	400	850	850	675	675	675	675	675
Enrollment	446	468	481	438	445	474	502	512	517	531
<b>John Marshall (1961, 1990, 2003, 2007)</b>										
Square Feet	62,517	62,517	62,517	62,517	62,517	62,517	62,517	62,517	62,517	62,517
Capacity (Students)	690	690	690	690	690	690	690	690	690	690
Enrollment	604	602	577	613	705	783	811	813	800	746
<b>Lincoln (1951, 1956, 1962, 1972, 2003)</b>										
Square Feet	55,315	55,315	55,315	55,315	55,315	55,315	55,315	55,315	55,315	55,315
Capacity (Students)	680	680	680	680	680	680	680	680	680	680
Enrollment	696	701	720	703	741	758	822	898	895	921
<b>Lindeneau (1966, 1968, 2000, 2003, 2004)</b>										
Square Feet	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219
Capacity (Students)	450	450	450	450	450	450	450	450	450	450
Enrollment	453	447	446	418	442	443	468	437	442	455
<b>Martin Luther King (1970, 1991, 2000)</b>										
Square Feet	54,136	54,136	54,136	54,136	54,136	54,136	54,136	54,136	54,136	54,136
Capacity (Students)	620	620	620	620	620	620	620	620	620	620
Enrollment	563	586	609	640	666	704	707	698	682	699
<b>Menlo Park (1962, 1965, 1991, 2003, 2016)</b>										
Square Feet	54,601	54,601	54,601	54,601	54,601	73,836	73,836	73,836	73,836	73,836
Capacity (Students)	720	720	720	720	720	920	920	920	920	920
Enrollment	791	800	832	819	848	878	877	864	866	849
<b>Washington (1952, 1958, 1972, 2003)</b>										
Square Feet	56,410	56,410	56,410	56,410	56,410	56,410	56,410	56,410	56,410	56,410
Capacity (Students)	680	680	680	680	680	680	680	680	680	680
Enrollment	562	574	566	599	580	602	610	583	605	588

**EDISON SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED**

Exhibit J-18

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Woodbrook (1965, 1969, 2000, 2003, 2017)</b>										
Square Feet	57,204	57,204	57,204	57,204	57,204	57,204	85,954	85,954	85,954	85,954
Capacity (Students)	700	700	700	700	700	700	1,020	1,020	1,020	1,020
Enrollment	880	915	921	1,004	974	999	981	973	968	989
<b>BUILDING</b>										
<b>MIDDLE SCHOOLS</b>										
<b>Herbert Hoover (1967, 2000, 2007)</b>										
Square Feet	132,625	132,625	132,625	132,625	132,625	132,625	132,625	132,625	132,625	132,625
Capacity (Students)	980	980	980	980	980	980	980	980	980	980
Enrollment	814	824	834	831	817	808	818	924	947	974
<b>John Adams (1960, 2003)</b>										
Square Feet	95,740	95,740	95,740	95,740	95,740	95,740	95,740	95,740	95,740	95,740
Capacity (Students)	920	920	920	920	920	920	920	920	920	920
Enrollment	803	843	833	887	913	953	969	959	972	988
<b>Thomas Jefferson (1959, 1968, 2003)</b>										
Square Feet	80,366	80,366	80,366	80,366	80,366	80,366	80,366	80,366	80,366	80,366
Capacity (Students)	770	770	770	770	770	770	770	770	770	770
Enrollment	718	730	692	740	743	744	727	794	818	855
<b>Woodrow Wilson (1973, 2000)</b>										
Square Feet	102,781	102,781	102,781	102,781	102,781	102,781	102,781	102,781	113,181	113,181
Capacity (Students)	900	900	900	900	900	900	900	900	1,150	1,150
Enrollment	898	922	977	1,007	1,061	1,138	1,208	1,275	1,275	1,208
<b>BUILDING</b>										
<b>HIGH SCHOOL</b>										
<b>Edison (1954, 1962, 1986, 2000, 2013)</b>										
Square Feet	233,811	233,811	250,291	250,291	250,291	250,291	250,291	250,291	250,291	250,291
Capacity (Students)	1,884	1,884	2,024	2,024	2,024	2,024	2,024	2,024	2,024	2,024
Enrollment	1,980	1,960	1,924	1,885	1,932	1,949	1,973	2,018	2,068	2,090
<b>J.P. Stevens (1962, 1967, 1979, 1990, 2000, 2003, 2010)</b>										
Square Feet	219,582	219,582	220,287	220,287	220,287	220,287	220,287	220,287	220,287	220,287
Capacity (Students)	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160
Enrollment	2,160	2,151	2,111	2,173	2,248	2,344	2,495	2,522	2,602	2,653
<b>OTHER</b>										
<b>Education Center (1962)</b>										
Square Feet	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Capacity (Students)	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-
<b>Grounds (1999)</b>										
Square Feet	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Capacity (Students)	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-

SOURCE: DISTRICT RECORDS

NOTE: YEAR OF ORIGINAL CONSTRUCTION IS SHOWN IN PARENTHESES FOLLOWING THE NAME OF THE BUILDING. DATES, IF ANY FOR A SUBSEQUENT ADDITION ALSO FOLLOWS IN PARENTHESES.

Number of Schools at June 30, 2021  
 Elementary Schools = 13  
 Middle Schools = 4  
 High Schools = 2  
 Other = 2

**EDISON SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
UNAUDITED**

Exhibit J-19

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

School Facilities	School Number	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Lincoln Elementary	100	\$ 156,401	\$ 361,934	\$ 219,865	\$ 203,310	\$ 253,904	\$ 196,003	\$ 98,251	\$ 134,372	\$ 239,142	\$ 114,440
Washington Elementary	150	158,331	158,460	233,951	156,221	160,922	200,719	101,793	132,558	125,934	121,810
Madison Intermediate	090	127,460	165,545	105,016	78,071	124,254	176,118	192,190	102,501	84,049	92,900
Ben Franklin Elementary	065	165,822	214,626	97,977	145,388	154,953	131,092	132,406	145,435	167,569	108,606
Marshall Elementary	095	131,667	216,024	153,593	213,670	177,314	175,462	165,704	130,178	146,644	132,730
Menlo Park Elementary	105	133,033	133,381	154,599	210,786	222,693	171,145	106,952	127,875	153,343	92,290
Monroe Elementary	093	129,256	136,867	114,874	123,753	304,866	104,149	231,178	114,622	106,875	93,213
Lindeneau Elementary	103	114,441	90,062	165,278	153,619	189,184	251,718	109,552	104,083	112,568	78,197
Woodbrook Elementary	160	243,786	148,208	242,211	240,777	120,890	135,786	117,833	206,588	139,952	125,039
M.L. King Elementary	104	148,804	117,941	167,568	131,292	117,481	121,021	139,503	106,855	123,710	110,514
Madison Primary	092	96,062	67,406	70,821	124,292	95,172	181,239	115,237	94,892	97,589	90,736
Herbert Hoover Middle	057	404,685	378,181	204,893	263,893	243,692	320,798	268,896	240,650	225,318	235,288
John Adams Middle	055	320,929	407,551	233,180	276,674	248,424	304,218	225,450	196,399	230,335	212,566
Thomas Jefferson Middle	060	172,844	297,289	233,945	253,172	189,107	231,302	309,931	221,590	230,650	195,086
Woodrow Wilson Middle	063	511,783	307,777	259,073	241,927	297,551	222,897	252,734	229,233	219,479	257,180
Edison High	050	882,207	858,796	598,091	590,343	732,339	797,927	1,001,872	650,316	506,930	560,328
J.P. Stevens High	053	635,842	776,191	460,043	523,771	539,938	856,039	579,724	644,393	580,603	570,742
Early Learning Center	300	77,649	37,408	19,500	57,333	31,441	80,175	23,135	20,490	16,866	-
F.D. Roosevelt	302	69,270	94,540	42,999	30,157	24,910	139,539	24,630	25,860	30,140	-
<b>GRAND TOTAL</b>		<b>\$ 4,680,272</b>	<b>\$ 4,968,187</b>	<b>\$ 3,777,477</b>	<b>\$ 4,018,449</b>	<b>\$ 4,229,035</b>	<b>\$ 4,797,347</b>	<b>\$ 4,196,971</b>	<b>\$ 3,628,890</b>	<b>\$ 3,537,696</b>	<b>\$ 3,191,665</b>

SOURCE: DISTRICT RECORDS



**EDISON SCHOOL DISTRICT  
INSURANCE SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED**

**Exhibit J-20**

<u>DESCRIPTION</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
School Package Policy - NJ Schools Insurance Group (NJSIG) Pool Property Limit	\$ 500,000,000	
Buildings & Contents	422,062,630	\$ 5,000
General Liability Limit	21,000,000	N/A
Automobile Liability Limit	21,000,000	
Automobile Physical Damage	ACV	1,000
School Board Legal Liability	21,000,000	5,000
Environmental	1,000,000	50,000
Crisis Management & Beazley Breach Response Services	3,000,000	Varies
Extra Expense	50,000,000	5,000
Valuable Papers	10,000,000	5,000
Loss of Rents	Not Quoted	Not Quoted
Business Income/Tuition	200,000	5,000
Limited Builders Risk	10,000,000	5,000
EDP	2,000,000	1,000
Equipment Breakdown	100,000,000	25,000
Faithful Performance	500,000	1,000
Forgery & Alteration	50,000	1,000
Money & Securities	50,000	1,000
Money Orders/Counterfeit	10,000	500
Computer Fraud	50,000	1,000
Statutory Bonds		
Business Administrator	850,000	1,000
Assistant Business Administrator/Treasurer	850,000	1,000
Workers Compensation, Part I	Statutory	N/A
Workers Compensation, Part II - Employer's Liability	3,000,000	N/A
Workers Compensation Supplemental	included	7 Day Waiting Period
ERIC North		
Professional Payroll	146,612,345	N/A
Non-Professional Payroll	11,318,777	N/A
Berkley A&S Insurance Company		
Student Accident Insurance (School Time Only - Includes gym & sports)	500,000	N/A
AIG		
Student Accident Excess Medical	6,000,000	25,000

Source: District Insurance Records

## **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**

Honorable President and Members  
of the Board of Education  
Township of Edison School District  
Edison, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Township of Edison School District, in the County of Middlesex, State of New Jersey, (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 15, 2022.

**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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that we consider to be material weaknesses.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Edison School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey as items 2021-001 and 2021-002.

We also noted other matters that we reported to the Board of Education of the Township of Edison School District in a separate report entitled, Auditors Management Report on Administrative Findings dated March 15, 2022.

## **Township of Edison School District's Response to Findings**

The Township of Edison School District's, State of New Jersey, response to the findings in our audit is described in the accompanying schedule of findings and questioned costs. The Township of Edison School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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.

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
March 15, 2022



Andrew G. Hodulik  
Public School Accountant  
PSA # 841

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITORS' REPORT**

Honorable President and Members  
of the Board of Education  
Township of Edison School District  
Edison, New Jersey

**Report on Compliance for Each Major Federal and State Program**

We have audited the Township of Edison School District's, County of Middlesex, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the New Jersey Compliance Manual "State Grant Compliance Supplement" that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2021. 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.

**Management's Responsibility**

Management is responsible for compliance with the requirement of federal and state statutes, regulations, contracts and the terms and conditions of its federal and state awards applicable to its federal and state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred.

An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination on the District's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### **Opinion on Each Major State Program**

#### ***Basis for Qualified Opinion on Equalization Aid, Special Education Categorical Aid, and Security Aid***

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding 21-495-034-5120-078 Equalization Aid, 21-495-034-5120-089 Special Education Categorical Aid, and 21-495-034-5120-084 Security Aid as described in finding numbers 2021-003 and 2021-004. Compliance with such requirements is necessary, in our opinion, for the District to comply with requirements applicable to those programs.

#### ***Qualified Opinion on Equalization Aid, Special Education Categorical Aid, and Security Aid***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its Equalization Aid, Special Education Categorical Aid, and Security Aid for the year ended June 30, 2021.

The District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Edison School District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-005 to be a material weakness. 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 District's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

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 and NJ OMB Circular 15-08. Accordingly, this report is not suitable for any other purposes.

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
March 15, 2022



Andrew G. Hodulik  
Public School Accountant  
PSA # 841

**Edison Township School District  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2021**

Program Title	Federal AL Number	Federal FAIN Number	Program or Award Amount	Grant Period From	Grant Period To	Accounts receivable at June 30, 2020	Deferred Revenue June 30, 2020	Due to Grantor June 30, 2020	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2021		
													Accounts Receivable	Deferred Revenue	Due to Grantor
<b>General Fund</b>															
U.S. Dept. of Health and Human Services/U.S. Dept of Education															
Passed-through State Department of Education:															
Special Education Medicaid Initiative	93.778	2005NJ5MAP	\$ 217,811	7/1/2020	6/30/2021	\$ -	\$ -	\$ -	\$ 217,811	\$ (217,811)	\$ -	\$ -	\$ -	\$ -	
MAC/Random Moment in Time	93.778	2005NJ5MAP	27,451	7/1/2020	6/30/2021				27,451	(27,451)					
U.S. Department of Labor and Workforce Development															
Passed-through NJ State Dept. of Labor and Workforce Development:															
COVID-19 Cares Act DOL Unemployment Grant	17.000	N/A	116,818	7/1/2019	6/30/2020	(116,818)			116,818						
<b>Total General Fund</b>						(116,818)	-	-	362,080	(245,262)	-	-	-	-	
<b>Special Revenue Fund</b>															
U.S. Department of Education															
Passed-through State Department of Education:															
Title I	84.010	S010A200030	1,800,778	7/1/2020	6/30/2021				393,419	(849,523)			(456,104)		
Title I	84.010	S010A190030	1,355,241	7/1/2019	9/30/2020	(273,012)			273,012				-		
Title I Re-allocated	84.010	S010A200030	65,834	7/1/2020	6/30/2021								-		
Title I Re-allocated	84.010	S010A190030	9,362	7/1/2019	9/30/2020								-		
Title I - SIA	84.010	S010A200030	38,893	7/1/2020	6/30/2021				4,707	(14,536)			(9,829)		
Title I - SIA	84.010	S010A190030	31,000	7/1/2019	9/30/2020	(3,000)			3,000				-		
Title III Language Instruct	84.365	S365A200030	143,846	7/1/2020	6/30/2021				88,973	(117,832)			(28,859)		
Title III Language Instruct	84.365	S365A190030	118,811	7/1/2019	9/30/2020	(19,247)			19,247				-		
Title III Language Instruct	84.365	S365A180030	92,631	7/1/2018	6/30/2019			37,631				(42,801)		37,631	
Title III Language Instruct	84.365	S365A170030	92,039	7/1/2017	6/30/2018			42,801					-		
Title III Immigrant	84.365	S365A200030	213,104	7/1/2020	6/30/2021				4,318	(180,252)			(175,934)		
Title III Immigrant	84.365	S365A190030	213,104	7/1/2019	9/30/2020								-		
Title II, Part A - Teacher/Principal Training	84.367A	S367A200029	365,018	7/1/2020	6/30/2021				41,119	(285,800)			(244,681)		
Title II, Part A - Teacher/Principal Training	84.367A	S367A190029	369,812	7/1/2019	9/30/2020	(67,677)			67,677				-		
Title IV, Part A - Student Support and Academic Enrichment	84.424	S424A200031	151,019	7/1/2020	6/30/2021				18,235	(135,019)			(116,784)		
Title IV, Part A - Student Support and Academic Enrichment	84.424	S424A190031	137,319	7/1/2019	9/30/2020	(62,092)			62,092				-		
Special Education Cluster:															
I.D.E.A. Part B, Basic Regular	84.027	H027A200100	4,349,073	7/1/2020	6/30/2021				2,817,923	(3,742,465)			(924,542)		
I.D.E.A. Part B, Basic Regular	84.027	H027A190100	3,820,542	7/1/2019	9/30/2020	(423,807)			423,807				-		
I.D.E.A. Part B, Basic Regular	84.027	H027A180100	4,187,102	7/1/2018	6/30/2019			23,549					-	23,549	
I.D.E.A. Part B, Preschool	84.173	H173A200114	120,155	7/1/2020	6/30/2021					(100,661)			(100,661)		
I.D.E.A. Part B, Preschool	84.173	H173A190114	118,751	7/1/2019	9/30/2020	(39)			39				-		
I.D.E.A. Part B, Preschool	84.173	H173A180114	240,216	7/1/2018	6/30/2019			1,576					-	1,576	
Temporary Emergency Impact Aid for Displaced Students	84.938	S938C17005	45,375	7/1/2017	6/30/2018	(45,375)							(45,375)		
CARES Act:															
COVID-19 CARES Act Emergency Relief Fund	84.425D	S425D200027	1,222,281	3/13/2020	9/30/2022	(272,642)			1,114,585	(949,295)	742		(106,610)		
COVID-19 CARES Act CRRSA-ESSER II Fund	84.425D	S425D200027	4,367,550	3/13/2020	9/30/2023					(315,751)			(315,751)		
COVID-19 CARES Act CR Learning Acceleration	84.425D	S425D200027	280,287	3/13/2020	9/30/2023					(2,417)			(2,417)		
Coronavirus Relief Fund (CRF):															
COVID-19 School Reopening and Remote Learning	21.019	N/A	832,483	3/1/2020	12/30/2020				832,483	(804,912)			-	27,571	
COVID-19 Bridging the Digital Divide	21.019	N/A	955,323	3/1/2020	12/30/2020				955,323	(955,323)			-		
COVID-19 Nonpublic Technology Initiative	21.019	N/A	87,612	3/1/2020	12/30/2020				84,686	(84,539)			-	147	
<b>Total Special Revenue Fund</b>						(1,166,891)	-	105,557	7,204,645	(8,538,325)	742	(42,801)	(2,527,547)	-	90,474
<b>Enterprise Fund</b>															
U.S. Department of Agriculture - Child Nutrition Cluster															
Passed-through State Department of Agriculture:															
Food Distribution Program - Non-Cash Award/Program	10.555	211NJ304N1099	339,888	7/1/2020	6/30/2021	-	39,618	-	330,359	(339,888)	-	-	-	30,089	-
National School Lunch Program	10.555	211NJ304N1099	1,525,155	7/1/2020	6/30/2021				1,287,608	(1,525,155)			(237,547)		
National School Breakfast Program	10.553	211NJ304N1099	841,641	7/1/2020	6/30/2021				713,499	(841,641)			(128,142)		
Seamless Summer Option	10.555	201NJ304N1099	351,761	3/18/2020	6/30/2020	(77,869)			77,869				-		
<b>Total Enterprise Fund</b>						(77,869)	39,618	-	2,409,335	(2,706,684)	-	-	(365,689)	30,089	-
<b>Total Federal Financial Awards</b>						\$ (1,361,578)	\$ 39,618	\$ 105,557	\$ 9,976,060	\$ (11,490,271)	\$ 742	\$ (42,801)	\$ (2,893,236)	\$ 30,089	\$ 90,474

Footnote(s):  
N/A - Not Available  
See Accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.



**Edison Township Board of Education  
Schedule of Expenditures of State Financial Assistance  
For The Fiscal Year Ended June 30, 2021**

Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020		Balance at June 30, 2021		MEMO Budgetary Receivable	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue (Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Deferred Revenue (Accounts Receivable)	Due to Grantor								
<b>General Fund</b>																
<b>State Department of Education:</b>																
Categorical Transportation Aid	495-034-5120-014	\$ 4,964,654	7/1/2020	6/30/2021	\$	\$	\$	\$	4,482,708	\$ (4,964,654)	\$	\$	\$	\$	\$ (481,946)	\$ 4,964,654
Categorical Transportation Aid	495-034-5120-014	4,964,654	7/1/2019	6/30/2020				(474,287)	474,287							-
Categorical Special Education Aid	495-034-5120-089	8,719,977	7/1/2020	6/30/2021					7,873,481	(8,719,977)					(846,496)	8,719,977
Categorical Special Education Aid	495-034-5120-089	8,719,977	7/1/2019	6/30/2020				(833,043)	833,043							-
Equalization Aid	495-034-5120-078	9,589,672	7/1/2020	6/30/2021					8,658,750	(9,589,672)					(930,922)	9,589,672
Equalization Aid	495-034-5120-078	8,207,622	7/1/2019	6/30/2020				(784,096)	784,096							-
Categorical Security Aid	495-034-5120-084	1,078,233	7/1/2020	6/30/2021					973,563	(1,078,233)					(104,670)	1,078,233
Categorical Security Aid	495-034-5120-084	1,078,233	7/1/2019	6/30/2020					103,007							-
Non-Public Transportation Aid	495-034-5094-078	210,250	7/1/2020	6/30/2021						(210,250)		(210,250)				210,250
Non-Public Transportation Aid	495-034-5094-078	26,787	7/1/2019	6/30/2020		(26,787)			26,787							-
Homeless Children Aid	495-034-5120-005	1,024,771	7/1/2020	6/30/2021					1,024,771	(1,024,771)						1,024,771
Extraordinary Aid	495-034-5120-044	4,718,669	7/1/2020	6/30/2021						(4,718,669)		(4,718,669)				4,718,669
Extraordinary Aid	495-034-5120-044	2,871,687	7/1/2019	6/30/2020		(2,871,687)			2,871,687							-
On-Behalf T.P.A.F. Pension	495-034-5094-002	32,177,807	7/1/2020	6/30/2021					32,177,807	(32,177,807)						32,177,807
On-Behalf T.P.A.F. Post-Retirement Medical	495-034-5094-001	10,084,023	7/1/2020	6/30/2021					10,084,023	(10,084,023)						10,084,023
On-Behalf T.P.A.F. Non-Cont. Insurance	495-034-5094-004	13,020	7/1/2020	6/30/2021					13,020	(13,020)						13,020
T.P.A.F. Social Security Aid	495-034-5094-003	8,864,965	7/1/2020	6/30/2021					8,421,578	(8,864,965)		(443,387)				8,864,965
T.P.A.F. Social Security Aid	495-034-5094-003	8,570,386	7/1/2019	6/30/2020		(431,364)			431,364							-
<b>Total General Fund</b>						(3,329,838)	-	(2,194,433)	79,233,972	(81,446,041)	-	(5,372,306)	-	(2,364,034)		81,446,041
<b>Special Revenue Fund</b>																
<b>State Department of Education:</b>																
N.J. Nonpublic Aid:																
Textbook Aid	100-034-5120-064	123,034	7/1/2020	6/30/2021					123,034	(117,972)		-		5,062		117,972
Textbook Aid	100-034-5120-064	106,370	7/1/2019	6/30/2020							(15,418)					-
Auxiliary Services:																
Compensatory Education	100-034-5120-067	106,251	7/1/2020	6/30/2021					106,251	(50,513)		-		55,738		50,513
Compensatory Education	100-034-5120-067	106,266	7/1/2019	6/30/2020		(10,626)	11,357		10,626	(11,357)						-
English as a Second Language	100-034-5120-067	7,993	7/1/2020	6/30/2021					7,993	(7,105)		-		888		7,105
English as a Second Language	100-034-5120-067	5,791	7/1/2019	6/30/2020		(579)	828		579	(828)						-
Transportation	100-034-5120-067	23,335	7/1/2020	6/30/2021					23,335	(23,335)		-				23,335
Transportation	100-034-5120-067	21,768	7/1/2019	6/30/2020		(2,176)			2,176							-
Home Instruction	100-034-5120-067	9,751	7/1/2019	6/30/2020		(9,751)			9,751							-
Handicapped Services:																
Examination & Classification	100-034-5120-066	123,558	7/1/2020	6/30/2021					123,558	(116,854)		-		6,704		116,854
Examination & Classification	100-034-5120-066	116,853	7/1/2019	6/30/2020		(11,685)	33,980		11,685	(33,980)						-
Corrective Speech	100-034-5120-066	57,418	7/1/2020	6/30/2021					57,418	(31,899)		-		25,519		31,899
Corrective Speech	100-034-5120-066	49,216	7/1/2019	6/30/2020		(4,922)	2,735		4,922	(2,735)						-
Supplemental Instruction	100-034-5120-066	108,470	7/1/2020	6/30/2021					108,470	(59,902)		-		48,568		59,902
Supplemental Instruction	100-034-5120-066	75,282	7/1/2019	6/30/2020		(7,528)	4,755		7,528	(4,755)						-
Nursing Services	100-034-5120-070	205,428	7/1/2020	6/30/2021					205,428	(183,942)		-		21,486		183,942
Nursing Services	100-034-5120-070	199,238	7/1/2019	6/30/2020			18,339				(18,339)					-
Technology	100-034-5120-373	72,648	7/1/2019	6/30/2020			6,904				(6,904)					-
Security	100-034-5120-509	352,450	7/1/2020	6/30/2021					352,450	(325,285)		-		27,165		325,285
Security	100-034-5120-509	308,100	7/1/2019	6/30/2020			13,288				(13,268)					-
FHA/Hero Grant	100-034-5062-032	158,490	7/1/2020	6/30/2021					97,417	(147,526)		(50,109)				147,526
FHA/Hero Grant	100-034-5062-032	199,249	7/1/2019	6/30/2020		(28,994)			28,994							-
<b>Total Special Revenue Fund</b>						(76,261)	107,584	-	1,281,615	(1,064,333)	(107,584)	(50,109)	191,130	-	-	1,064,333
<b>Enterprise Fund</b>																
<b>State Department of Education:</b>																
State School Lunch Program	100-010-3350-023	90,952	7/1/2020	6/30/2021					66,818	(90,952)		(24,134)				90,952
State School Lunch Program	100-010-3350-023	46,877	7/1/2019	6/30/2020		(12,222)			12,222							-
Seamless Summer Option	000-010-3350-023	3,525	3/18/2020	6/30/2020		(754)			754							-
<b>Total Enterprise Fund</b>						(12,976)	-	-	79,794	(90,952)	-	(24,134)	-	-	-	90,952
<b>Total State Financial Assistance</b>						\$ (3,419,075)	\$ 107,584	\$ (2,194,433)	\$ 80,595,381	\$ (82,601,326)	\$ (107,584)	\$ (5,446,549)	\$ 191,130	\$ (2,364,034)	\$	\$ 82,601,326

Pursuant to the directive of the New Jersey State Department of Education, on-behalf payments for T.P.A.F. Pensions, Post-Retirement Medical and Non-Contributory Insurance are excluded from the scope of the State Single Audit and are not considered when determining Type A or Major Programs under NJOMB Circular 15-08.

**Reconciliation:**

Budgetary Expenditures	\$ 82,601,326
Less:	
On-Behalf T.P.A.F. Pension	(32,177,807)
On-Behalf T.P.A.F. Post-Retirement Medical	(10,084,023)
On-Behalf T.P.A.F. Non-Cont. Insurance	(13,020)
<b>Amount Subject to State Single Audit</b>	<b>\$ 40,326,476</b>

See Accompanying Notes to Schedules of Federal Awards and State Financial Assistance.

**EDISON TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES  
OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
JUNE 30, 2021**

**NOTE 1. GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Edison School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. This basis of accounting is described in Notes 1 to the Board's basic financial statements. The information in these schedules are presented in accordance with requirements of OMB Uniform Guidance, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. In addition, the District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 3. RELATIONSHIP TO GENERAL PURPOSE 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 one or more June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A: 22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP does not. The special revenue fund also recognizes the one or more June payments in the current budget year, consistent with N.J.S.A. 18A: 22-4.2.

**EDISON SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES  
OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
JUNE 30, 2021**

**NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS (Cont'd)**

See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 245,262	\$ 81,276,440	\$ 81,521,702
Special Revenue Fund	8,538,325	1,064,333	9,602,658
Food Service Fund	2,706,684	90,952	2,797,636
Total Assistance	<u>\$ 11,490,271</u>	<u>\$ 82,431,725</u>	<u>\$ 93,921,996</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions, Non-Contributory Insurance, and Post-Retirement Medical represents the amount paid or accrued by the state on behalf of the District for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2021 amount to \$42,274,850. Since on-behalf post retirement pension, medical and disability insurance benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

**EDISON TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified?   √   Yes        No
- 2) Were significant deficiencies identified that are not considered to be material weaknesses?        Yes   √   None Reported

Noncompliance material to basic financial statements noted?        Yes   √   No

**Federal Awards Section**

Internal control over major programs:

- 1) Material weakness(es) identified?        Yes   √   No
- 2) Were significant deficiencies identified that are not considered to be material weaknesses?        Yes   √   No

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

Any audit findings disclosed that are required to be reported in accordance with OMB Uniform Guidance?   √   Yes        No

Identification of Major Federal Programs:

<u>Assistance Listing</u>	<u>FAIN #</u>	<u>Name of Federal Program or Cluster</u>
<u>Number(s)</u>		
84.010	S010A200030	Title I, Part A
84.010	S010A200030	Title I, SIA
84.010	S010A200030	Title I, Re-allocated
84.425D	S425D200027	CARES Elementary and Secondary School Emergency Relief Fund (ESSER)
21.019	N/A	Coronavirus Relief Fund
93.778	2005NJ5MAP	Special Education Medicaid Initiative

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

Auditee qualified as low-risk auditee?   √   Yes        No



**EDISON TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Section II - Financial Statement Findings**

**Finding 2021-001: Material Weakness**

**Criteria:**

Internal controls should be in place that provide reasonable assurance that the various financial system processes function appropriately. In addition, finance personnel should review necessary requirements for compliance with the various aspects of their assigned duties.

**Condition:**

Issues identified with respect to financial system processes including the timely performance of bank reconciliations; posting of financial transactions' and the reporting of trial balances. Specifically, the following issues included, but were not limited to, as follows:

- Grant revenues were misposted to the general fund that should have been posted against a state grant in the special revenue fund.
- Entries were incorrectly posted to fund balance accounts in the general fund rather than the appropriate asset, liability, revenue or expenditure accounts.
- Accounts payable in the capital projects fund and the special revenue fund from the prior year were not properly liquidated in the current year, resulting in overstatement of accounts payables.
- Federal, state, and local grant revenues and expenses in the general ledger system were not reconciled to the underlying records resulting in misstated accounts receivables, unearned revenues, revenues and expenses of the District's grants in the special revenue fund.
- The Food Service fund was not maintained in accordance with the New Jersey Department of Education Uniform Minimum Chart of Accounts for New Jersey Public Schools.
- The Food Service fund general ledger inventory, unearned revenue, accounts receivables, accounts payables and capital assets were not reconciled to the underlying records at year end, resulting in misstatement of Food Service Fund account balances.
- The student activity, payroll account, and payroll agency bank accounts are not properly reconciled, resulting in misstatements to cash balances. Additionally, these balances are not monitored and reconciled to the underlying records, resulting in undesignated balances in these accounts.

**Context:**

Turnover of personnel may have prevented certain journal entries from properly being posted and account balances from being properly reconciled to subsidiary ledgers attributing to an inaccurate general ledger.

**Cause:**

There was a significant turnover of personnel within the various finance office functions related to the processes identified.

**Effect:**

As a result, a number of financial posting errors were noted requiring reclassification; the lack of timely bank reconciliations exposes the District to errors that may not be identified in a timely manner and the reporting of trial balances should also be performed on a timely basis.

**EDISON TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Section II - Financial Statement Findings (continued)**

**Finding 2021-001 (continued):**

**Recommendation:**

Controls and procedures should be implemented to cause for the review of the recording of certain transactions to avoid the necessity of reclassification; and that procedures and reporting be performed on schedule to reduce the risk that errors may not be identified in a timely manner.

**Management's Response:**

The finding will be corrected in the fiscal year ending June 30, 2022.

**Finding 2021-002: Material Weakness**

**Criteria:**

District's internal control processes and procedures over bank reconciliations

**Condition:**

Bank reconciliations are not performed or monitored effectively on material bank accounts.

**Context:**

The payroll agency and salary accounts were not reconciled during the June 30, 2021 fiscal year. Additionally, bank reconciliations were provided for the student activity accounts, but had numerous errors and inconsistencies.

**Cause:**

Lack of detailed monitoring and review of bank reconciliations prior to the submission of financial records for audit.

**Effect:**

As a result, cash balances were not properly posted in the general ledger. Additionally, a large balance exists in the payroll agency account and is not designated for future payroll payables.

**Recommendation:**

Timely correction of banking errors are important to reporting accurate cash balances on the financial statements. The bank reconciliations should be performed and reviewed monthly. Additionally, banking errors should be investigated and corrected prior to the submission for audit.

**Management's Response:**

The finding will be corrected in the fiscal year ending June 30, 2022.

**EDISON TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Section III - Summary of Auditors' Results**

This section identifies the significant deficiencies, material weaknesses, and instances of non-compliance, including questioned costs, related to the audit of major federal and state programs, as required by 2 CFR 200 Section 516(a) and New Jersey Treasury Circular OMB 15-08, respectively.

**a) Federal Award Findings and Questioned Costs:**

This section identifies compliance or internal control findings noted that are required to be reported in accordance with 2 CFR 200 Section 516(a).

**Finding 2021-005:**

**Criteria:**

Supporting documentation should be retained with evidence of District approval for targeted placement in the Title I-A program .

**Condition:**

During our testing, we noted District recommendations and approval of eligibility into the Title I-A program were not retained.

**Context:**

During our testing, we noted documentation was present for placement of students into the Title I-A program, however it was not always consistent. At times, the eligibility is determined by a teacher's recommendation, but the recommendations were not retained for evidence of approval.

**Cause:**

The documentation was not retained.

**Effect:**

An internal control process was not in place to ensure consistent and clear documentation of eligibility in the Title I-A program.

**Recommendation:**

The District could strengthen internal controls related to eligibility of the Title 1-A program to provide evidence of oversight and approval for eligibility.

**Management's Response:**

The finding will be corrected in the fiscal year ending June 30, 2022.



**EDISON TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Section III - Summary of Auditors' Results (continued)**

**b) State Financial Assistance Findings and Questioned Costs:**

This section identifies compliance or internal control findings that are required to be reported in accordance with New Jersey Treasury Circular OMB 15-08.

**Finding 2021-003:**

**Criteria:**

Any line-item transfers to an advertised appropriation account identified as general administrative, school administrative, central services, and administrative technology or other support services that, on a cumulative basis, exceed 10% of the amount included in the original budget, require county superintendent approval.

**Condition:**

During our testing, we noted budget transfers that exceeded the 10% threshold, but were not approved by the County Superintendent.

**Context:**

During our testing, we noted budget transfers to Central Services and Administrative Information Technology totaling 17.99% did not receive County Superintendent approval.

**Cause:**

The general ledger was not accurately maintained on a timely basis, therefore the District could not obtain County Superintendent approval over budget transfers within the required timeframe.

**Effect:**

Budget transfers to advertised appropriation accounts were not properly approved.

**Recommendation:**

That County Superintendent approval is obtained for budget transfers individually or in the aggregate that exceed 10% of the original budgeted amount.

**Management's Response:**

The finding will be corrected in the fiscal year ending June 30, 2022.

**EDISON TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Section III - Summary of Auditors' Results (continued)**

**Finding 2021-004:**

**Criteria:**

The District must complete the Application for State School Aid (ASSA) in accordance with the instructions provided by the Office of School Finance. The district must complete a set of workpapers that document the compilation of data and provide an audit trail for testing the enrollments reported on the ASSA.

**Condition:**

During our audit, instances were noted where the District workpapers did not agree to the ASSA submission. The ASSA submission underclaimed two students for on roll, underclaimed 13 students for on roll low income and overclaimed one student for LEP not low income.

The verification samples also has instances of issues. One exception was noted for the private school for the disabled testing, resulting in a student that was incorrectly claimed on the ASSA submission. It was noted in the verification sample that five free/reduced lunch applications could not be located for students enrolled in the free/reduced lunch program. Due to the pandemic, the New Jersey Department of Education allowed lunch applications from the prior year to be utilized, however the lunch applications could not be located for the current or prior year. Additionally, twelve applications were incorrectly approved for the free/reduced lunch program that did not qualify as low income. Finally, four LEP low income students noted in the verification sample were incorrectly classified as low income due to computational errors on their lunch applications.

**Context:**

The workpapers were not reconciled to the final ASSA submission. Additionally, lunch applications were missing and there were instances of incorrectly determinations of free/reduced status on the applications sampled. Additionally, a private school student was claimed on the ASSA submission that was not enrolled in a private school.

**Cause:**

The underlying records were not properly retained or reconciled back to the ASSA submission. Additionally, human errors were made on the lunch applications resulting in incorrectly classifying students as free/reduced.

**Effect:**

Misstatements were noted on the ASSA submission.

**Recommendation:**

The District should retain proper documentation for all students in the free/reduced lunch program. Additionally, oversight of the applications should be increased to reduce computational errors. Finally, supporting workpapers should be reconciled to the ASSA prior to submission.

**Management's Response:**

This finding will be corrected in the fiscal year ending June 30, 2022.

**EDISON TOWNSHIP SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FISCAL YEAR ENDED JUNE 30, 2021**

**Section IV:**

**Status of Prior Year Findings**

**Financial Statement Finding 2020-001:**

**Recommendation:**

Controls and procedures should be implemented to cause for the review of the recording of certain transactions to avoid the necessity of reclassification; and that procedures and reporting be performed on schedule to reduce the risk that errors may not be identified in a timely manner.

**Management's Response:**

The finding will be corrected in the fiscal year ending June 30, 2022.

**Current Status:**

This condition has not been corrected and is reported as finding 2021-001. Employee turnover contributed to the inability to properly address the prior year's audit finding.