

CEDAR GROVE PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Cedar Grove, New Jersey

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

Cedar Grove Public Schools

Cedar Grove, New Jersey

For The Fiscal Year Ended June 30, 2022

Prepared by

Business Office

**CEDAR GROVE PUBLIC SCHOOLS
TABLE OF CONTENTS**

Page

INTRODUCTORY SECTION

Letter of Transmittal	i-vi
Organizational Chart	vii
Roster of Officials	viii
Consultants and Advisors	ix

FINANCIAL SECTION

Independent Auditor's Report	1-3
------------------------------	-----

REQUIRED SUPPLEMENTARY INFORMATION- PART I

Management's Discussion and Analysis	4-16
--------------------------------------	------

Basic Financial Statements

A. District-wide Financial Statements

A-1	Statement of Net Position	17
A-2	Statement of Activities	18

B. Fund Financial Statements

Governmental Funds

B-1	Balance Sheet	19-20
B-2	Statement of Revenues, Expenditures, and Changes in Fund Balances	21
B-3	Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statements	22

Proprietary Funds

B-4	Statement of Net Position	23
B-5	Statement of Revenues, Expenses, and Changes in Net Position	24
B-6	Statement of Cash Flows	25

Notes to the Financial Statements	26-66
--	-------

**CEDAR GROVE PUBLIC SCHOOLS
TABLE OF CONTENTS**

Page

REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules

C-1	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	67-73
C-2	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual – Special Revenue Fund	74

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II

C-3	Budgetary Comparison Schedule – Note to Required Supplementary Information	75
-----	--	----

REQUIRED SUPPLEMENTARY INFORMATION – PART III

L. Schedules Related to Accounting and Reporting for Pensions and OPEB

L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	76
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	77
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	78
L-4	Notes to Required Supplementary Information	79
L-5	Required Supplementary Information – Schedule of Changes in the District’s Proportionate Share of Total OPEB Liability	80
L-6	Notes to Required Supplementary Information	81

OTHER SUPPLEMENTARY INFORMATION

D. School Level Schedules – Not Applicable

E. Special Revenue Fund

E-1	Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	82-83
E-2	Schedule of Preschool Education Aid - Budgetary Basis – Not Applicable	84
E-3	Schedule of Student Activity Receipts and Disbursements	84

F. Capital Projects Fund

F-1	Summary Schedule of Project Expenditures – Budgetary Basis	85
F-2	Summary Schedule of Revenues, Expenditures and Changes In Fund Balance – Budgetary Basis	86
F-2a- F2c	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis	87-89

**CEDAR GROVE PUBLIC SCHOOLS
TABLE OF CONTENTS**

Page

G. Proprietary Funds

Enterprise Fund

G-1	Combining Statement of Net Position	90
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	91
G-3	Combining Statement of Cash Flows	92

H. Fiduciary Funds – Not Applicable

I. Long-Term Debt

I-1	Schedule of Serial Bonds	93
I-2	Schedule of Obligations under Other Financing Agreements	94
I-3	Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	95

J. STATISTICAL SECTION (Unaudited)

J-1	Net Position by Component	96
J-2	Changes in Net Position	97-98
J-3	Fund Balances – Governmental Funds	99
J-4	Changes in Fund Balances - Governmental Funds	100
J-5	General Fund Other Local Revenue by Source	101
J-6	Assessed Value and Actual Value of Taxable Property	102
J-7	Direct and Overlapping Property Tax Rates	103
J-8	Principal Property Taxpayers	104
J-9	Property Tax Levies and Collections	105
J-10	Ratios of Outstanding Debt by Type	106
J-11	Ratios of Net General Bonded Debt Outstanding	107
J-12	Direct and Overlapping Governmental Activities Debt	108
J-13	Legal Debt Margin Information	109
J-14	Demographic and Economic Statistics	110
J-15	Principal Employers	111
J-16	Full-Time Equivalent District Employees by Function/Program	112
J-17	Operating Statistics	113
J-18	School Building Information	114
J-19	Schedule of Required Maintenance for School Facilities	115
J-20	Schedule of Insurance	116

**CEDAR GROVE PUBLIC SCHOOLS
TABLE OF CONTENTS**

Page

SINGLE AUDIT SECTION

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 Government Auditing Standards – Independent Auditor’s Report	117-118
K-2	Report on Compliance for each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards required by U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 Independent Auditor’s Report	119-121
K-3	Schedule of Expenditures of Federal Awards	122
K-4	Schedule of Expenditures of State Financial Assistance	123
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	124-125
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	126-127
K-6	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	128
K-6	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	129
K-7	Summary Schedule of Prior Year Findings	130

INTRODUCTORY SECTION



Cedar Grove Public Schools

Anthony Grosso, Superintendent
520 Pompton Ave. Cedar Grove, New Jersey 07009
(973) 239-1550 www.cedargrove.k12.nj.us

March 10, 2023

Honorable President and
Members of the Board of Education
Cedar Grove Public Schools
Cedar Grove, NJ 07009

Dear Board Members:

The Annual Comprehensive Financial Report of the Cedar Grove Public Schools (the “District”) for the fiscal year ended June 30, 2022, 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 of the district. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the district’s organizational chart and a list of principal officials. The financial section includes the 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 (Uniform Guidance) as amended and the U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments and Non-Profit Organizations, and New Jersey OMB’S Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and 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, is included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

The Cedar Grove Public School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The Cedar Grove Board of Education and all its schools constitute the District’s reporting entity.

The District provides a full range of educational services to grade levels Pre-K through 12. These services include regular, vocational, special education, IDEA, and Non-Public School Programs in nursing services, auxiliary services and handicapped services. The district completed the 2021/2022 fiscal year with an enrollment of 1,595 students, which is 27 more students than the previous year’s enrollment. The following chart details the changes in the average daily enrollment of the district over the last ten years.

1) REPORTING ENTITY AND ITS SERVICES: (Continued)

FISCAL YEAR	AVERAGE DAILY ENROLLMENT	CHANGE
2012/2013	1,639	.74%
2013/2014	1,650	.67%
2014/2015	1,651	.06%
2015/2016	1,614	-2.24%
2016/2017	1,599	-.93%
2017/2018	1,570	-1.81%
2018/2019	1,553	-1.08%
2019/2020	1,579	1.67%
2020/2021	1,568	-.69%
2021/2022	1,595	1.72%

2) ECONOMIC CONDITION AND OUTLOOK:

The financial condition of the Township of Cedar Grove has been strong in light of the weak economic condition of the northeast over the last seven years. The percentage of taxes collected each year has been consistently over 95% since 1988. The average assessed value of a home in Cedar Grove is \$470,900. In light of the 2% cap law put into place by the State of New Jersey upon school districts, the average property tax increase to a homeowner for education was \$98.70 in 2021/2022 which equates to an increase on average of approximately \$8.23 per month per household.

3) MAJOR INITIATIVES:

Several major initiatives captured our attention during the 2021/2022 school year:

Serving approximately 1600 students in grades PreK-12, the Cedar Grove School District continues its commitment to maintaining and enhancing our school system in all areas. The district's priorities include several major initiatives; most notable among them the continued implementation of school safety, security and curricula that is aligned to the New Jersey Student Learning Standards (NJSLs). In a district with high-quality teachers and principals, the role becomes to guide, support and hold accountable the work of the schools. Data and intentional actions drive the process of allocating resources. Every building is required to develop, refine and receive approval of growth goals that are clearly aligned to the district goals and define the building work and accountability measures for each year. These measurable, achievable and accountable goals the buildings use will guide and define their work and assist meeting the priorities and goals of the district.

To sustain our growth, the district emphasizes adequate staffing for meaningful instruction and seeks to retain staff that provides remedial programs for underperforming students; academic safety nets are maintained for students in all grade levels with an emphasis placed on early intervention.

The insertion of COVID-19 into the school house has posed significant financial, academic and social/emotional strains on district resources. This presence has forced the district to reimagine current plans to maintain and create a sustainable environment for staff and students. Previous programs have proven to be resourceful and provide continuity to students. Programs such as:

Pathways program, funded by Title I, has been successfully in place since the 2013-14 school year in grades K-8 and we strongly encourage students to explore co-curricular offerings as well as participate in interscholastic athletics. As a Future Ready Certified School District, we emphasize student-centered learning and the relevant infusion of technology into the classroom to support instruction and courses are also offered through the Alternate Education Program for students whose interests lay beyond our capacity.

3) MAJOR INITIATIVES: (Continued)

Consistent with our 3-year curriculum plan, the district routinely reviews and revises all curricula. Thoughtful implementation of the Next Generation Science Standards (NGSS) remains a priority, as these standards call for further movement away from “sage on stage” instructional practices to more “guide on the side” learning. Covid-19 has forced the hand to engage in a long sought after 1:1 Chromebook initiative for our students in grades K-12, as not just a vision, but a necessity. The need to upgrade wireless services and device capacity through this crisis has allowed Cedar Grove School district to truly be a 1:1 device district. This technology upgrade will need sustainability for future impact on staff and students.

We continue our partnership with Montclair State University’s Network for Educational Renewal (MSUNER) as well as Syracuse and Fairleigh Dickinson Universities via dual enrollment programming. Recently, Cedar Grove Developed a partnership with Montclair State University in an Academic Dual Enrollment program. PADE. Panther Dual Enrollment is an opportunity for Cedar Grove High School seniors to connect the community and campus life of Montclair State University by taking courses at Montclair State University as part of a dual enrollment program helping them earn college credits while still in high school. PADE allows high school students to take courses across nearly all areas of campus, including Computer Science, Math, English Writing, Psychology, Anthropology, Sociology, Political Science, Languages, Music, and Earth and Environmental Studies. The program allows students to take two courses at Montclair State in both the fall and spring semesters. These 12+ credits count toward their high school transcripts and have the ability for use toward a college degree. Cedar Grove High School will begin enrollment for interested seniors for the fall semester of 2021. PADE is a specific agreement between Montclair State University and Cedar Grove High School and comes under the umbrella of Montclair State’s Early College Program. The PADE program will allow students the opportunity to explore the experience of course work at a university level while actually partaking in the full university classroom/campus experience. Unlike other dual credit programs, PADE will provide students the ability to understand the college/university life and will enable them the ability to incorporate these experiences when making the decision on where they will pursue their higher education. We will continue to focus our resources on curricular fidelity and professional development to assist educators with the implementation of newer course offerings and remain current with changes to standards-based instruction.

Previous investment in Linkit!, a data warehouse, analysis and analytic software, has continued to provide insight into student academic achievement and drive instruction for staff. This has become essential during the COVID pandemic allowing staff to direct their instruction in a way that is prudent for their students and allow instant feedback for the student and the staff member to create an individualized program for an individual student or a cohort.

The district remains focused on improving college and career readiness across disciplines. Differentiated teaching techniques in grades K-8, as well as the Understanding by Design model at the 9-12 level, have enabled our educators to focus instruction on the unique learning styles of each student; dialogue among/between staff members has improved as a result and our expanded access to staff articulation a bonus. Data collection, analysis and sharing will continue to inform instruction and ultimately improve vertical articulation throughout the district. Our individual schools continue to develop goals that reflect growing student achievement and we remain cognizant of the need for articulation among and between buildings. Coupled with limited finances and compliance with our bargaining unit agreements, the environment exists for the necessary modifications of priorities, on a yearly basis.

The Cedar Grove School District is committed to successful student outcomes. We strive to engage the learning community in meaningful and relevant curricular offerings that are enriched with experiences outside the classroom and infused with appropriate technological support. School-based and district-level administrators work diligently to align curricula to current standards and routinely collaborate in the delivery of instruction to maximize student learning outcomes.

3) MAJOR INITIATIVES: (Continued)

Cedar Grove has invested efforts into creating a system that takes into consideration not only state assessments, but district, benchmark and other measurable outcomes that are gathered in Linkit! Through resources such as Linkit!, Cedar Grove is able to disaggregate data of students and develop a conscious set of standards that ultimately center on student achievement while considering the cost benefit as a whole. During the current pandemic crisis, data development aids in the planning for the future and the needs of students academically which affect the social emotional component of a students success.

The need to provide our special needs population with instruction by our school system, with our teachers and in our town is essential. In doing so, the creation of the Progressions program (Community Based Instruction) will provide a home to our 18-21year students. In an effort to serve our students, special needs and general education, the district will build a fleet of transportation vehicles to provide services to the community of students that was previously outsourced.

Investing in student outcomes, Cedar Grove will provide students with professional services from a certified reading specialist that will engage in current and focused objectives to develop students select skill sets. This staff member will also engage staff in practices to help improve delivery in an area that is essential for foundational skills that will extend into the later years of their schooling careers. This is needed now more than ever due to the anticipated loss of instructional time and instruction due to COVID.

Staff members are held accountable for student performance and behavior and seek to exceed AchieveNJ and TEACHNJ mandates. Our staff is encouraged to explore best practices and turn-key valuable lessons learned in the field to colleagues within the district. The 2021-22 District Calendar includes additional staff development days (half days) to be used to expand staff development and professional learning.

The Cedar Grove School District is committed to raising performance standards of both students and staff. In-service training days are annually built into the District Calendar to promote adult learning and facilitate horizontal/vertical professional articulation. Staff members are encouraged to explore best practices and invited to turn-key valuable lessons learned from the field. Professional development designed to better educate teachers to ensure classroom instruction is directly tied to the NJSLs, as well as the continued refinement of benchmark assessments that provide teachers with quantitative data to improve student achievement. Focus on developing quality SGOs and PDPs for all teachers and administrators will also remain a priority. Additionally, district professional development will include continued emphasis on training for administrators and teachers in data analysis and in the teacher/principal evaluation model currently in place (Stronge). The district will continue to provide opportunities for on-site and off-site training in areas of pedagogy and technology in order to better assist teachers in preparing for next year's NJSLs assessments and ensure students are prepared to compete in the global society in which we live.

This year we began the process of updating our long range facilities plan to provide accurate numbers for the future and the allowance for savings in Capital Reserve for unexpected repairs and maintenance.

While the future is bright for the Cedar Grove School District, increased student achievement and the need for additional sources of revenue to assist the district in maintaining services remain top priorities. Providing a 21st century curriculum, well trained teachers and benchmark assessments will help the district provide the best educational program for our students, now and in the future. As we plan ahead, ensuring the implementation of the district's curricula and its continued good health, providing the needed resources for the efficient delivery of same and offering teachers much-needed training in the effective use of those resources will be essential.

4) INTERNAL ACCOUNTING CONTROLS:

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

4) INTERNAL ACCOUNTING CONTROLS: (Continued)

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

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

5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, special revenue fund, and debt service 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reserves of fund balance at June 30, 2022.

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) DEBT ADMINISTRATION:

As of June 30, 2022, the District's outstanding debt consisted of \$20,131,000 in general obligation bonds to provide funds for capital improvements to the District's buildings and grounds. There are four bonds consisting of the total mentioned above, they are for bonds issued in 2002, 2012, 2016 and 2019. The bonds originally issued in 2002 were refinanced in May 2012, which resulted in significant savings to the Cedar Grove taxpayer.

8) CASH MANAGEMENT:

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

9) RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft on property and contents, and fidelity bonds. The schedule of insurance is listed in the statistical section.

10) OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Bliss, LLP was appointed as auditor at the Board's annual re-organizational meeting. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act (Uniform Guidance) as amended and related to OMB Circular A-133 and state Treasury Circular Letter 15-08 OMB. The auditor's 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.

11) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Cedar Grove Board of Education 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. Further, the preparation of this report could not have been accomplished without the efficient and dedicated services of the business office staff.

Respectfully submitted,

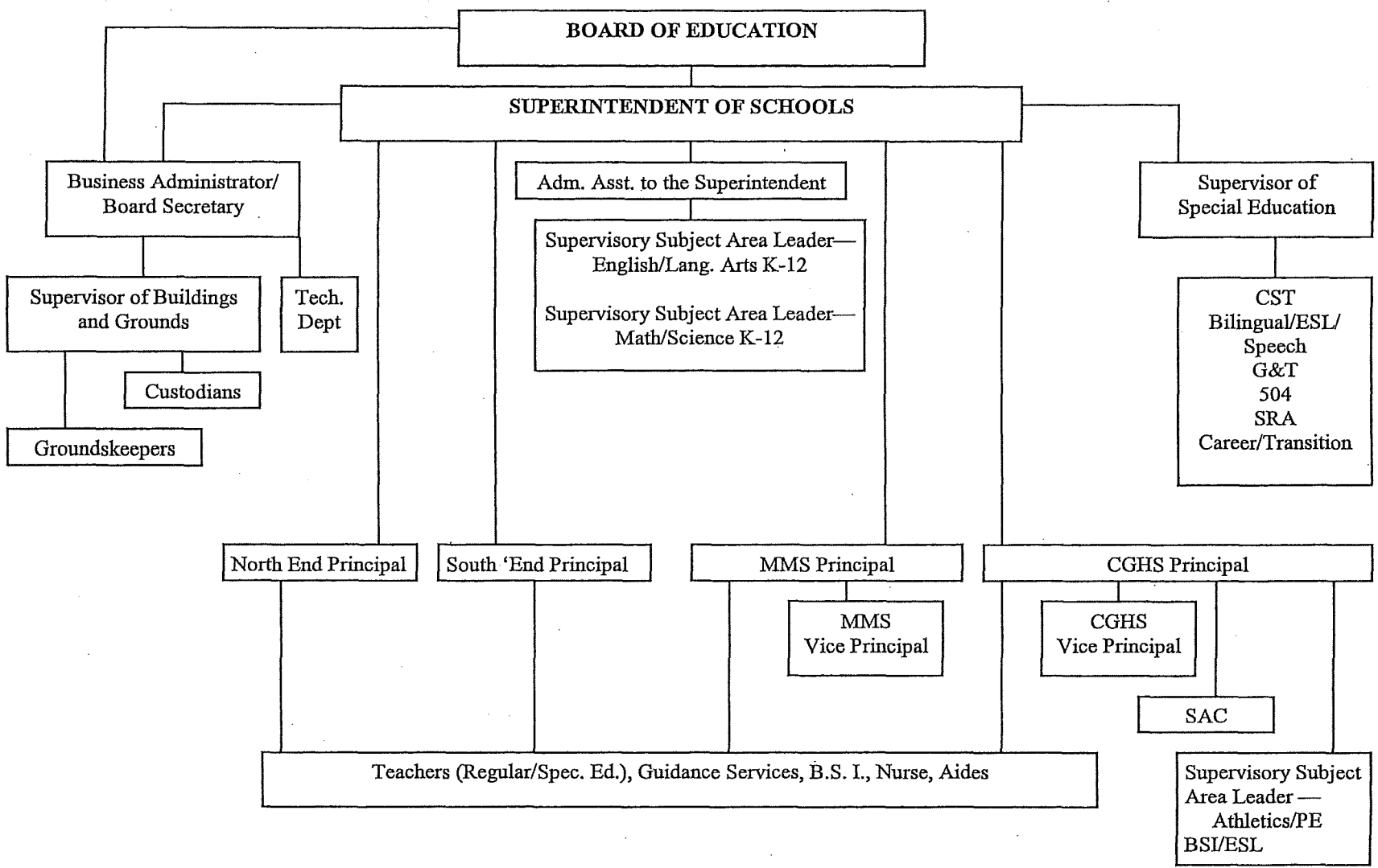


Anthony Grosso
Superintendent



Michael DeVita
Business Administrator/Board Secretary

**CEDAR GROVE PUBLIC SCHOOLS
TABLE OF ORGANIZATION—ADMINISTRATION 1110**



1110

CEDAR GROVE PUBLIC SCHOOLS

**ROSTER OF OFFICIALS
JUNE 30, 2022**

Members of the Board of Education	Term Expires
Mrs. Dawn Daura, Board President	2024
Mrs. Michele Mega	2022
Mrs. Christine Dye	2023
Mr. Lou Marzullo	2024
Mr. David Schoner	2022

Other Officials

Mr. Anthony Grosso, Superintendent

Mr. Michael DeVita, Business Administrator/Board Secretary

Mr. William Homa, CPA, RMA, CTC, CMFO, Treasurer of School Monies

**CEDAR GROVE PUBLIC SCHOOLS
CEDAR GROVE, NJ 07009
CONSULTANTS AND ADVISORS**

AUDIT FIRM

Lerch, Vinci & Bliss, LLP
Certified Public Accountants
17-17 Route 208
Fair Lawn, NJ 07410

ATTORNEY

Weiner Law Group, LLP
General Counsel
629 Parsippany Road
Parsippany, NJ 07054

INSURANCE

Bollinger Specialty Group
Athletic Insurance
200 Jefferson Park
Whippany, NJ 07981

C. Walter Searle Insurance Agency, LLC
Risk Advisor
410 Franklin Avenue
Nutley, NJ 07110

IMAC Insurance Agency
Insurance Broker
540 Mill Street
Belleville, NJ 07109

ARCHITECT

Dan Dressel, AIA
Architect of Record
19 Edstan Drive
Moonachie, NJ 07074

RIGHT TO KNOW

Rullo & Juliet Associates
878 A-1 Pompton Avenue
Cedar Grove, NJ 07009

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Cedar Grove Public Schools
Cedar Grove, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cedar Grove Public Schools, as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cedar Grove Public Schools as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

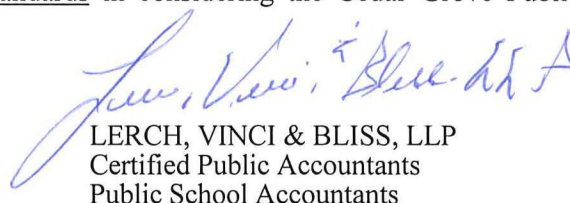
Other Information

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

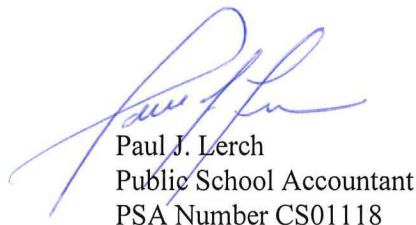
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If,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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 10, 2023 on our consideration of the Cedar Grove Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cedar Grove Public Schools' 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 Cedar Grove Public Schools' internal control over financial reporting and compliance.



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
March 10, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CEDAR GROVE PUBLIC SCHOOLS
CEDAR GROVE, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

This discussion and analysis of the Cedar Grove Public Schools' financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2022. The intent of this is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- District-Wide - Overall revenues were \$43,053,850. General revenues accounted for \$31,752,726 or 74 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$11,301,124 or 26 percent of total revenues.
- District-Wide - The School District had \$40,646,371 in expenses; only \$11,301,124 of these expenses were offset by program specific charges for services, grants or contributions and capital grants and contributions. General revenues (primarily taxes) of \$31,752,726 were adequate to provide for these programs.
- Fund Financials - As of the close of the current fiscal year, the Cedar Grove Public Schools governmental funds reported combined ending fund balances of \$7,169,964, an increase of \$72,078 in comparison with the prior year.
- Fund Financials - At the end of June 30, 2022, unassigned fund balance for the General Fund was \$863,277 an increase of \$52,560 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor’s Report, required supplementary information which includes the management’s discussion and analysis (this section), the district-wide financial statements, fund financial statements and notes to the financial statements.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Cedar Grove Public Schools’ overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Cedar Grove Public Schools, reporting the Cedar Grove Public Schools’ operation in more detail than the district-wide statements.
 - The governmental fund statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
 - Proprietary fund statements offer short and long-term financial information about the activities the Cedar Grove Public Schools operates like a business.

Table A-1 summarizes the major features of the Cedar Grove Public Schools’ financial statements, including the portion of the Cedar Grove Public Schools’ activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

	District-Wide 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 and food service	Activities the district operates similar to private businesses
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Fund Net Position and Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset, deferred outflows/inflows of resources and liability information	All assets, deferred outflows/inflows of resources 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, deferred outflows/inflows of resources and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

District-wide Statements

District-wide. The *District-wide financial statements* are designed to provide readers with a broad overview of the Cedar Grove Public Schools' finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Cedar Grove Public Schools' assets, deferred outflows/inflows of resources and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, when assessing the overall health of the District, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of the school buildings and other facilities.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

District-wide Statements (Continued)

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

- *Governmental activities*- Most of the District's basic services are included here, such as regular and special education, transportation, maintenance and administration services. Property taxes and state aids finance most of these activities.
- *Business-type activities*- The District charges fees to customers to help it cover the costs of the District's Food Service Fund, Summer Music Academy, Summer Lego and 1 to 1 Technology Initiative.

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has two kinds of funds:

Governmental funds. The District's basic services are included in the governmental funds, which generally focus on near-term inflows and outflows of spendable resources and the balances of spendable resources at year-end. Consequently, the governmental fund statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide a reconciliation at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and Debt Service Fund. Budgetary comparison statements have been provided for the General Fund, Special Revenue Fund and Debt Service Fund.

Fund Financial Statements (Continued)

Proprietary Funds. The District maintains one type of Proprietary Fund, an Enterprise Fund, which is used to report the activity of the Food Service Fund, the Music Program Fund, the 1 to 1 Technology Initiative Fund and the Summer Lego Fund. Proprietary Funds provide the same type of information as the district-wide financial statements and is presented as business-type activities in the district-wide financial statements.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

DISTRICT-WIDE FINANCIAL ANALYSIS OF THE CEDAR GROVE PUBLIC SCHOOLS AS A WHOLE

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

Table A-2 provides a summary of the school district's net position for fiscal years 2022 and 2021. For 2022 and 2021 net position were \$13,464,681 and \$11,057,202, respectively.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide regular and special education, transportation, maintenance and administration services. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

DISTRICT-WIDE FINANCIAL ANALYSIS OF THE CEDAR GROVE PUBLIC SCHOOLS AS A WHOLE (Continued)

Table A-2
Statement of Net Position
As of June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets						
Current and Other Assets	\$ 8,616,194	\$ 7,570,768	\$ 458,706	\$ 109,278	\$ 9,074,900	\$ 7,680,046
Capital Assets, net	33,606,953	34,418,553	16,557	8,057	33,623,510	34,426,610
Total Assets	<u>42,223,147</u>	<u>41,989,321</u>	<u>475,263</u>	<u>117,335</u>	<u>42,698,410</u>	<u>42,106,656</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	277,297	612,802			277,297	612,802
Deferred Amounts on Refunding of Debt	3,519	8,046	-	-	3,519	8,046
Total Deferred Outflows of Resources	<u>280,816</u>	<u>620,848</u>	<u>-</u>	<u>-</u>	<u>280,816</u>	<u>620,848</u>
Total Assets and Deferred Outflows of Resources	<u>42,503,963</u>	<u>42,610,169</u>	<u>475,263</u>	<u>117,335</u>	<u>42,979,226</u>	<u>42,727,504</u>
Liabilities						
Current Liabilities	1,611,290	660,855	78,391	3,099	1,689,681	663,954
Non-Current Liabilities	24,973,344	28,363,058	-	-	24,973,344	28,363,058
Total Liabilities	<u>26,584,634</u>	<u>29,023,913</u>	<u>78,391</u>	<u>3,099</u>	<u>26,663,025</u>	<u>29,027,012</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	2,851,520	2,643,290	-	-	2,851,520	2,643,290
Total Deferred Inflows of Resources	<u>2,851,520</u>	<u>2,643,290</u>	<u>-</u>	<u>-</u>	<u>2,851,520</u>	<u>2,643,290</u>
Total Liabilities and Deferred Inflows of Resources	<u>29,436,154</u>	<u>31,667,203</u>	<u>78,391</u>	<u>3,099</u>	<u>29,514,545</u>	<u>31,670,302</u>
Net Position:						
Net Investment in Capital Assets	13,873,950	11,976,547	16,557	8,057	13,890,507	11,984,604
Restricted	3,591,317	3,785,661			3,591,317	3,785,661
Unrestricted	(4,397,458)	(4,819,242)	380,315	106,179	(4,017,143)	(4,713,063)
Total Net Position	<u>\$ 13,067,809</u>	<u>\$ 10,942,966</u>	<u>\$ 396,872</u>	<u>\$ 114,236</u>	<u>\$ 13,464,681</u>	<u>\$ 11,057,202</u>

DISTRICT-WIDE FINANCIAL ANALYSIS OF THE CEDAR GROVE PUBLIC SCHOOLS AS A WHOLE (Continued)

Governmental activities. Governmental activities increased the District's net position by \$2,124,843.

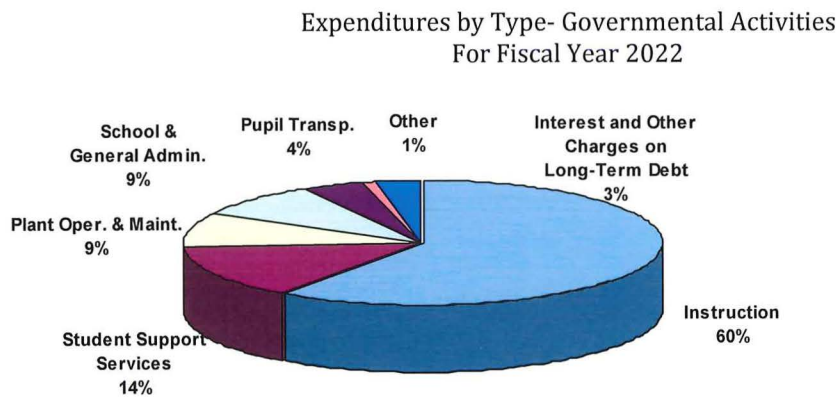
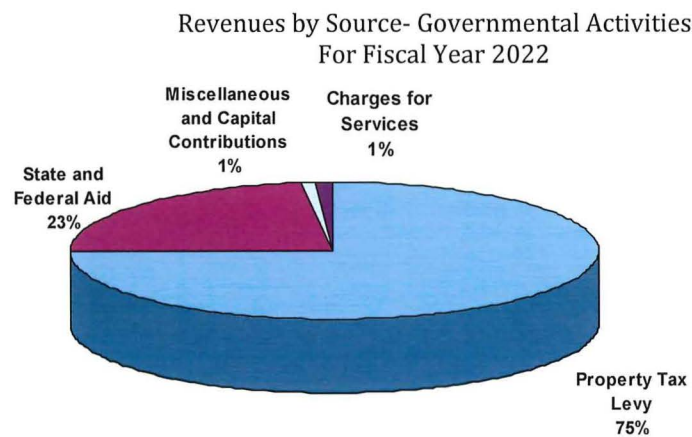
**Table A-3
Changes in Net Position
For the Fiscal Years Ended June 30, 2022 and 2021**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program Revenues						
Charges for Services	\$ 478,409	\$ 560,548	\$ 238,663	\$ 42,935	\$ 717,072	\$ 603,483
Operating Grants and Contributions	9,845,118	12,095,389	738,934		10,584,052	12,095,389
Capital Grants and Contributions	-	9,790			-	9,790
General Revenues						
Property Taxes	31,319,723	30,789,633			31,319,723	30,789,633
Other	432,734	329,458	269	27	433,003	329,485
Total Revenues	<u>42,075,984</u>	<u>43,784,818</u>	<u>977,866</u>	<u>42,962</u>	<u>43,053,850</u>	<u>43,827,780</u>
Expenses						
Instruction						
Regular	15,469,064	17,210,417			15,469,064	17,210,417
Special Education	6,838,624	7,255,310			6,838,624	7,255,310
Other Instruction	293,539	251,153			293,539	251,153
School Sponsored Activities and Athletics	1,440,104	1,381,152			1,440,104	1,381,152
Support Services						
Student and Instruction Related Serv.	5,736,742	5,627,760			5,736,742	5,627,760
General Administrative Services	1,166,613	1,080,804			1,166,613	1,080,804
School Administrative Services	2,457,277	2,780,748			2,457,277	2,780,748
Plant Operations and Maintenance	3,629,179	3,533,968			3,629,179	3,533,968
Pupil Transportation	1,549,919	954,471			1,549,919	954,471
Central Services	938,001	1,215,713			938,001	1,215,713
Food Service			689,456	9,056	689,456	9,056
Other			5,774		5,774	-
Interest on Long-Term Debt	432,079	491,464	-	-	432,079	491,464
Total Expenses	<u>39,951,141</u>	<u>41,782,960</u>	<u>695,230</u>	<u>9,056</u>	<u>40,646,371</u>	<u>41,792,016</u>
Increase in Net Position, Before Transfers	2,124,843	2,001,858	282,636	33,906	2,407,479	2,035,764
Transfers	-	(8,000)	-	8,000	-	-
Change in Net Position	2,124,843	1,993,858	282,636	41,906	2,407,479	2,035,764
Net Position, Beginning of Year	10,942,966	8,949,108	114,236	72,330	11,057,202	9,021,438
Net Position, End of Year	<u>\$ 13,067,809</u>	<u>\$ 10,942,966</u>	<u>\$ 396,872</u>	<u>\$ 114,236</u>	<u>\$ 13,464,681</u>	<u>\$ 11,057,202</u>

DISTRICT-WIDE FINANCIAL ANALYSIS OF THE CEDAR GROVE PUBLIC SCHOOLS AS A WHOLE (Continued)

Governmental activities. The District’s total governmental activities revenues were \$42,075,984. General revenues that included property taxes, unrestricted state aid, state aid restricted for debt service, interest and miscellaneous revenue amounted to \$31,752,457 or 76% of total revenues. Funding from state and federal sources and capital contributions amounted to \$9,845,118 or 23%. Charges for services amounted to \$478,409 or 1%. (See Table A-3)

The District’s total governmental activities expenses were \$39,951,141 and are predominantly related to instruction and support services. Instruction totaled \$24,041,331 (60%), support services totaled \$15,477,731 (39%) and interest and other charges on long-term debt total \$432,079 (1%) of total expenditures. (See Table A-3.)



DISTRICT-WIDE FINANCIAL ANALYSIS OF THE CEDAR GROVE PUBLIC SCHOOLS AS A WHOLE (Continued)

**Table A-4
Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2022 and 2021**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Governmental Activities				
Instruction				
Regular	15,469,064	17,210,417	\$ 11,684,392	\$ 11,565,972
Special Education	6,838,624	7,255,310	3,798,735	4,361,676
Other Instruction	293,539	251,153	227,014	172,274
School Sponsored Activities and Athletics	1,440,104	1,381,152	948,969	963,542
Support Services				
Student and Instruction Related Svcs.	5,736,742	5,627,760	4,261,692	4,152,080
General Administrative Services	1,166,613	1,080,804	1,030,677	877,421
School Administrative Services	2,457,277	2,780,748	2,018,910	2,138,129
Plant Operations and Maintenance	3,629,179	3,533,968	3,246,651	2,879,410
Pupil Transportation	1,549,919	954,471	1,207,978	623,485
Central Services	938,001	1,215,713	829,455	959,761
Interest on Long-Term Debt	432,079	491,464	373,141	423,483
Total Governmental Activities	<u>\$ 39,951,141</u>	<u>\$ 41,782,960</u>	<u>\$ 29,627,614</u>	<u>\$ 29,117,233</u>

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2022 was \$695,230. These costs were funded by charges for services and investment earnings (Detailed on Table A-3). The operations resulted in an increase in net position of \$282,636.

DISTRICT-WIDE FINANCIAL ANALYSIS OF THE CEDAR GROVE PUBLIC SCHOOLS AS A WHOLE (Continued)

Business-Type Activities (Continued)

Revenues for the District's business-type activities food service were comprised of charges for services.

Food Service Program

- Food service revenues and transfers were greater than expenses by \$235,430.
- Charges for services of \$185,683 represented 20 percent of revenue, while Contributions from Federal and State Funding of \$738,934 made up 80 percent of revenues.
- Revenues include lunches and ala carte meals paid for by the students.

Summer Music Academy

The District approved this program during the 2014-2015 school year to provide music instruction to the participating students. The program was not administered this year due to COVID.

1 to 1 Technology Initiative

The District approved this program during the 2019-20 school to account for student deposits for the repair and replenishment of District issued laptops as part of the 1 to 1 technology initiative. Program revenues for 2021-22 were \$45,930 and Expenses were \$5,694.

Summer Lego Program

The District approved this program during the 2021-22 school year as a new summer STEM program offered to students. Program revenues for 2021-22 were \$7,050 and Expenses were \$80.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

As the District completed the year, its governmental funds reported a combined fund balance of \$7,169,964. In 2020-2021 the fund balance was \$7,097,886.

The District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$42,641,918 and expenditures were \$42,569,840.

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 fiscal management. The following schedule presents a summary of the governmental funds revenues for the fiscal years ended June 30, 2022 and 2021.

	Fiscal Year Ended <u>June 30, 2022</u>	Fiscal Year Ended <u>June 30, 2021</u>	Amount of Increase (Decrease)	Percent Change
Local Sources	\$ 32,039,528	\$ 31,476,925	\$ 562,603	1.79%
State Sources	9,408,866	7,595,079	1,813,787	23.88%
Federal Sources	<u>1,193,524</u>	<u>827,782</u>	<u>365,742</u>	44.18%
 Total Revenues	 <u>\$ 42,641,918</u>	 <u>\$ 39,899,786</u>	 <u>\$ 2,742,132</u>	 6.87%

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal years ended June 30, 2022 and 2021.

	Fiscal Year Ended <u>June 30, 2022</u>	Fiscal Year Ended <u>June 30, 2021</u>	Amount of Increase (Decrease)	Percent Change
Instruction	\$ 24,099,026	\$ 22,694,698	\$ 1,404,328	6.19%
Support Services	15,683,388	13,690,999	1,992,389	14.55%
Capital Outlay	471,100	482,666	(11,566)	-2.40%
Debt Service				
Principal	1,847,415	1,824,415	23,000	1.26%
Interest	<u>468,911</u>	<u>519,601</u>	<u>(50,690)</u>	-9.76%
 Total Expenditures	 <u>\$ 42,569,840</u>	 <u>\$ 39,212,379</u>	 <u>\$ 3,357,461</u>	 8.56%

General Fund Budgetary Highlights

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent overexpenditures in specific line item accounts.

The school district continues to be the beneficiary of gifts from individuals, parent/teacher organizations, and charitable foundations which significantly supplement the programs, supplies, and facilities funded through the budget.

The District received \$801,282 in Extraordinary Aid to help offset special education costs.

Capital Assets. The Cedar Grove Public Schools' investment in capital assets for its governmental and business type activities as of June 30, 2022 and 2021 amounts to \$33,623,510 and \$34,426,610 (net of accumulated depreciation), respectively. This investment in capital assets includes land, construction in progress, land improvements, buildings and building improvements, and machinery and equipment. Additional information about the restatement can be found in the notes of this report.

Table A-5
Capital Assets
(net of accumulated depreciation) as of June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 47,359	\$ 47,359			\$ 47,359	\$ 47,359
Construction in Progress	2,885,814	2,885,814			2,885,814	2,885,814
Land Improvements	559,985	559,985			559,985	559,985
Buildings and Building Improvements	46,910,889	46,633,029			46,910,889	46,633,029
Equipment and Furniture	<u>2,985,016</u>	<u>2,794,276</u>	\$ 112,167	\$ 101,829	<u>3,097,183</u>	<u>2,896,105</u>
Total	53,389,063	52,920,463	112,167	101,829	53,501,230	53,022,292
Less: Accumulated Depreciation	<u>19,782,110</u>	<u>18,501,910</u>	<u>95,610</u>	<u>93,772</u>	<u>19,877,720</u>	<u>18,595,682</u>
Total	<u>\$ 33,606,953</u>	<u>\$ 34,418,553</u>	<u>\$ 16,557</u>	<u>\$ 8,057</u>	<u>\$ 33,623,510</u>	<u>\$ 34,426,610</u>

Additional information on Cedar Grove Public Schools' capital assets can be found in the Notes of this report.

Debt Administration. As of June 30, 2022 and 2021 the school district had long-term debt and outstanding long-term liabilities in the amount of \$24,973,344 and \$28,363,058, respectively, as stated in Table A-6.

**Table A-6
Long-Term Debt
Outstanding Long-Term Liabilities**

	<u>2022</u>	<u>2021</u>
Bonds Payable, Including Premium	\$ 20,145,332	\$ 21,973,778
Other Financing Agreement	65,000	102,415
Compensated Absences Payable	304,568	261,441
Net Pension Liability	<u>4,458,444</u>	<u>6,025,424</u>
 Total	 <u>\$ 24,973,344</u>	 <u>\$ 28,363,058</u>

Additional information on Cedar Grove Public Schools’ long-term debt can be found in the Notes of this report.

FOR THE FUTURE

The District will continue to support professional development initiatives that target the New Jersey Student Learning Standards. We will also continue the development of 21st century classrooms through new technology initiatives that are student-focused and consistent with student achievement objectives and also build a strategic plan for digital learning using the Future Ready-NJ model.

The security of our students also remains a priority. We will be adding security vestibules to all schools, video surveillance upgrades to all schools, card access systems for North End, South End and Memorial Middle School, visitor management system to all schools, window film to all first floor windows in all schools, burglar alarm system in all schools, security gates in all schools, classroom phones in North End and South End, and make North End ADA compliant, fix site improvement and drainage issues at South End and install generators in all schools for technology and security equipment.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

If you have questions about this report or need additional information, contact the School Business Administrator at the Cedar Grove Public Schools, 520 Pompton Ave, Cedar Grove, NJ 07009.

BASIC FINANCIAL STATEMENTS

CEDAR GROVE PUBLIC SCHOOLS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 7,657,460	\$ 384,758	\$ 8,042,218
Receivables, net	958,734	58,045	1,016,779
Inventory		15,903	15,903
Capital Assets, net			
Not Being Depreciated	2,933,173		2,933,173
Being Depreciated	30,673,780	16,557	30,690,337
Total Assets	42,223,147	475,263	42,698,410
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	277,297		277,297
Deferred Amounts on Refunding of Debt	3,519	-	3,519
Total Deferred Outflows of Resources	280,816	-	280,816
Total Assets and Deferred Outflows of Resources	42,503,963	475,263	42,979,226
LIABILITIES			
Accounts Payable	961,009	78,391	1,039,400
Payroll Deductions Payable	62,416		62,416
Unearned Revenue	351,407		351,407
Accrued Interest Payable	165,060		165,060
Payable to Other Governments	71,398		71,398
Noncurrent Liabilities			
Due Within One Year	1,884,332		1,884,332
Due Beyond One Year	23,089,012	-	23,089,012
Total Liabilities	26,584,634	78,391	26,663,025
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	2,851,520	-	2,851,520
Total Deferred Inflows of Resources	2,851,520	-	2,851,520
Total Liabilities and Deferred Inflows of Resources	29,436,154	78,391	29,514,545
NET POSITION			
Net Investment in Capital Assets	13,873,950	16,557	13,890,507
Restricted for			
Maintenance	583,674		583,674
Capital Projects	2,492,453		2,492,453
Debt Service	288		288
Other Purposes	514,902		514,902
Unrestricted	(4,397,458)	380,315	(4,017,143)
Total Net Position	\$ 13,067,809	\$ 396,872	\$ 13,464,681

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

CEDAR GROVE PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 15,469,064	\$ 118,053	\$ 3,666,619		\$ (11,684,392)		\$ (11,684,392)
Special Education	6,838,624		3,039,889		(3,798,735)		(3,798,735)
Other Instruction	293,539		66,525		(227,014)		(227,014)
School Sponsored Activities and Athletics	1,440,104	272,813	218,322		(948,969)		(948,969)
Support Services							
Student and Instruction Related Services	5,736,742		1,475,050		(4,261,692)		(4,261,692)
General Administrative Services	1,166,613		135,936		(1,030,677)		(1,030,677)
School Administrative Services	2,457,277		438,367		(2,018,910)		(2,018,910)
Central Services	938,001		108,546		(829,455)		(829,455)
Plant Operations and Maintenance	3,629,179	79,593	302,935		(3,246,651)		(3,246,651)
Pupil Transportation	1,549,919	7,950	333,991		(1,207,978)		(1,207,978)
Interest and Other Charges on Long-Term Debt	432,079	-	58,938	-	(373,141)	-	(373,141)
Total Governmental Activities	39,951,141	478,409	9,845,118	-	(29,627,614)	-	(29,627,614)
Business-Type Activities							
Food Service	689,456	185,683	738,934			\$ 235,161	235,161
Other	5,774	52,980	-	-	-	47,206	47,206
Total Business-Type Activities	695,230	238,663	738,934	-	-	282,367	282,367
Total Primary Government	\$ 40,646,371	\$ 717,072	\$ 10,584,052	\$ -	(29,627,614)	282,367	(29,345,247)
General Revenues							
Property Taxes, Levied for General Purposes, Net					29,372,015		29,372,015
Property Taxes Levied for Debt Service					1,947,708		1,947,708
State Aid Restricted for Debt Service Principal					229,859		229,859
Miscellaneous Income					202,875	269	203,144
Total General Revenues and Other Items					31,752,457	269	31,752,726
Change in Net Position					2,124,843	282,636	2,407,479
Net Position, Beginning of Year					10,942,966	114,236	11,057,202
Net Position, End of Year					\$ 13,067,809	\$ 396,872	\$ 13,464,681

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

FUND FINANCIAL STATEMENTS

CEDAR GROVE PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 6,881,653	\$ 263,225	\$ 444,615	\$ 67,967	\$ 7,657,460
Receivables from Other Governments	90,717	868,017			958,734
Due from Other Funds	416,410	-	-	-	416,410
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 7,388,780</u>	<u>\$ 1,131,242</u>	<u>\$ 444,615</u>	<u>\$ 67,967</u>	<u>\$ 9,032,604</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 796,498	\$ 148,504	\$ 16,007		\$ 961,009
Due to Other Funds		328,933	19,798	\$ 67,679	416,410
Payable to State Government	27,225	44,156			71,381
Payable to Federal Government		17			17
Payroll Deductions and Withholdings Payable	62,416				62,416
Unearned Revenue	5,000	346,407	-	-	351,407
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>891,139</u>	<u>868,017</u>	<u>35,805</u>	<u>67,679</u>	<u>1,862,640</u>
Fund Balances					
Restricted Fund Balance					
Excess Surplus- Designated for Subsequent Year's Expenditures	828,944				828,944
Excess Surplus	801,882				801,882
Maintenance Reserve	583,674				583,674
Capital Reserve	2,492,453				2,492,453
Unemployment Compensation	251,677				251,677
Student Activities		118,208			118,208
Scholarships		145,017			145,017
Capital Projects			408,810		408,810
Debt Service				288	288
Assigned Fund Balance					
Year End Encumbrances	675,734				675,734
Unassigned Fund Balance	863,277	-	-	-	863,277
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>6,497,641</u>	<u>263,225</u>	<u>408,810</u>	<u>288</u>	<u>7,169,964</u>
Total Liabilities and Fund Balances	<u>\$ 7,388,780</u>	<u>\$ 1,131,242</u>	<u>\$ 444,615</u>	<u>\$ 67,967</u>	<u>\$ 9,032,604</u>

**CEDAR GROVE PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2022**

Total Fund Balances (Exhibit B-1)	\$	7,169,964
<p>Amounts reported for governmental activities in the statement of net position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$53,389,063 and the accumulated depreciation is \$19,782,110.</p>		33,606,953
<p>Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.</p>		3,519
<p>Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and amortized over future years.</p>		
<p>Deferred Outflows of Resources</p>	\$ 277,297	
<p>Deferred Inflows of Resources</p>	<u>(2,851,520)</u>	
		(2,574,223)
<p>The District has financed capital assets through the issuance of serial bonds, loans and long term-lease obligations. The interest accrual at year end is:</p>		(165,060)
<p>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. Long-term liabilities at year end consist of:</p>		
<p>Bonds Payable, net of unamortized premium</p>	(20,145,332)	
<p>Lease Purchase Agreements</p>	(65,000)	
<p>Compensated Absences</p>	(304,568)	
<p>Net Pension Liability</p>	<u>(4,458,444)</u>	
		<u>(24,973,344)</u>
Net Position of governmental activities (Exhibit A-1)	\$	<u>13,067,809</u>

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

CEDAR GROVE PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 29,372,015			\$ 1,947,708	\$ 31,319,723
Miscellaneous	<u>407,939</u>	<u>\$ 311,334</u>	<u>\$ 465</u>	<u>67</u>	<u>719,805</u>
Total - Local Sources	29,779,954	311,334	465	1,947,775	32,039,528
State Sources					
Federal Sources	9,005,954	114,115		288,797	9,408,866
	<u>-</u>	<u>1,193,524</u>	<u>-</u>	<u>-</u>	<u>1,193,524</u>
Total Revenues	<u>38,785,908</u>	<u>1,618,973</u>	<u>465</u>	<u>2,236,572</u>	<u>42,641,918</u>
EXPENDITURES					
Current					
Instruction					
Regular Instruction	15,200,051	274,589			15,474,640
Special Education Instruction	6,365,407	526,950			6,892,357
Other Instruction	293,826				293,826
School Sponsored Activities and Athletics	1,186,026	252,177			1,438,203
Support Services					
Student and Instructional Related Services	5,247,377	544,621			5,791,998
General Administrative Services	1,117,145		51,372		1,168,517
School Administrative Services	2,507,524				2,507,524
Central Services	942,106				942,106
Plant Operations and Maintenance	3,827,089				3,827,089
Pupil Transportation	1,446,154				1,446,154
Debt Service					
Principal	37,415			1,810,000	1,847,415
Interest and Other Charges	4,811			464,100	468,911
Capital Outlay	<u>471,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>471,100</u>
Total Expenditures	<u>38,646,031</u>	<u>1,598,337</u>	<u>51,372</u>	<u>2,274,100</u>	<u>42,569,840</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>139,877</u>	<u>20,636</u>	<u>(50,907)</u>	<u>(37,528)</u>	<u>72,078</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	465				465
Transfers Out	<u>-</u>	<u>-</u>	<u>(465)</u>	<u>-</u>	<u>(465)</u>
Total Other Financing Sources and (Uses)	<u>465</u>	<u>-</u>	<u>(465)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	140,342	20,636	(51,372)	(37,528)	72,078
Fund Balance, Beginning of Year	<u>6,357,299</u>	<u>242,589</u>	<u>460,182</u>	<u>37,816</u>	<u>7,097,886</u>
Fund Balance, End of Year	<u>\$ 6,497,641</u>	<u>\$ 263,225</u>	<u>\$ 408,810</u>	<u>\$ 288</u>	<u>\$ 7,169,964</u>

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

CEDAR GROVE PUBLIC SCHOOLS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 72,078

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

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

Capital Outlay	\$ 471,100	
Depreciation Expense	<u>(1,282,700)</u>	
		(811,600)

In the statement of activities, "the issuance of long-term debt (e.g. bonds, loans and leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and other such items related to the refunding bond when they are first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Bond Premium	18,446	
Amortization of Deferred Amounts on Debt Refunding	(4,527)	
Principal Repayments		
Bond Principal	1,810,000	
Lease Purchase Agreement Principal	<u>37,415</u>	
		1,861,334

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

Increase Compensated Absences		(43,127)
Decrease in Pension Expense		1,023,245

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

The details are as follows:

Decrease in Accrued Interest		<u>22,913</u>
------------------------------	--	---------------

Change in net position of governmental activities (Exhibit A-2) **\$ 2,124,843**

**CEDAR GROVE PUBLIC SCHOOLS
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2022**

ASSETS	Business-Type Activities		Total
	Food Service	Non-Major Enterprise Funds	
Current Assets			
Cash and Cash Equivalents	\$ 267,946	\$ 116,812	\$ 384,758
Receivables from Other Governments	58,045		58,045
Inventory	15,903	-	15,903
Total Current Assets	341,894	116,812	458,706
Non-Current Assets			
Equipment	112,167		112,167
Less: Accumulated Depreciation	(95,610)	-	(95,610)
Total Non-Current Assets	16,557	-	16,557
Total Assets	358,451	116,812	475,263
 LIABILITIES			
Current Liabilities			
Accounts Payable	78,311	80	78,391
Total Current Liabilities	78,311	80	78,391
 NET POSITION			
Investment in Capital Assets	16,557		16,557
Unrestricted	263,583	116,732	380,315
Total Net Position	\$ 280,140	\$ 116,732	\$ 396,872

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

**CEDAR GROVE PUBLIC SCHOOLS
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-Type Activities		<u>Total</u>
	<u>Food Service</u>	<u>Non-Major Enterprise Funds</u>	
OPERATING REVENUES			
Charges for Services			
Daily Sales - Program	\$ 4,389		\$ 4,389
Daily Sales - Non-program	181,294		181,294
Program Fees	-	\$ 52,980	52,980
Total Operating Revenues	<u>185,683</u>	<u>52,980</u>	<u>238,663</u>
OPERATING EXPENSES			
Cost of Sales - Reimbursable	239,305		239,305
Cost of Sales - Non-Reimbursable	59,826		59,826
Salaries, Benefits and Payroll Taxes	255,676	-	255,676
Insurance	22,212		22,212
Purchased Services	13,181	5,774	18,955
Supplies and Materials	43,691		43,691
Miscellaneous Expenses	1,056		1,056
Management Fee	52,671		52,671
Depreciation Expense	<u>1,838</u>	<u>-</u>	<u>1,838</u>
Total Operating Expenses	<u>689,456</u>	<u>5,774</u>	<u>695,230</u>
Operating Income/(Loss)	<u>(503,773)</u>	<u>47,206</u>	<u>(456,567)</u>
NONOPERATING REVENUES			
State Sources			
School Lunch Program	16,958		16,958
Federal Sources			
National School Lunch Program	721,976		721,976
Interest Income	<u>269</u>	<u>-</u>	<u>269</u>
Total Nonoperating Revenues	<u>739,203</u>	<u>-</u>	<u>739,203</u>
Change in Net Position	235,430	47,206	282,636
Net Position, Beginning of Year	<u>44,710</u>	<u>69,526</u>	<u>114,236</u>
Net Position, End of Year	<u>\$ 280,140</u>	<u>\$ 116,732</u>	<u>\$ 396,872</u>

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

**CEDAR GROVE PUBLIC SCHOOLS
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-Type Activities		Total
	Food Service	Non-Major Enterprise Funds	
Cash Flows From Operating Activities			
Receipts from Customers	\$ 185,683	\$ 52,980	\$ 238,663
Payments for Employees' Salaries and Benefits	(255,676)	-	(255,676)
Payments to Suppliers for Goods and Services	<u>(366,235)</u>	<u>(5,694)</u>	<u>(371,929)</u>
Net Cash Provided (Used) By Operating Activities	<u>(436,228)</u>	<u>47,286</u>	<u>(388,942)</u>
Cash Flows From Non-Capital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursements	680,889		680,889
Receipts from Other Funds	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided By Non-Capital Financing Activities	<u>680,889</u>	<u>-</u>	<u>680,889</u>
Cash Flows From Capital and Related Financing Activities			
Acquisition of Capital Assets	<u>(10,338)</u>	<u>-</u>	<u>(10,338)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(10,338)</u>	<u>-</u>	<u>(10,338)</u>
Cash Flows From Investing Activities			
Interest on Investments	<u>269</u>	<u>-</u>	<u>269</u>
Net Cash Provided By Investing Activities	<u>269</u>	<u>-</u>	<u>269</u>
Net Increase in Cash and Cash Equivalents	234,592	47,286	281,878
Cash and Cash Equivalents, Beginning of Year	<u>33,354</u>	<u>69,526</u>	<u>102,880</u>
Cash and Cash Equivalents, End of Year	<u>\$ 267,946</u>	<u>\$ 116,812</u>	<u>\$ 384,758</u>
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities:			
Operating Income (Loss)	\$ (503,773)	\$ 47,206	\$ (456,567)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By Operating Activities			
Depreciation	1,838		
(Increase)/ Decrease in Inventory	(9,505)		(9,505)
Increase/ (Decrease) in Accounts Payable	<u>75,212</u>	<u>80</u>	<u>75,292</u>
Total Adjustments	<u>67,545</u>	<u>80</u>	<u>65,787</u>
Net Cash Provided/(Used) By Operating Activities	<u>\$ (436,228)</u>	<u>\$ 47,286</u>	<u>\$ (388,942)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Cedar Grove Public Schools this includes general operations, food service, summer music academy, 1 to 1 initiative fund, summer lego and student related activities of the District.

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

B. New Accounting Standards

During fiscal year 2022, the District adopted the following GASB statements:

- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 92, *Omnibus 2020*. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

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

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB Statement No. 99, *Omnibus 2022*, the section applicable to the District will be effective beginning with the fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

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

The *summer music academy fund* accounts for the activities which provides music instruction to the participating students.

The *1 to 1 initiative fund* accounts for the non-refundable deposits charged to students to repair and replenish the District's laptop computers provided to students as part of the 1 to 1 technology initiative program.

The *summer lego fund* accounts for the activities which provide for a summer STEM program.

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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

**CEDAR GROVE PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

4. Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings and Building Improvements	20-40
Machinery and Equipment Furniture	5-10

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Deferred Outflows/Inflows of Resources

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

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

6. Compensated Absences

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

7. Pensions

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

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. *Financing Agreements*

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

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

9. *Long-Term Obligations*

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

10. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

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

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that was appropriated in the 2022/2023 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2022 audited excess surplus that is required to be appropriated in the 2023/2024 original budget certified for taxes.

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

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

Unemployment Compensation – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 4A).

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

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

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

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

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

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

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

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

11. Fund Balance Policies

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

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

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2020-2021 and 2021-2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund, the summer music academy enterprise fund summer lego and the 1 to 1 initiative enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2021/2022. Also, during 2021/2022 the Board increased the original budget by \$3,278,411. The increase was funded by capital reserve, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances.

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

**CEDAR GROVE PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021	\$ 2,501,258
Increased by:	
Unexpended Balances from Capital Reserve	6,250
Deposits by Board Resolution	<u>531,245</u>
	3,038,753
Decreased by:	
Withdrawals Approved by Board Resolution	<u>546,300</u>
Balance, June 30, 2022	<u>\$ 2,492,453</u>

The June 30, 2022 LRFP balance of uncompleted capital projects is \$12,400,000. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$0 of the capital reserve balance at June 30, 2022 was designated and appropriated for use in the 2022/2023 original budget certified for taxes.

C. Maintenance Reserve

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

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

**CEDAR GROVE PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021	\$ 783,674
Increased by:	
Deposits by Board Resolution	<u> -</u>
	783,674
Decreased by:	
Withdrawals Approved in Budget	<u>200,000</u>
Balance, June 30, 2022	<u>\$ 583,674</u>

The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

The June 30, 2022 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,885,604. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. \$0 of the maintenance reserve balance at June 30, 2022 was designated and appropriated for use in the 2022/2023 original budget certified for taxes.

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2022 is \$1,630,826. Of this amount, \$828,944 was designated and appropriated in the 2022/2023 original budget certified for taxes and the remaining amount of \$801,882 is required to be appropriated in the 2023/2024 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC and NCUSIF.

**CEDAR GROVE PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2022, the book value of the Board's deposits were \$8,042,218 and bank and brokerage firm balances of the Board's deposits amounted to \$9,307,343. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 8,112,254
Uninsured and Collateral held by pledging financial institution's trust department but not in the Board's Name	<u>1,195,089</u>
	<u>\$ 9,307,343</u>

Investments

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

As of June 30, 2022, the Board had no outstanding investments.

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

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

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

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2022 for the district’s individual major funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Federal		\$ 868,017	\$ 56,739	\$ 924,756
State	\$ 90,717	-	1,306	92,023
	<u>90,717</u>	<u>868,017</u>	<u>58,045</u>	<u>1,016,779</u>
Gross Receivables	90,717	868,017	58,045	1,016,779
Less:				
Allowance for Uncollectibles	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 90,717</u>	<u>\$ 868,017</u>	<u>\$ 58,045</u>	<u>\$ 1,016,779</u>

C. Unearned Revenue

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

	<u>Unearned</u>
General Fund	
Preschool Tuition	\$ 5,000
Special Revenue Fund	
Unencumbered Grant Draw Downs	161,891
Grant Draw Downs Reserve for Encumbrances	<u>184,516</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 351,407</u>

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Balance, <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases/ Adjustment</u>	Balance, <u>June 30, 2022</u>
Governmental activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 47,359			\$ 47,359
Construction In Process	2,885,814	-	-	2,885,814
Total Capital Assets, Not Being Depreciated	<u>2,933,173</u>	<u>-</u>	<u>-</u>	<u>2,933,173</u>
Capital Assets, Being Depreciated:				
Land Improvements	559,985			559,985
Building and Building Improvements	46,633,029	\$ 277,860		46,910,889
Machinery and Equipment	2,794,276	193,240	\$ (2,500)	2,985,016
Total Capital Assets Being Depreciated	<u>49,987,290</u>	<u>471,100</u>	<u>(2,500)</u>	<u>50,455,890</u>
Less Accumulated Depreciation for:				
Land Improvements	(408,343)	(19,646)		(427,989)
Building and Building Improvements	(15,489,154)	(1,189,395)		(16,678,549)
Machinery and Equipment	(2,604,413)	(73,659)	2,500	(2,675,572)
Total Accumulated Depreciation	<u>(18,501,910)</u>	<u>(1,282,700)</u>	<u>2,500</u>	<u>(19,782,110)</u>
Total Capital Assets, Being Depreciated, Net	<u>31,485,380</u>	<u>(811,600)</u>	<u>-</u>	<u>30,673,780</u>
Governmental Activities Capital Assets, Net	<u>\$ 34,418,553</u>	<u>\$ (811,600)</u>	<u>\$ -</u>	<u>\$ 33,606,953</u>

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2021	Increases	Decreases	Balance, June 30, 2022
Business-type activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 101,829	\$ 10,338	-	\$ 112,167
Total Capital Assets Being Depreciated	<u>101,829</u>	<u>10,338</u>	<u>-</u>	<u>112,167</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(93,772)	(1,838)	-	(95,610)
Total Accumulated Depreciation	<u>(93,772)</u>	<u>(1,838)</u>	<u>-</u>	<u>(95,610)</u>
Total Capital Assets, Being Depreciated, Net	<u>8,057</u>	<u>8,500</u>	<u>-</u>	<u>16,557</u>
Business-Type Activities Capital Assets, Net	<u>\$ 8,057</u>	<u>\$ 8,500</u>	<u>\$ -</u>	<u>\$ 16,557</u>

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

Governmental activities:

Instruction		
Regular		\$ 625,831
Special Education		154,519
Other Instruction		12,097
School-Sponsored Activities and Athletics		<u>42,540</u>
Total Instruction		<u>834,987</u>
Support Services		
Student and Instructional Related Services		173,095
General Administrative Services		23,401
School Administrative Services		99,744
Central Services		40,427
Pupil Transportation		109,415
Plant Operations and Maintenance		<u>1,631</u>
Total Support Services		<u>447,713</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 1,282,700</u>
Business-Type Activities:		
Food Service Fund		<u>\$ 1,838</u>

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2022:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Referendum Security and Safety Upgrades	\$ 2,885,814	\$ 79,002
Building Upgrades to High School	14,697,584	135,763
Improvements to Schools and Admin Buildings	<u>11,695,881</u>	<u>195,580</u>
	<u>\$ 29,279,279</u>	<u>\$ 410,345</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects	\$ 19,798
General Fund	Special Revenue Fund	328,933
General Fund	Debt Service Fund	<u>67,679</u>
		<u>\$ 416,410</u>

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

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

Interfund transfers

	<u>Transfer Out:</u>	
	<u>Capital Projects</u>	<u>Total</u>
Transfer In:		
General Fund	<u>\$ 465</u>	<u>\$ 465</u>
Total	<u>\$ 465</u>	<u>\$ 465</u>

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements

Other Financing Agreements

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

Other financing agreements at June 30, 2022 are comprised of the following:

\$112,493, Fiscal year 2020 Agreement for the purchase of chromebooks for a term of 5 years due in annual principal installments of \$20,000 to \$23,000 through 2025 interest at 5%	<u>\$ 65,000</u>
--	------------------

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

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Other Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 20,000	\$ 2,750	\$ 22,750
2024	22,000	1,700	23,700
2025	<u>23,000</u>	<u>575</u>	<u>23,575</u>
Total	<u>\$ 65,000</u>	<u>\$ 5,025</u>	<u>\$ 70,025</u>

G. Long-Term Debt

General Obligation Bonds

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Bonds payable at June 30, 2022 are comprised of the following issues:

\$5,790,000, 2012 Refunding Bonds, due in annual installments of \$675,000 through August 15, 2022, interest at 4.0%	\$ 675,000
\$7,582,000, 2012 School Bonds, due in annual installments of \$275,000 to \$500,000 through August 15, 2032, interest at 2.0%-2.5%	5,272,000
\$14,884,000, 2016 School Bonds, due in annual installments of \$625,000 to \$1,250,000 through August 15, 2032, interest at 2.0%-2.5%	11,759,000
\$2,964,000, 2019 School Bonds, due in annual installments of \$275,000 to \$325,000 through August 15, 2029, interest at 1.25%-2.0%	<u>2,425,000</u>
	<u>\$ 20,131,000</u>

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

Governmental Activities:

Fiscal Year Ended June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 1,850,000	\$ 414,913	\$ 2,264,913
2024	2,000,000	369,663	2,369,663
2025	2,010,000	329,563	2,339,563
2026	2,025,000	289,213	2,314,213
2027	2,035,000	248,613	2,283,613
2028-3032	7,965,000	566,719	8,531,719
3033-3034	<u>2,246,000</u>	<u>40,501</u>	<u>2,286,501</u>
	<u>\$ 20,131,000</u>	<u>\$ 2,259,185</u>	<u>\$ 22,390,185</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2022 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 97,242,084
Less: Net Debt	<u>20,132,535</u>
Remaining Borrowing Power	<u>\$ 77,109,549</u>

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2022, was as follows:

	Balance, <u>July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2022</u>	Due Within <u>One Year</u>
Governmental activities:					
Bonds Payable	\$ 21,941,000		\$ 1,810,000	\$ 20,131,000	\$ 1,850,000
Deferred Amounts					
Add: Original Issue Premium	<u>32,778</u>	<u>-</u>	<u>18,446</u>	<u>14,332</u>	<u>14,332</u>
Total Bonds Payable	21,973,778	-	1,828,446	20,145,332	1,864,332
Other Financing Agreements	102,415		37,415	65,000	20,000
Compensated Absences	261,441	\$ 43,127	-	304,568	-
Net Pension Liability	<u>6,025,424</u>	<u>-</u>	<u>1,566,980</u>	<u>4,458,444</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 28,363,058</u>	<u>\$ 43,127</u>	<u>\$ 3,432,841</u>	<u>\$ 24,973,344</u>	<u>\$ 1,884,332</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District provided traditional health coverage with the State Employee Health Benefits Program.

The District is a member of the Pooled Insurance Program of New Jersey (PIP or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	None	\$ 31,093	\$ 261	\$ -	\$ 251,677
2021	None	27,225	263	27,225	220,324
2020	None	18,698	2,381	16,802	220,061

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2022, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2022, the District has not estimated its arbitrage earnings due to the IRS, if any.

**CEDAR GROVE PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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

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

**CEDAR GROVE PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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 represent the membership tiers for TPAF:

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

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

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

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

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

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

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

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

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

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

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2021 is \$12.0 billion and the plan fiduciary net position as a percentage of the total pension liability is 70.33%. The collective net pension liability of the State funded TPAF at June 30, 2021 is \$48.2 billion and the plan fiduciary net position as a percentage of total pension liability is 35.52%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2022.

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2022 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2022, 2021 and 2020 were equal to the required contributions.

During the fiscal years ended June 30, 2022, 2021 and 2020 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2022	\$ 440,751	\$ 4,863,538	\$ 4,018
2021	404,204	3,469,487	3,361
2020	363,492	2,515,359	3,595

In addition for fiscal years 2022, 2021 and 2020 the District contributed \$-0-, \$-0- and \$1,814, respectively for PERS and the State contributed \$2,025, \$2,252 and \$2,528, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$987,290 during the fiscal year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2020 through June 30, 2021. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2021 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2021.

At June 30, 2022, the District reported in the statement of net position (accrual basis) a liability of \$4,458,444 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The District’s proportionate share of the net pension liability was based on the ratio of the District’s share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2021. At June 30, 2021, the District’s proportionate share was 0.03764 percent, which was an increase of 0.0007 percent from its proportionate share measured as of June 30, 2020 of .03694 percent.

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$582,493 for PERS. The pension contribution made by the District during the current 2021/2022 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2022 with a measurement date of the prior fiscal year end of June 30, 2021. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2022 for contributions made subsequent to the measurement date. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 70,315	\$ 31,917
Changes of Assumptions	23,220	1,587,235
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		1,174,471
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>183,762</u>	<u>57,897</u>
Total	<u>\$ 277,297</u>	<u>\$ 2,851,520</u>

At June 30, 2022, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2022	\$ (1,220,274)
2023	(892,012)
2024	(546,283)
2025	(341,165)
2026	425,511
Thereafter	<u>-</u>
	<u>\$ (2,574,223)</u>

**CEDAR GROVE PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>
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%

Mortality Rates

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

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District’s Proportionate Share of the PERS Net Pension Liability	<u>\$ 6,071,497</u>	<u>\$ 4,458,444</u>	<u>\$ 3,089,540</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2021. A sensitivity analysis specific to the District’s net pension liability at June 30, 2021 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2020 through June 30, 2021. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2021, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,324,964 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State's proportionate share of the net pension liability attributable to the District is \$56,308,502. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2021. At June 30, 2021, the State's share of the net pension liability attributable to the District was .11712 percent, which was an increase of .00446 percent from its proportionate share measured as of June 30, 2020 of .11266 percent.

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2021 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.

	<u>TPAF</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55%
	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-2021.

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 66,622,363</u>	<u>\$ 56,308,502</u>	<u>\$ 47,645,506</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2021. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2021 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

**CEDAR GROVE PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2020:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>149,304</u>
Total	<u>366,108</u>

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2021 is \$60.0 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the June 30, 2020 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2021.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2022, 2021 and 2020 were \$1,136,319, \$1,087,283 and \$933,152, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2020 through June 30, 2021. Nonemployer allocation percentages have been rounded for presentation purposes.

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

**CEDAR GROVE PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$4,108,959. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State’s proportionate share of the OPEB liability attributable to the District is \$62,248,487. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2021 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the state’s share of the OPEB liability attributable to the District was .10012 percent, which was a decrease of .00303 percent from its proportionate share measured as of June 30, 2020 of .10315 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
Salary Increases*	<u>PERS</u>	<u>TPAF</u>
Initial Fiscal Year Applied Through	2026	2026
Rate	2.00% to 6.00%	1.55% to 4.45%
Rate Thereafter	3.00% to 7.00%	2.75% to 5.65%

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2020 Measurement Date	\$ <u>69,945,078</u>
Changes Recognized for the Fiscal Year:	
Service Cost	3,708,427
Interest on the Total OPEB Liability	1,614,791
Differences Between Expected and Actual Experience	(11,784,245)
Changes of Assumptions	61,413
Gross Benefit Payments	(1,272,003)
Contributions from the Member	41,282
Changes in Benefits	<u>(66,256)</u>
Net Changes	\$ <u>(7,696,591)</u>
Balance, June 30, 2021 Measurement Date	\$ <u><u>62,248,487</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021.

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.16%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 74,563,915</u>	<u>\$ 62,248,487</u>	<u>\$ 52,550,826</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 50,390,352</u>	<u>\$ 62,248,487</u>	<u>\$ 78,173,085</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021 were not provided by the pension system.

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States. As governments monitor the outbreaks, they have taken various steps to control them through requiring social distancing, masks and business closures and limited openings. As the virus appears to be under control in many areas, many of these restrictions have been lifted although the situation is monitored, sometimes restrictions are reinstated. Several vaccines have been developed and have been administered. Mutant variants have emerged in various places around the world and now are prevalent in the United States. Certain workers are being required to be vaccinated. Companies have developed booster shots, and current vaccines have proven substantially effective against all currently know variants. New treatments are also being developed to avert the worst outcomes. The assessment of the impact of the virus and the ability to control it and its mutant strains is ongoing.

In the State, Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. On June 4, 2021, the Governor signed legislation enabling the end of the public health emergency and keeping certain executive orders in place until January 1, 2022, though such executive orders may be modified or rescinded prior to that day by the Governor. The Board expects ongoing actions be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and may continue to negatively affect economic growth and financial markets worldwide. These negative impacts could reduce or negatively affect property values within the School District.

Since the pandemic began, the federal government had enacted rescue legislation to address the pandemic and alleviate its economic and health effects, including significant support for education. The legislation includes various forms of financial relief including direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. Federal aid for public education has been provided under three 5 separate laws: The Coronavirus Aid, Relief, and Economic Security Act in March 2020 (CARES Act), and the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020 (CRRSA) and the American Rescue Plan Act in March 2021 (ARP). The Elementary and Secondary School Emergency Relief (ESSER) Fund is the main source of funding for public elementary and secondary education under each law. The School District has been awarded up to \$2,291,268 to address certain expenses incurred as a result of the pandemic. Because of the evolving nature of the outbreak and federal, state and local responses, the Board cannot predict how the outbreak will impact the financial condition or operations of the Board, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The School District cannot predict costs associated with this or any other potential infectious disease outbreak including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease. To date the School District has not been materially and adversely affected financially due to the virus.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

CEDAR GROVE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 29,372,015		\$ 29,372,015	\$ 29,372,015	
Tuition from Individuals	129,102		129,102	70,493	\$ (58,609)
Tuition from Other LEA'S within the State	-	-	-	47,560	47,560
Transportation Fees from Individuals	10,000		10,000	7,950	(2,050)
Rents and Royalties	574,135		574,135	79,593	(494,542)
Unrestricted Miscellaneous Revenues	235,278		235,278	202,082	(33,196)
Interest Earned on Unemployment Reserve	-	-	-	261	261
Total Revenues - Local Sources	30,320,530	-	30,320,530	29,779,954	(540,576)
State Sources					
Transportation Aid	284,386		284,386	284,386	-
Special Education Aid	1,153,621		1,153,621	1,153,621	-
Security Aid	57,017		57,017	57,017	-
Extraordinary Aid	300,000		300,000	801,282	501,282
Non-Public Transportation	-		-	42,630	42,630
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				987,290	987,290
On Behalf TPAF Pension System Contributions- (Non-Budgeted)- Pension Cost				4,795,875	4,795,875
(Non-Budgeted)- NCGI Premium				67,663	67,663
(Non-Budgeted)- LT Disability				2,025	2,025
(Non-Budgeted)- Pension Cost - Post Medical Cont.	-	-	-	1,136,319	1,136,319
Total State Sources	1,795,024	-	1,795,024	9,328,108	7,533,084
Total Revenues	32,115,554	-	32,115,554	39,108,062	6,992,508
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers:					
Kindergarten	581,347	\$ (20,000)	561,347	513,015	48,332
Grades 1 - 5	2,932,520	34,362	2,966,882	2,966,249	633
Grades 6 - 8	2,275,274	(161,000)	2,114,274	2,099,181	15,093
Grades 9 - 12	3,099,916	(74,862)	3,025,054	3,011,538	13,516
Home Instruction:					
Salaries of Teachers	20,000	(1,595)	18,405	8,295	10,110
Purchased Professional - Educational Services	7,000	1,595	8,595	5,490	3,105
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	43,200	-	43,200	27,021	16,179
Purchased Technical Services	79,330	6,033	85,363	47,720	37,643
Other Purchased Services	53,228	-	53,228	51,859	1,369
General Supplies	186,940	2,665	189,605	158,478	31,127
Textbooks	29,827	7,124	36,951	19,329	17,622
Other Objects	4,225	-	4,225	1,962	2,263
Total Instruction Regular Programs	9,312,807	(205,678)	9,107,129	8,910,137	196,992
Special Education					
Learning/Language Disabilities					
Salaries of Teachers	135,907	7,995	143,902	113,555	30,347
Other Salaries for Instruction	1,500	-	1,500	-	1,500
General Supplies	2,500	-	2,500	2,354	146
Total Learning/Language Disabilities	139,907	7,995	147,902	115,909	31,993

CEDAR GROVE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Multiple Disabilities					
Salaries of Teachers		\$ 55,000	\$ 55,000	\$ 54,624	\$ 376
Other Salaries for Instruction	-	200,000	200,000	171,179	28,821
Total Multiple Disabilities	-	255,000	255,000	225,803	29,197
Resource Room/Resource Center					
Salaries of Teachers	\$ 1,723,630	20,156	1,743,786	1,710,159	33,627
Other Salaries for Instruction	173,292	(30,000)	143,292	134,737	8,555
General Supplies	2,300	281	2,581	2,221	360
Total Resource Room/Resource Center	1,899,222	(9,563)	1,889,659	1,847,117	42,542
Preschool Disabilities - Full Time					
Salaries of Teachers	172,192	1,976	174,168	172,818	1,350
Other Salaries for Instruction	134,444	3,690	138,134	131,634	6,500
General Supplies	1,000	12,992	13,992	5,494	8,498
Total Preschool Disabilities - Full Time	307,636	18,658	326,294	309,946	16,348
Total Special Education	2,346,765	272,090	2,618,855	2,498,775	120,080
Basic Skills/Remedial					
Salaries of Teachers	61,989	2,355	64,344	64,344	-
General Supplies	3,400	(2,355)	1,045	494	551
Total Basic Skills/Remedial	65,389	-	65,389	64,838	551
Bilingual Education					
Salaries of Teachers	63,770	40,517	104,287	104,287	-
Other Purchased Services	250	(17)	233		233
General Supplies	575	-	575	573	2
Total Bilingual Education	64,595	40,500	105,095	104,860	235
School Sponsored Co/Extra Curricular Activities					
Salaries	154,311	-	154,311	112,964	41,347
Supplies and Materials	29,430	552	29,982	28,111	1,871
Other Objects	3,854	214	4,068	3,288	780
Total School-Sponsored Co/Extra Curricular Activities	187,595	766	188,361	144,363	43,998
School Sponsored Athletics					
Salaries	449,402	(46)	449,356	440,448	8,908
Purchased Services	66,091	(798)	65,293	55,866	9,427
Supplies and Materials	66,950	2,360	69,310	65,799	3,511
Other Objects	17,985	844	18,829	16,928	1,901
Transfers to Cover Deficit (Agency Funds)	83,857	-	83,857	56,000	27,857
Total School Sponsored Athletics	684,285	2,360	686,645	635,041	51,604
Total Instruction	12,661,436	110,038	12,771,474	12,358,014	413,460

CEDAR GROVE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to County Vocational School District - Regular	\$ 4,000		\$ 4,000	\$ 3,000	\$ 1,000
Tuition to Other LEAs - Within State - Special	313,539		313,539	192,461	121,078
Tuition to County Voc. School District-Regular	5,000		5,000	-	5,000
Tuition to County Voc. School District-Special	28,076		28,076	16,590	11,486
Tuition to Priv. Sch. For the Disabled - Within State	2,260,071	\$ (328,985)	1,931,086	1,831,651	99,435
Tuition to Priv. Sch. For the Disabled - Out of State	92,856	6,184	99,040	99,040	-
Total Instruction	<u>2,703,542</u>	<u>(322,801)</u>	<u>2,380,741</u>	<u>2,142,742</u>	<u>237,999</u>
Attendance and Social Work					
Salaries	49,540	-	49,540	47,077	2,463
Purchased Professional/Technical Services	5,780	1,413	7,193	7,193	-
Total Attendance and Social Work	<u>55,320</u>	<u>1,413</u>	<u>56,733</u>	<u>54,270</u>	<u>2,463</u>
Health Services					
Salaries	355,736	-	355,736	345,103	10,633
Purchased Professional and Technical Services	20,800	(436)	20,364	20,010	354
Other Purchased Services	100		100		100
Supplies and Materials	6,000	814	6,814	5,926	888
Other Objects	700	30	730	691	39
Total Health Services	<u>383,336</u>	<u>408</u>	<u>383,744</u>	<u>371,730</u>	<u>12,014</u>
Speech/Occupational Therapy/Physical Therapy and Related Services					
Salaries	363,660	16,718	380,378	380,378	-
Purchased Professional/Educational Services	358,000	58,695	416,695	399,325	17,370
Supplies and Materials	5,500	1,583	7,083	6,654	429
Total Speech/Occupational Therapy/Physical Therapy and Related Services	<u>727,160</u>	<u>76,996</u>	<u>804,156</u>	<u>786,357</u>	<u>17,799</u>
Undistributed Expend.-Other Supp. Svcs.-Extraord. Serv.					
Salaries	446,489	209,478	655,967	650,358	5,609
Purchased Professional-Educational Services	135,700	(2,528)	133,172	123,329	9,843
Supplies and Materials	5,000	1	5,001	4,940	61
Total Other Support/Extraordinary Services	<u>587,189</u>	<u>206,951</u>	<u>794,140</u>	<u>778,627</u>	<u>15,513</u>
Guidance Services					
Salaries of Other Professional Staff	504,724	30,475	535,199	531,303	3,896
Salaries of Secretarial and Clerical Assistants	52,732	4,185	56,917	56,667	250
Purchased Professional - Educational Services	23,120	4,790	27,910	25,674	2,236
Other Purchased Professional/Technical Services	-	500	500	500	-
Supplies and Materials	10,750	-	10,750	8,553	2,197
Other Objects	3,346	500	3,846	3,475	371
Total Other Support Services/Regular	<u>594,672</u>	<u>40,450</u>	<u>635,122</u>	<u>626,172</u>	<u>8,950</u>

CEDAR GROVE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Child Study Team					
Salaries of Other Professional Staff	\$ 483,030	\$ (44,785)	\$ 438,245	\$ 432,325	\$ 5,920
Salaries of Secretarial and Clerical Assistants	64,395	3,248	67,643	67,643	-
Purchased Professional Educational Services	10,684	2,148	12,832	12,832	-
Other Purchased Services	3,000	1,000	4,000	3,606	394
Supplies and Materials	4,000	4,937	8,937	8,937	-
Other Objects	2,000	-	2,000	1,960	40
Total Other Support Services/Special	<u>567,109</u>	<u>(33,452)</u>	<u>533,657</u>	<u>527,303</u>	<u>6,354</u>
Improvement of Instruction					
Salaries of Other Professional Staff	8,400	10,938	19,338	19,338	-
Salaries of Secretarial and Clerical Assist.	19,635	-	19,635	19,359	276
Purchased Professional-Educational Services	4,228	-	4,228	32	4,196
Other Purchased Services	2,000	-	2,000	1,881	119
Supplies and Materials	27,325	(4,978)	22,347	9,739	12,608
Other Objects	13,000	500	13,500	11,134	2,366
Total Improvement of Instruction	<u>74,588</u>	<u>6,460</u>	<u>81,048</u>	<u>61,483</u>	<u>19,565</u>
Educational Media Services/ School Library					
Purchased Professional/Technical Services	550	-	550	-	550
Supplies and Materials	17,000	-	17,000	15,031	1,969
Total Educational Media Services/ School Library	<u>17,550</u>	<u>-</u>	<u>17,550</u>	<u>15,031</u>	<u>2,519</u>
Instructional Staff Training Services					
Salaries of Supervisors of Instruction	121,165	26	121,191	121,191	-
Salaries of Secretarial and Clerical Assist.	7,714	(26)	7,688	7,605	83
Purchased Professional Educational Services	60,500	170	60,670	57,747	2,923
Other Purchased Professional/Technical Services	3,850	-	3,850	1,100	2,750
Other Purchased Services	7,385	-	7,385	1,287	6,098
Total Instructional Staff Training Services	<u>200,614</u>	<u>170</u>	<u>200,784</u>	<u>188,930</u>	<u>11,854</u>
Support Services General Administration					
Salaries	323,895	20,689	344,584	344,578	6
Legal Services	130,000	61,595	191,595	187,595	4,000
Audit Fees	48,350	(6,799)	41,551	41,551	-
Architectural/Engineering Services	10,000	28,700	38,700	33,792	4,908
Other Purchased Professional Services	31,300	5,801	37,101	35,426	1,675
Purchased Technical Services	2,000	(1,318)	682	682	-
Communications/Telephone	161,494	(14,916)	146,578	146,578	-
Miscellaneous Purchased Services	28,400	(6,870)	21,530	20,674	856
BOE Other Purchased Services	2,700	(550)	2,150	2,150	-
General Supplies	3,100	(577)	2,523	2,476	47
Judgements Against the District		6,494	6,494	6,494	-
Miscellaneous Expenditures	17,075	(313)	16,762	16,762	-
BOE Membership Dues and Fees	21,600	3,607	25,207	25,207	-
Total Support Services General Administration	<u>779,914</u>	<u>95,543</u>	<u>875,457</u>	<u>863,965</u>	<u>11,492</u>

CEDAR GROVE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Support Services School Administration					
Salaries of Principals and Assistant Principals	\$ 857,317		\$ 857,317	\$ 833,931	\$ 23,386
Salaries of Other Professional Staff	379,657		379,657	370,845	8,812
Salaries of Secretarial and Clerical Assist.	313,443		313,443	303,021	10,422
Purchased Professional and Technical Services	8,750		8,750	1,500	7,250
Other Purchased Services	13,000	\$ (7,970)	5,030	-	5,030
Supplies and Materials	20,186	30,895	51,081	43,606	7,475
Other Objects	10,373	-	10,373	8,519	1,854
Total Support Services School Administration	1,602,726	22,925	1,625,651	1,561,422	64,229
Undistributed Expenditures - Central Services					
Salaries	174,971	1,554	176,525	176,525	-
Purchased Professional Services	173,540	1,600	175,140	175,140	-
Miscellaneous Purchased Services	20,400	1,814	22,214	21,716	498
Supplies and Materials	5,700	-	5,700	5,651	49
Miscellaneous Expenditures	7,190	-	7,190	3,545	3,645
Total Undistributed Expenditures - Central Services	381,801	4,968	386,769	382,577	4,192
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	241,351	-	241,351	239,695	1,656
Purchased Technical Services	24,800	41,008	65,808	41,919	23,889
Other Purchased Services	48,747	911	49,658	29,633	20,025
Supplies and Materials	20,000	130,857	150,857	-	150,857
Other Objects	850	-	850	-	850
Total Undistributed Expenditures - Admin. Info. Technology	335,748	172,776	508,524	311,247	197,277
Required Maintenance for School Facilities					
Salaries	100,623	12,371	112,994	83,404	29,590
Cleaning, Repair and Maintenance Services	231,522	111,533	343,055	316,434	26,621
General Supplies	39,700	10,384	50,084	45,578	4,506
Total Required Maint for School Facilities	371,845	134,288	506,133	445,416	60,717
Custodial Services					
Salaries	1,109,997	62,050	1,172,047	1,167,793	4,254
Salaries Non-Instructional Aides	115,076	(66,407)	48,669	48,007	662
Purchased Professional and Technical Services	37,360	105,499	142,859	86,491	56,368
Cleaning, Repair and Maintenance Services	51,945	3,170	55,115	41,456	13,659
Other Purchased Property Services	32,000	(11,506)	20,494	19,158	1,336
Insurance	226,410	7,984	234,394	234,394	-
Miscellaneous Purchased Services	1,000	-	1,000	221	779
General Supplies	93,915	19,068	112,983	109,311	3,672
Energy (Natural Gas)	186,000	11,952	197,952	191,496	6,456
Energy (Electricity)	367,000	(62,714)	304,286	301,451	2,835
Energy (Gasoline)	5,000	8,921	13,921	13,835	86
Other Objects	2,370	1,080	3,450	3,450	-
Total Other Operations and Maint. of Plant	2,228,073	79,097	2,307,170	2,217,063	90,107

CEDAR GROVE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Care and Upkeep of Grounds					
Salaries	\$ 231,019		\$ 231,019	\$ 215,833	\$ 15,186
Cleaning, Repair and Maintenance Services	115,050	\$ 26,921	141,971	109,403	32,568
General Supplies	16,500	364	16,864	6,862	10,002
Total Care and Upkeep of Grounds	362,569	27,285	389,854	332,098	57,756
Security					
Purchased Professional/Technical Services	5,000	-	5,000	2,615	2,385
Cleaning, Repair and Maintenance Services	5,000	(5,000)	-	-	-
General Supplies	10,000	5,570	15,570	10,347	5,223
Other Objects	20,000	5,000	25,000	17,488	7,512
Total Security	40,000	5,570	45,570	30,450	15,120
Student Transportation Services					
Salaries for Pupil Trans (Bet Home & Sch) - Reg.	22,543	(10,000)	12,543	11,966	577
Salaries for Pupil Trans (Bet Home & Sch) - Special		38,625	38,625	30,931	7,694
Other Purchased Professional and Technical Services	8,000	-	8,000	5,664	2,336
Transportation Supplies	-	847	847	595	252
Contr Serv-Aid in Lieu of Pymts-Non-Public Schools	138,000	(2,700)	135,300	127,155	8,145
Contr Serv(Bet Home &Sch)-Vend	232,179	276,934	509,113	499,338	9,775
Contr Serv(Oth. Than Bet Home &Sch)-Vend	147,730	(140,022)	7,708	5,828	1,880
Contr Serv(Special Education)-ESC & CTSAs	977,519	(161,529)	815,990	743,456	72,534
Total Student Transportation Services	1,525,971	2,155	1,528,126	1,424,933	103,193
Unallocated Employee Benefits					
Social Security Contribution	366,062	-	366,062	354,163	11,899
Other Retirement Contributions - PERS	441,610	(244)	441,366	440,751	615
Other Retirement Contributions - Regular	8,000	245	8,245	4,018	4,227
Workmen's Compensation	137,843	(7,984)	129,859	116,416	13,443
Health Benefits	5,707,456	(592,723)	5,114,733	4,640,829	473,904
Tuition Reimbursements	96,500	-	96,500	15,071	81,429
Other Employee Benefits	113,480	-	113,480	82,120	31,360
Total Unallocated Employee Benefits	6,870,951	(600,706)	6,270,245	5,653,368	616,877
Interest Earned on Maintenance Reserve	-	-	-	-	-
Reimbursed TPAF Social Security Contributions- (Non-Budgeted)				987,290	(987,290)
On Behalf TPAF Pension System Contributions- (Non-Budgeted)- Pension Cost				4,795,875	(4,795,875)
(Non-Budgeted)- NCGI Premium				67,663	(67,663)
(Non-Budgeted)- LT Disability				2,025	(2,025)
(Non-Budgeted)- Pension Cost - Post Medical Cont.	-	-	-	1,136,319	(1,136,319)
Total TPAF Pension and Social Security Contributions	-	-	-	6,989,172	(6,989,172)
Total Undistributed Expenditures	20,410,678	(79,504)	20,331,174	25,764,356	(5,433,182)
Total Current Expenditures	33,072,114	30,534	33,102,648	38,122,370	(5,019,722)

CEDAR GROVE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures					
Special Education		\$ 17,579	\$ 17,579	\$ 17,578	\$ 1
Admin Info Technology	\$ 10,000	-	10,000	-	10,000
Plant Operations & Maintenance		133,462	133,462	117,134	16,328
Security		89,390	89,390	89,390	-
School Buses - Regular		58,975	58,975	58,975	-
Food Service		18,395	18,395	18,395	-
Grade 6-8 Equipment	-	4,799	4,799	-	4,799
Total Equipment	10,000	322,600	332,600	301,472	31,128
Facilities Acquisition and Construction Services					
Construction Services		597,970	597,970	191,170	406,800
Assessment for Debt Service on SDA Funding	31,019	-	31,019	31,019	-
Total Facilities Acquis. And Construction Services	31,019	597,970	628,989	222,189	406,800
Interest Deposit to Capital Reserve	-	-	-	-	-
Total Expenditures - Capital Outlay	41,019	920,570	961,589	523,661	437,928
Total Expenditures - General Fund	33,113,133	951,104	34,064,237	38,646,031	(4,581,794)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(997,579)	(951,104)	(1,948,683)	462,031	2,410,714
Other Financing Sources (Uses)					
Transfers In	-	-	-	465	465
Total Other Financing Sources (Uses)	-	-	-	465	465
Changes in Fund Balance	(997,579)	(951,104)	(1,948,683)	462,496	2,411,179
Fund Balance, Beginning of Year	6,982,054	-	6,982,054	6,982,054	-
Fund Balance, End of Year	\$ 5,984,475	\$ (951,104)	\$ 5,033,371	\$ 7,444,550	\$ 2,411,179
Recapitulation of Fund Balance					
Restricted Fund Balance:					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 828,944	
Excess Surplus				801,882	
Unemployment Reserve				251,677	
Maintenance Reserve				583,674	
Capital Reserve				2,492,453	
Assigned Fund Balance:					
Year-End Encumbrances				675,734	
Unassigned Fund Balance:				1,810,186	
Budgetary Fund Balance				7,444,550	
Reconciliation to Governmental Fund Statements (GAAP)					
2021/2022 State Aid Payment Not Recognized on a GAAP Basis				145,627	
2021/2022 Extraordinary Aid Payments Not Recognized on a GAAP Basis				801,282	
Fund Balance per Governmental Funds (GAAP Basis)				\$ 6,497,641	

CEDAR GROVE PUBLIC SCHOOLS
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local	\$ 133,394		\$ 133,394	\$ 312,940	\$ 179,546
State Sources	125,276		125,276	114,115	(11,161)
Federal Sources	563,469	\$ 2,327,307	2,890,776	1,332,451	(1,558,325)
Total Revenues	<u>822,139</u>	<u>2,327,307</u>	<u>3,149,446</u>	<u>1,759,506</u>	<u>(1,389,940)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	129,821	(18,107)	111,714	20,414	91,300
Purchased Professional/Educational Services	64,946	15,910	80,856	69,713	11,143
Purchased Professional/Technical Services	23,003	7,643	30,646	27,664	2,982
Tuition	371,009	203,465	574,474	574,474	-
General Supplies	90,307	231,938	322,245	100,449	221,796
Textbooks	9,659	2,285	11,944	10,431	1,513
Student Activities and Athletics (Non-Budget)	133,394	-	133,394	222,577	(89,183)
Total Instruction	<u>822,139</u>	<u>443,134</u>	<u>1,265,273</u>	<u>1,025,722</u>	<u>239,551</u>
Support Services					
Salaries of Other Professionals		4,517	4,517	4,517	-
Benefits		18,944	18,944	1,561	17,383
Purchased Professional/Educational Services		736,410	736,410	343,948	392,462
Purchased Professional/Technical Services		-	-	-	-
Other Purchased Services		19,051	19,051	16,300	2,751
General Supplies		411,467	411,467	317,222	94,245
Scholarship Awards (Non-Budget)	-	-	-	29,600	(29,600)
Total Support Services	<u>-</u>	<u>1,190,389</u>	<u>1,190,389</u>	<u>713,148</u>	<u>477,241</u>
Facilities Acquisition and Constructions Services					
Non-Instructional Equipment	-	693,784	693,784	-	693,784
Total Facilities & Acq. Services	<u>-</u>	<u>693,784</u>	<u>693,784</u>	<u>-</u>	<u>693,784</u>
Total Expenditures	<u>822,139</u>	<u>2,327,307</u>	<u>3,149,446</u>	<u>1,738,870</u>	<u>1,410,576</u>
Change in Fund Balance	-	-	-	20,636	20,636
Fund Balances, Beginning of Year	242,589	-	242,589	242,589	-
Fund Balances, End of Year	<u>\$ 242,589</u>	<u>\$ -</u>	<u>\$ 242,589</u>	<u>\$ 263,225</u>	<u>\$ 20,636</u>
Recapitulation of Fund Balance					
Scholarship				\$ 145,017	
Student Activities				<u>118,208</u>	
				<u>\$ 263,225</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**CEDAR GROVE PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

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

	General Fund <u>C-1</u>	Special Revenue Fund <u>C-2</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 39,108,062	(C-2) \$ 1,759,506
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized, net of cancellations		
Encumbrances - June 30, 2021		43,983
Encumbrances - June 30, 2022		(184,516)
State Aid an Extraordinary Aid payment (2020/2021) recognized for GAAP purposes not recognized for budgetary statements	624,755	-
State Aid and Extraordinary Aid payments and (2021/2022) recognized for budgetary purposes, not recognized for GAAP statements	<u>(946,909)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	(B-2) <u>\$ 38,785,908</u>	(B-2) <u>\$ 1,618,973</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 38,646,031	(C-2) \$ 1,738,870
Difference- budget to GAAP		
Encumbrances for goods and services ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the goods and/or services are received for financial reporting purposes.		
June 30, 2021		43,983
June 30, 2022	<u>-</u>	<u>(184,516)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	(B-2) <u>\$ 38,646,031</u>	(B-2) <u>\$ 1,598,337</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III
PENSION AND OTHER POST-EMPLOYMENT BENEFITS INFORMATION

**CEDAR GROVE PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Public Employees Retirement System

Last Nine Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03764 %	0.03694 %	0.03736 %	0.03700 %	0.03663 %	0.03644 %	0.03757 %	0.03630 %	0.03337 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 4,458,444	\$ 6,025,424	\$ 6,733,321	\$ 7,284,433	\$ 8,526,933	\$ 10,793,024	\$ 8,432,949	\$ 6,796,762	\$ 6,377,438
District's Covered Payroll	\$ 2,640,281	\$ 2,746,857	\$ 2,600,139	\$ 2,792,439	\$ 2,544,291	\$ 2,462,901	\$ 2,516,785	\$ 2,472,090	\$ 2,417,024
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	168.86% %	219.36 %	258.96 %	260.86 %	335.14 %	438.22 %	335.07 %	274.93 %	263.85 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.11%	40.14%	47.93%	52.08%	48.72%

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year record is compiled, the District will only present those years for information for those years for which information is available.

**CEDAR GROVE PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

Last Eight Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 440,752	\$ 404,204	\$ 363,492	\$ 368,947	\$ 339,340	\$ 325,655	\$ 322,972	\$ 303,826	\$ 253,448
Contributions in Relation to the Contractually Required Contribution	<u>440,752</u>	<u>404,204</u>	<u>363,492</u>	<u>368,947</u>	<u>339,340</u>	<u>325,655</u>	<u>322,972</u>	<u>303,826</u>	<u>253,448</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 3,091,331	\$ 2,640,281	\$ 2,746,857	\$ 2,600,139	\$ 2,792,439	\$ 2,544,291	\$ 2,462,901	\$ 2,516,785	\$ 2,472,090
Contributions as a Percentage of Covered Payroll	14.26% %	15.31% %	13.23% %	14.19% %	12.15% %	12.80% %	13.11% %	12.07% %	10.25% %

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**CEDAR GROVE PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Teachers Pension and Annuity Fund

Last Eight Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 56,308,502</u>	<u>\$ 74,185,330</u>	<u>\$ 67,249,047</u>	<u>\$ 70,296,467</u>	<u>\$ 71,077,199</u>	<u>\$ 84,172,007</u>	<u>\$65,033,212</u>	<u>\$ 55,282,496</u>	<u>\$52,042,007</u>
Total	<u>\$ 56,308,502</u>	<u>\$ 74,185,330</u>	<u>\$ 67,249,047</u>	<u>\$ 70,296,467</u>	<u>\$ 71,077,199</u>	<u>\$ 84,172,007</u>	<u>\$65,033,212</u>	<u>\$ 55,282,496</u>	<u>\$52,042,007</u>
District's Covered Payroll	\$ 12,822,977	\$ 12,742,493	\$ 12,683,739	\$ 14,121,163	\$ 11,542,690	\$ 11,300,735	\$10,675,322	\$ 10,558,001	\$10,269,239
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%	26.95%	26.49%	36.44%	22.33%	28.71%	33.64%	33.76%

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**CEDAR GROVE PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Change of Benefit Terms: None.

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

**CEDAR GROVE PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Five Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Cost	\$ 3,708,427	\$ 2,047,820	\$ 1,826,414	\$ 2,085,520	\$ 2,515,423
Interest on Total OPEB Liability	1,614,791	1,513,519	1,784,846	1,981,418	1,706,885
Changes of Benefit Terms	(66,256)	-	-	-	-
Differences Between Expected and Actual Experience	(11,784,245)	13,007,061	(6,118,788)	(6,679,852)	-
Changes of Assumptions	61,413	12,776,562	622,957	(5,153,647)	(7,112,505)
Gross Benefit Payments	(1,272,003)	(1,217,686)	(1,282,549)	(1,200,877)	(1,410,913)
Contribution from the Member	<u>41,282</u>	<u>36,908</u>	<u>38,018</u>	<u>41,504</u>	<u>51,953</u>
Net Change in Total OPEB Liability	(7,696,591)	28,164,184	(3,129,102)	(8,925,934)	(4,249,157)
Total OPEB Liability - Beginning	<u>69,945,078</u>	<u>41,780,894</u>	<u>44,909,996</u>	<u>53,835,930</u>	<u>58,085,087</u>
Total OPEB Liability - Ending	<u>\$ 62,248,487</u>	<u>\$ 69,945,078</u>	<u>\$ 41,780,894</u>	<u>\$ 44,909,996</u>	<u>\$ 53,835,930</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>62,248,487</u>	<u>69,945,078</u>	<u>41,780,894</u>	<u>44,909,996</u>	<u>53,835,930</u>
Total OPEB Liability - Ending	<u>\$ 62,248,487</u>	<u>\$ 69,945,078</u>	<u>\$ 41,780,894</u>	<u>\$ 44,909,996</u>	<u>\$ 53,835,930</u>
District's Covered Payroll	<u>\$ 15,463,258</u>	<u>\$ 15,489,350</u>	<u>\$ 15,283,878</u>	<u>\$ 16,913,602</u>	<u>\$ 14,086,981</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%

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

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

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

**CEDAR GROVE PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

CEDAR GROVE PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ESEA				IDEA				ACRS	ESSER II	ESSER III			ECF	Totals	Grand
	Title I	Title IIA	Title III	Title IV	Basic	ARP	Preschool	ARP	ACSERS	CRRSA	Accelerated	Evidence	NJTSS		Page 2	Totals
REVENUES																
Miscellaneous - Local															\$ 312,940	\$ 312,940
State Sources															114,115	114,115
Federal Sources	\$ 62,859	\$ 40,272	\$ 1,960	\$ 8,399	\$ 471,614	\$ 74,246	\$ 15,671	\$ 6,368	\$ 88,324	\$ 247,877	\$ 60,396	\$ 21,596	\$ 29,750	\$ 203,119	-	1,332,451
Total Revenues	\$ 62,859	\$ 40,272	\$ 1,960	\$ 8,399	\$ 471,614	\$ 74,246	\$ 15,671	\$ 6,368	\$ 88,324	\$ 247,877	\$ 60,396	\$ 21,596	\$ 29,750	\$ 203,119	\$ 427,055	\$ 1,759,506
EXPENDITURES																
Instruction:																
Salaries of Teachers	\$ 20,414															\$ 20,414
Purchased Prof. Educational Services	-														\$ 69,713	69,713
Purchased Professional & Technical Services															27,664	27,664
Tuition					\$ 411,904	\$ 74,246			\$ 88,324							574,474
General Supplies	4,255		\$ 1,960	\$ 7,000	31,518		\$ 2,914	\$ 6,368							46,434	100,449
Textbooks															10,431	10,431
Student Activities and Athletics															222,577	222,577
Total Instruction	24,669	-	1,960	7,000	443,422	74,246	2,914	6,368	88,324	-	-	-	-	-	376,819	1,025,722
Support Services																
Salaries of Other Professionals	3,245	\$ 1,272														4,517
Employee Benefits	1,561															1,561
Purchased Professional Educational Services	33,384	39,000			28,192		12,757			\$ 193,780	\$ 7,085		\$ 29,750			343,948
Purchased Professional & Technical Services																-
Other Purchased Services										16,300						16,300
General Supplies				1,399					\$ -	37,797	53,311	\$ 21,596		203,119		317,222
Scholarship Awards															29,600	29,600
Total Support Services	38,190	40,272	-	1,399	28,192	-	12,757	-	-	247,877	60,396	21,596	29,750	203,119	29,600	713,148
Facilities Acquisition and Construction Services																
Non-Instructional Equipment																
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	62,859	40,272	1,960	8,399	471,614	74,246	15,671	6,368	88,324	247,877	60,396	21,596	29,750	203,119	406,419	1,738,870
Change in Fund Balance															20,636	20,636
Fund Balances, Beginning of Year															242,589	242,589
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 263,225	\$ 263,225

CEDAR GROVE PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Ch. 192/193	Ch. 192/193 Handicapped Services				Non-Public Security	Non-Public Textbooks	Non-Public Nursing	Non-Public Technology	Student Activities/ Athletics	Scholarships	Local	Page 2 Totals
	Auxiliary Compensatory Education	Examination/ Classification	Supplemental Instruction	Corrective Speech									
REVENUES													
Miscellaneous - Local									\$ 247,664	\$ 25,149	\$ 40,127	\$ 312,940	
State Sources	\$ 33,145	\$ 11,377	\$ 14,868	\$ 10,323	\$ 6,307	\$ 10,431	\$ 20,831	\$ 6,833	-	-	-	114,115	
Total Revenues	\$ 33,145	\$ 11,377	\$ 14,868	\$ 10,323	\$ 6,307	\$ 10,431	\$ 20,831	\$ 6,833	\$ 247,664	\$ 25,149	\$ 40,127	\$ 427,055	
EXPENDITURES													
Instruction:													
Purchased Prof. Educational Services	\$ 33,145	\$ 11,377	\$ 14,868	\$ 10,323								\$ 69,713	
Purchased Prof. Technical Services							\$ 20,831	\$ 6,833				27,664	
General Supplies					\$ 6,307						\$ 40,127	46,434	
Textbooks						\$ 10,431						10,431	
Student Activities and Athletics	-	-	-	-	-	-	-	-	\$ 222,577	-	-	222,577	
Total Instruction	33,145	11,377	14,868	10,323	6,307	10,431	20,831	6,833	222,577	-	40,127	376,819	
Support Services													
Scholarship Awards	-	-	-	-	-	-	-	-	-	29,600	-	29,600	
Total Support Services	-	-	-	-	-	-	-	-	-	29,600	-	29,600	
Facilities Acquisition and Constructions Services													
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-	-	
Total Facilities & Acq. Services	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditures	33,145	11,377	14,868	10,323	6,307	10,431	20,831	6,833	222,577	29,600	40,127	406,419	
Change in Fund Balance	-	-	-	-	-	-	-	-	25,087	(4,451)	-	20,636	
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	93,121	149,468	-	242,589	
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,208	\$ 145,017	\$ -	\$ 263,225	

**CEDAR GROVE PUBLIC SCHOOLS
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

**SPECIAL REVENUE FUND
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Balance July 1, 2021</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2022</u>
ELEMENTARY SCHOOLS				
Cedar Grove North End School	\$ 8,040	\$ 83	\$ -	\$ 8,123
Cedar Grove South End School	<u>2,675</u>	<u>785</u>	<u>940</u>	<u>2,520</u>
Total Elementary Schools	<u>10,715</u>	<u>868</u>	<u>940</u>	<u>10,643</u>
MIDDLE SCHOOLS				
Cedar Grove Memorial School	<u>36,905</u>	<u>60,478</u>	<u>49,719</u>	<u>47,664</u>
SENIOR HIGH SCHOOL				
Cedar Grove High School Student Activities	<u>43,437</u>	<u>115,610</u>	<u>102,307</u>	<u>56,740</u>
OTHER				
Athletic Fund	<u>2,064</u>	<u>70,708</u>	<u>69,611</u>	<u>3,161</u>
TOTAL ALL SCHOOLS	<u>\$ 93,121</u>	<u>\$ 247,664</u>	<u>\$ 222,577</u>	<u>\$ 118,208</u>

CAPITAL PROJECTS FUND

**CEDAR GROVE PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2022</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Security and Safety Improvements to the Cedar Grove High School, North End and South End Elementary Schools and the Memorial Middle School - 2018/2019	\$ 2,964,816	\$ 2,885,814		\$ 79,002
Building Upgrades to the Cedar Grove High School North End and South End Elementary Schools and Upgrades to the Cedar Grove Athletic Facilities - 2014/2015	14,884,719	14,697,584	\$ 51,372	135,763
Improvements to the Elementary, High School, Middle School & Administration Building - 2010/2011	<u>11,891,461</u>	<u>11,695,881</u>	<u>-</u>	<u>195,580</u>
	<u>\$ 29,740,996</u>	<u>\$ 29,279,279</u>	<u>\$ 51,372</u>	<u>\$ 410,345</u>
Recapitulation:				
Project Balances				\$ 410,345
Less: Debt Authorized but not Issued- 2014 Project				(719)
Less: Debt Authorized but not Issued- 2018 Project				<u>(816)</u>
Fund Balance, GAAP				<u>\$ 408,810</u>

CEDAR GROVE PUBLIC SCHOOLS
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Revenues and Other Financing Sources	
Interest Earned on Investments	\$ 465
	<hr/>
Total Revenues and Other Financing Sources	465
	<hr/>
Expenditures and Other Financing Uses	
General Administration	
Legal Services	51,372
Transfer to General Fund	465
	<hr/>
Total Expenditures and Other Financing Uses	51,837
	<hr/>
Change in Fund Balance	(51,372)
Fund Balance, Beginning of Year - Budgetary Basis	460,182
	<hr/>
Fund Balance, End of Year - Budgetary Basis	\$ 408,810
	<hr/>
Fund Balance, End of Year - GAAP Basis	\$ 408,810
	<hr/>
<u>Recapitulation</u>	
Restricted for Capital Projects:	
Year End Encumbrances	\$ 56,639
Available for Capital Projects	352,171
	<hr/>
	\$ 408,810
	<hr/>

**CEDAR GROVE PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
SECURITY AND SAFETY IMPROVEMENTS TO THE CEDAR GROVE HIGH SCHOOL, NORTH END
AND SOUTH END ELEMENTARY SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 2,964,000	-	\$ 2,964,000	\$ 2,964,816
Total Revenues and Other Financing Sources	<u>2,964,000</u>	<u>-</u>	<u>2,964,000</u>	<u>2,964,816</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	\$ 1,691,031	-	1,691,031	1,768,816
Facilities Acquisition and Construction Services	1,180,000	-	1,180,000	1,180,000
Supplies and Equipment	<u>14,783</u>	<u>-</u>	<u>14,783</u>	<u>16,000</u>
Total Expenditures and Other Financing Uses	<u>2,885,814</u>	<u>-</u>	<u>2,885,814</u>	<u>2,964,816</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 78,186</u>	<u>\$ -</u>	<u>\$ 78,186</u>	<u>\$ -</u>
			Authorized but not Issued	816
			<u>\$ 79,002</u>	

Additional Project Information:

Bonds Authorization Date	10/2/2018
Bonds Authorized	\$ 2,964,816
Bonds Issued	2,964,000
Original Authorized Cost	\$ 2,964,816
Cancellation	-
Revised Authorized Cost	\$ 2,964,816
Change Order Percentage	
Percentage Completion	97%
Original Target Completion Date	6/30/2020
Revised Target Completion Date	6/30/2021

**CEDAR GROVE PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
BUILDING UPGRADES TO THE CEDAR GROVE HIGH SCHOOL, NORTH END AND SOUTH END
ELEMENTARY SCHOOLS AND UPGRADES TO THE CEDAR GROVE ATHELETIC FACILITIES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 14,884,000	-	\$ 14,884,000	\$ 14,884,719
Total Revenues and Other Financing Sources	<u>14,884,000</u>	<u>-</u>	<u>14,884,000</u>	<u>14,884,719</u>
 Expenditures and Other Financing Uses				
Purchased Professional and Technical services	1,176,916	\$ 51,372	1,228,288	1,180,000
Facilities Acquisition and Construction Services	13,428,425		13,428,425	13,494,719
Cost of Bond Issuance	56,112		56,112	60,000
Supplies/Equipment	<u>36,131</u>	<u>-</u>	<u>36,131</u>	<u>150,000</u>
Total Expenditures and Other Financing Uses	<u>14,697,584</u>	<u>51,372</u>	<u>14,748,956</u>	<u>14,884,719</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 186,416</u>	<u>\$ (51,372)</u>	<u>\$ 135,044</u>	<u>\$ -</u>
			<u>Authorized but not Issued</u>	<u>719</u>
			<u>Project Balance</u>	<u>\$ 135,763</u>

Additional Project Information:

Bonds Authorization Date	12/9/2014
Bonds Authorized	\$ 14,884,719
Bonds Issued	\$ 14,884,000
Original Authorized Cost	\$ 14,884,719
Cancelled	-
Revised Authorized Cost	\$ 14,884,719
Change Order Percentage	N/A
Percentage Completion	99%
Original Target Completion Date	9/1/2016
Revised Target Completion Date	6/30/2020

**CEDAR GROVE PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
IMPROVEMENTS TO THE CEDAR GROVE HIGH SCHOOL, NORTH END AND SOUTH END
ELEMENTARY SCHOOLS AND LEONARD PARKS SCHOOL / ADMINISTRATION BUILDING
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grants	\$ 4,309,461		\$ 4,309,461	\$ 4,309,461
Bond Proceeds	<u>7,582,000</u>	<u>-</u>	<u>7,582,000</u>	<u>7,582,000</u>
 Total Revenues and Other Financing Sources	 <u>11,891,461</u>	 <u>-</u>	 <u>11,891,461</u>	 <u>11,891,461</u>
 Expenditures and Other Financing Uses				
Salaries	39,762		39,762	39,762
Purchased professional and technical services	1,008,544		1,008,544	1,008,544
Cost of Bond Issuance	27,707		27,707	27,707
Facilities Acquisition and Construction Services	10,369,868		10,369,868	10,565,448
Transfer Out	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>
 Total Expenditures and Other Financing Uses	 <u>11,695,881</u>	 <u>-</u>	 <u>11,695,881</u>	 <u>11,891,461</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 195,580</u>	 <u>\$ -</u>	 <u>\$ 195,580</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	#0760-090-10-G0BS	#0760-050-10-G0BQ
Grant Date	8/23/2010	#070-060-10-GOBR
Bonds Authorization Date	1/25/2011	
Bonds Authorized	\$ 7,582,385	
Bonds Issued	7,582,000	
Original Authorized Cost	\$ 12,180,380	
Cancellation	(288,919)	
Revised Authorized Cost	\$ 11,891,461	
 Change Order Percentage		
Percentage Completion	100%	
Original Target Completion Date	9/1/2012	
Revised Target Completion Date	9/1/2013	

PROPRIETARY FUND

**CEDAR GROVE PUBLIC SCHOOLS
ENTERPRISE FUND - NON-MAJOR
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022**

	<u>Summer Music Academy</u>	<u>1:1 Initiative</u>	<u>Summer Lego</u>	<u>Total Non-Major Enterprise Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 3,554	\$ 106,208	\$ 7,050	\$ 116,812
Total Assets	<u>3,554</u>	<u>106,208</u>	<u>7,050</u>	<u>116,812</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	<u>-</u>	<u>-</u>	<u>80</u>	<u>80</u>
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>80</u>	<u>80</u>
NET POSITION				
Unrestricted	<u>3,554</u>	<u>106,208</u>	<u>6,970</u>	<u>116,732</u>
Total Net Position	<u>\$ 3,554</u>	<u>\$ 106,208</u>	<u>\$ 6,970</u>	<u>\$ 116,732</u>

**CEDAR GROVE PUBLIC SCHOOLS
ENTERPRISE FUND - NON-MAJOR
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Summer Music Academy</u>	<u>1:1 Initiative</u>	<u>Summer Lego</u>	<u>Total Non-Major Enterprise Funds</u>
OPERATING REVENUES				
Charges for Services				
Program Fees	-	\$ 45,930	\$ 7,050	\$ 52,980
Total Operating Revenues	<u>-</u>	<u>45,930</u>	<u>7,050</u>	<u>52,980</u>
OPERATING EXPENSES				
Purchased Services	-	5,694	80	5,774
Total Operating Expenses	<u>-</u>	<u>5,694</u>	<u>80</u>	<u>5,774</u>
Operating Income	<u>-</u>	<u>40,236</u>	<u>6,970</u>	<u>47,206</u>
Change in Net Position	-	40,236	6,970	47,206
Total Net Position, Beginning of Year	<u>\$ 3,554</u>	<u>65,972</u>	<u>-</u>	<u>69,526</u>
Total Net Position, End of Year	<u>\$ 3,554</u>	<u>\$ 106,208</u>	<u>\$ 6,970</u>	<u>\$ 116,732</u>

**CEDAR GROVE PUBLIC SCHOOLS
ENTERPRISE FUND - NON-MAJOR
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Summer Music Academy</u>	<u>1:1 Initiative</u>	<u>Summer Lego</u>	<u>Total Non-Major Enterprise Funds</u>
Cash Flows from Operating Activities				
Cash Received from Customers		\$ 45,930	\$ 7,050	\$ 52,980
Cash Payments for Suppliers for Goods and Services	-	(5,694)	-	(5,694)
Net Cash Provided by (Used for) Operating Activities	-	40,236	7,050	47,286
Net Increase (Decrease) in Cash and Cash Equivalents	-	40,236	7,050	47,286
Cash and Cash Equivalents, Beginning of Year	\$ 3,554	65,972	-	69,526
Cash and Cash Equivalents, End of Year	<u>\$ 3,554</u>	<u>\$ 106,208</u>	<u>\$ 7,050</u>	<u>\$ 116,812</u>
 Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income	\$ -	\$ 40,236	\$ 6,970	\$ 47,206
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities				
Changes in Assets and Liabilities				
Increase/(Decrease) in Accounts Payable	-	-	80	80
Total Adjustments	-	-	80	80
Net Cash Provided by (Used for) Operating Activities	<u>\$ -</u>	<u>\$ 40,236</u>	<u>\$ 7,050</u>	<u>\$ 47,286</u>

FIDUCIARY FUNDS
(Not Applicable)

LONG-TERM DEBT

**CEDAR GROVE PUBLIC SCHOOLS
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Annual Date</u>	<u>Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance June 30, 2022</u>
Refunding Bonds	5/24/2012	\$ 5,790,000	8/15/2022	\$ 675,000	4.00%	\$ 1,325,000		\$ 650,000	\$ 675,000
Various Improvements	8/15/2012	\$ 7,582,000	8/15/2022	275,000	2.00%	5,542,000		270,000	5,272,000
			8/15/2023-2031	500,000	2%-2.5%				
			8/15/2032	497,000	2.50%				
Various Improvements	8/15/2016	\$ 14,884,000	8/15/2022-2023	625,000	2.00%	12,384,000		625,000	11,759,000
			8/15/2024	1,215,000	2.00%				
			8/15/2025	1,220,000	2.00%				
			8/15/2026-2027	1,225,000	2.00%				
			8/15/2028-2031	1,250,000	2%-2.25%				
			8/15/2032	1,249,000	2.50%				
2019 School Bonds	8/15/2019	\$ 2,964,000	8/15/2022	275,000	2.00%	2,690,000		265,000	2,425,000
			8/15/2023	285,000	2.00%				
			8/15/2024	290,000	2.00%				
			8/15/2025	300,000	2.00%				
			8/15/2026	310,000	2.00%				
			8/15/2027	315,000	2.00%				
			8/15/2028-29	325,000	2.00%				
						<u>\$ 21,941,000</u>	<u>\$ -</u>	<u>\$ 1,810,000</u>	<u>\$ 20,131,000</u>

**CEDAR GROVE PUBLIC SCHOOLS
LONG-TERM DEBT
STATEMENT OF OBLIGATIONS UNDER OTHER FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2021</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2022</u>
Chromebooks	\$ 41,005	5.74%	\$ 10,487		\$ 10,487	
Chromebooks	27,040	6.63%	6,928		6,928	
Chromebooks - 2020	112,493	4.00%-5.00%	<u>85,000</u>	<u>-</u>	<u>20,000</u>	<u>\$ 65,000</u>
Total Other Financing Agreements			<u>\$ 102,415</u>	<u>\$ -</u>	<u>\$ 37,415</u>	<u>\$ 65,000</u>

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 1,947,708		\$ 1,947,708	\$ 1,947,708	
Interest Income				67	\$ 67
State Sources					
State Aid	<u>288,797</u>	<u>-</u>	<u>288,797</u>	<u>288,797</u>	<u>-</u>
 Total Revenues	 <u>2,236,505</u>	 <u>-</u>	 <u>2,236,505</u>	 <u>2,236,572</u>	 <u>67</u>
EXPENDITURES					
Regular Debt Service					
Redemption of Principal	1,810,000		1,810,000	1,810,000	
Interest	<u>464,100</u>	<u>-</u>	<u>464,100</u>	<u>464,100</u>	<u>-</u>
 Total Expenditures	 <u>2,274,100</u>	 <u>-</u>	 <u>2,274,100</u>	 <u>2,274,100</u>	 <u>-</u>
 Change in Fund Balance	 (37,595)	 -	 (37,595)	 (37,528)	 67
 Fund Balance, Beginning of Year	 <u>37,816</u>	 <u>-</u>	 <u>37,816</u>	 <u>37,816</u>	 <u>-</u>
 Fund Balance, End of Year	 <u>\$ 221</u>	 <u>\$ -</u>	 <u>\$ 221</u>	 <u>\$ 288</u>	 <u>\$ 67</u>
				\$ 67	
Reserve for Future Debt Service				<u>221</u>	
Designated for Subsequent Years Expenditures				<u>288</u>	
				<u>\$ 288</u>	

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

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

CEDAR GROVE PUBLIC SCHOOLS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2013	2014 (1) (Restated)	2015	2016	2017	2018	2019	2020 (Restated)	2021	2022
Governmental Activities										
Net Investment in Capital Assets	\$ 11,142,738	\$ 10,674,082	\$ 10,928,501	\$ 13,251,792	\$ 11,390,785	\$ 11,757,662	\$ 12,169,821	\$ 10,465,825	\$ 11,976,547	\$ 13,873,950
Restricted	1,572,310	1,868,122	1,841,258	200,342	570,167	1,320,494	1,894,227	3,205,163	3,785,661	3,591,317
Unrestricted	931,424	(4,482,439)	(4,690,435)	(5,606,658)	(6,170,503)	(6,651,388)	(6,619,841)	(4,721,880)	(4,819,242)	(4,397,458)
Total Governmental Activities Net Position	<u>\$ 13,646,472</u>	<u>\$ 8,059,765</u>	<u>\$ 8,079,324</u>	<u>\$ 7,845,476</u>	<u>\$ 5,790,449</u>	<u>\$ 6,426,768</u>	<u>\$ 7,444,207</u>	<u>\$ 8,949,108</u>	<u>\$ 10,942,966</u>	<u>\$ 13,067,809</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 5,184	\$ 40						\$ 8,057	\$ 8,057	\$ 16,557
Unrestricted	33,770	31,945	27,071	15,837	23,155	30,614	30,950	64,273	106,179	380,315
Total Business-Type Activities Net Position	<u>\$ 38,954</u>	<u>\$ 31,985</u>	<u>\$ 27,071</u>	<u>\$ 15,837</u>	<u>\$ 23,155</u>	<u>\$ 30,614</u>	<u>\$ 30,950</u>	<u>\$ 72,330</u>	<u>\$ 114,236</u>	<u>\$ 396,872</u>
District-Wide										
Net Investment in Capital Assets	\$ 11,147,922	\$ 10,674,122	\$ 10,928,501	\$ 13,251,792	\$ 11,390,785	\$ 11,757,662	\$ 12,169,821	\$ 10,473,882	\$ 11,984,604	\$ 13,890,507
Restricted	1,572,310	1,868,122	1,841,258	200,342	570,167	1,320,494	1,894,227	3,205,163	3,785,661	3,591,317
Unrestricted	965,194	(4,450,494)	(4,663,364)	(5,590,821)	(6,147,348)	(6,620,774)	(6,588,891)	(4,657,607)	(4,713,063)	(4,017,143)
Total District Net Position	<u>\$ 13,685,426</u>	<u>\$ 8,091,750</u>	<u>\$ 8,106,395</u>	<u>\$ 7,861,313</u>	<u>\$ 5,813,604</u>	<u>\$ 6,457,382</u>	<u>\$ 7,475,157</u>	<u>\$ 9,021,438</u>	<u>\$ 11,057,202</u>	<u>\$ 13,464,681</u>

Source: District Financial Records

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

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

CEDAR GROVE PUBLIC SCHOOLS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 11,138,245	\$ 11,359,101	\$ 13,248,184	\$ 14,426,830	\$ 16,136,455	\$ 16,433,466	\$ 15,620,442	\$ 15,750,142	\$ 17,210,417	\$ 15,469,064
Special Education	4,542,062	4,577,801	6,216,938	5,953,655	6,377,511	6,817,166	6,540,410	6,478,129	7,255,310	6,838,624
Other Instruction	268,655	376,763	446,937	538,690	614,640	593,998	547,629	304,432	251,153	293,539
School Sponsored Activities and Athletics	774,363	832,057	852,487	1,099,115	1,245,130	1,293,421	1,240,393	1,215,034	1,381,152	1,440,104
Support Services:										
Student & Instruction Related Services	2,564,204	2,834,568	3,187,745	3,471,943	4,036,538	4,048,218	3,869,732	4,995,705	5,627,760	5,736,742
Health Services	439,759	457,323	563,265	658,943	726,508	709,038	671,241			
Educational Media/School Library	393,715	411,048	357,441	366,389	568,988	545,286	509,310			
General Administration	1,011,762	909,465	812,070	1,061,511	1,057,660	927,489	952,022	980,255	1,080,804	1,166,613
School Administrative Services	2,091,175	1,923,143	2,056,009	2,090,938	2,642,851	2,673,355	2,465,781	2,455,067	2,780,748	2,457,277
Central Services	700,369	622,276	718,336	765,801	820,993	824,790	820,474	1,048,189	1,215,713	938,001
Plant Operations And Maintenance	3,028,047	3,016,149	3,131,449	3,070,492	3,505,089	3,399,212	3,371,811	3,596,959	3,533,968	3,629,179
Pupil Transportation	893,080	951,023	1,039,681	1,166,655	1,233,998	1,342,877	1,271,047	1,078,135	954,471	1,549,919
Interest On Long-Term Debt	181,100	369,079	331,927	349,314	639,324	557,777	529,939	524,412	491,464	432,079
Total Governmental Activities Expenses	<u>28,026,536</u>	<u>28,639,796</u>	<u>32,962,469</u>	<u>35,020,276</u>	<u>39,605,685</u>	<u>40,166,093</u>	<u>38,410,231</u>	<u>38,426,459</u>	<u>41,782,960</u>	<u>39,951,141</u>
Business-Type Activities:										
Food Service	348,897	347,085	344,281	316,085	317,286	306,650	297,927	219,016	9,056	689,456
Non-Major	-	-	-	15,067	16,643	15,586	14,200	22,819	-	5,774
Total Business-Type Activities Expense	<u>348,897</u>	<u>347,085</u>	<u>344,281</u>	<u>331,152</u>	<u>333,929</u>	<u>322,236</u>	<u>312,127</u>	<u>241,835</u>	<u>9,056</u>	<u>695,230</u>
Total District Expenses	<u>\$ 28,375,433</u>	<u>\$ 28,986,881</u>	<u>\$ 33,306,750</u>	<u>\$ 35,351,428</u>	<u>\$ 39,939,614</u>	<u>\$ 40,488,329</u>	<u>\$ 38,722,358</u>	<u>\$ 38,668,294</u>	<u>\$ 41,792,016</u>	<u>\$ 40,646,371</u>
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular Instruction				\$ 522,664	\$ 613,469	\$ 745,832	\$ 804,215	\$ 88,318	\$ 103,714	\$ 118,053
Special Education Instruction								31,122	-	-
School Sponsored Co-Curricular Operations and Maintenance								778,687	378,431	272,813
Transportation								11,882	6,350	7,950
Operating Grants And Contributions	\$ 3,909,150	\$ 3,553,252	\$ 6,284,946	7,619,025	9,916,787	11,225,166	9,161,298	8,279,682	12,095,389	9,845,118
Capital Grants And Contributions	3,869,600	54,193	243,898	2,960	5,000	24,417	29,851	28,606	9,790	-
Total Governmental Activities Program Revenues	<u>7,778,750</u>	<u>3,607,445</u>	<u>6,528,844</u>	<u>8,144,649</u>	<u>10,535,256</u>	<u>11,995,415</u>	<u>9,995,364</u>	<u>9,218,297</u>	<u>12,665,727</u>	<u>10,323,527</u>

CEDAR GROVE PUBLIC SCHOOLS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-Type Activities:										
Charges For Services										
Food Service	\$ 315,231	\$ 308,247	\$ 338,146	\$ 304,705	\$ 309,993	\$ 302,603	\$ 298,488	\$ 209,929	\$ 1,668	\$ 185,683
Non-Major	-	-	-	12,887	20,052	17,600	13,120	46,735	41,267	52,980
Operating Grants And Contributions	36,241	31,707	1,070	-	-	-	-	-	-	738,934
Total Business Type Activities Program Revenues	<u>351,472</u>	<u>339,954</u>	<u>339,216</u>	<u>317,592</u>	<u>330,045</u>	<u>320,203</u>	<u>311,608</u>	<u>256,664</u>	<u>42,935</u>	<u>977,597</u>
Total District Program Revenues	<u>\$ 8,130,222</u>	<u>\$ 3,947,399</u>	<u>\$ 6,868,060</u>	<u>\$ 8,462,241</u>	<u>\$ 10,865,301</u>	<u>\$ 12,315,618</u>	<u>\$ 10,306,972</u>	<u>\$ 9,474,961</u>	<u>\$ 12,708,662</u>	<u>\$ 11,301,124</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (20,247,786)	\$ (25,032,351)	\$ (26,433,625)	\$ (26,875,627)	\$ (29,070,429)	\$ (28,170,678)	\$ (28,414,867)	\$ (29,208,162)	\$ (29,117,233)	\$ (29,627,614)
Business-Type Activities	2,575	(7,131)	(5,065)	(13,560)	(3,884)	(2,033)	(519)	14,829	33,879	282,367
Total District-Wide Net Expense	<u>\$ (20,245,211)</u>	<u>\$ (25,039,482)</u>	<u>\$ (26,438,690)</u>	<u>\$ (26,889,187)</u>	<u>\$ (29,074,313)</u>	<u>\$ (28,172,711)</u>	<u>\$ (28,415,386)</u>	<u>\$ (29,193,333)</u>	<u>\$ (29,083,354)</u>	<u>\$ (29,345,247)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, N	\$ 23,656,095	\$ 24,129,217	\$ 24,611,801	\$ 25,229,014	\$ 25,859,739	\$ 26,532,424	\$ 27,295,448	\$ 28,112,945	\$ 28,796,093	\$ 29,372,015
Taxes Levied For Debt Service	740,995	1,064,747	1,081,425	1,045,441	1,010,225	1,761,964	1,776,034	1,858,658	1,993,540	1,947,708
Unrestricted Grants And Contributions			31,114	34,020	48,937	50,075	4,914			
Debt Service State Aid						244,432	189,263	137,519	237,955	229,859
Miscellaneous Income	1,081,857	629,218	728,744	335,484	107,492	227,099	166,647	91,106	91,503	202,875
Transfers and Other Items	312	-	-	(2,180)	(10,991)	(8,997)	-	(17,507)	(8,000)	-
Total Governmental Activities	<u>25,479,259</u>	<u>25,823,182</u>	<u>26,453,084</u>	<u>26,641,779</u>	<u>27,015,402</u>	<u>28,806,997</u>	<u>29,432,306</u>	<u>30,182,721</u>	<u>31,111,091</u>	<u>31,752,457</u>
Business-Type Activities:										
Investment Earnings	1,305	162	151	146	211	495	855	551	27	269
Transfers	-	-	-	2,180	10,991	8,997	-	26,000	8,000	-
Total Business-Type Activities	<u>1,305</u>	<u>162</u>	<u>151</u>	<u>2,326</u>	<u>11,202</u>	<u>9,492</u>	<u>855</u>	<u>26,551</u>	<u>8,027</u>	<u>269</u>
Total District-Wide	<u>\$ 25,480,564</u>	<u>\$ 25,823,344</u>	<u>\$ 26,453,235</u>	<u>\$ 26,644,105</u>	<u>\$ 27,026,604</u>	<u>\$ 28,816,489</u>	<u>\$ 29,433,161</u>	<u>\$ 30,209,272</u>	<u>\$ 31,119,118</u>	<u>\$ 31,752,726</u>
Change in Net Position										
Governmental Activities	\$ 5,231,473	\$ 790,831	\$ 19,459	\$ (233,848)	\$ (2,055,027)	\$ 636,319	\$ 1,017,439	\$ 974,559	\$ 1,993,858	\$ 2,124,843
Business-Type Activities	3,880	(6,969)	(4,914)	(11,234)	7,318	7,459	336	41,380	41,906	282,636
Total District	<u>\$ 5,235,353</u>	<u>\$ 783,862</u>	<u>\$ 14,545</u>	<u>\$ (245,082)</u>	<u>\$ (2,047,709)</u>	<u>\$ 643,778</u>	<u>\$ 1,017,775</u>	<u>\$ 1,015,939</u>	<u>\$ 2,035,764</u>	<u>\$ 2,407,479</u>

Source: District Financial Records

CEDAR GROVE PUBLIC SCHOOLS
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020 (Restated)	2021	2022
General Fund										
Restricted	\$ 2,551,107	\$ 3,406,879	\$ 3,359,468	\$ 3,436,866	\$ 2,221,032	\$ 2,785,886	\$ 3,508,242	\$ 4,475,161	\$ 5,141,779	\$ 4,958,630
Committed									51,670	-
Assigned	762,197	384,408	551,071	453,450	83,455	251,878	312,579	475,187	353,133	675,734
Unassigned	<u>449,426</u>	<u>461,658</u>	<u>203,868</u>	<u>345,330</u>	<u>335,248</u>	<u>221,796</u>	<u>225,250</u>	<u>183,371</u>	<u>810,717</u>	<u>863,277</u>
Total General Fund	<u>\$ 3,762,730</u>	<u>\$ 4,252,945</u>	<u>\$ 4,114,407</u>	<u>\$ 4,235,646</u>	<u>\$ 2,639,735</u>	<u>\$ 3,259,560</u>	<u>\$ 4,046,071</u>	<u>\$ 5,133,719</u>	<u>\$ 6,357,299</u>	<u>\$ 6,497,641</u>
All Other Governmental Funds										
Restricted	\$ 288,794	\$ 243,812	\$ 401,217	\$ (1,837,263)	\$ 1,055,044	\$ 954,622	\$ 300,943	\$ 1,284,760	\$ 1,284,760	\$ 672,323
Assigned	-	-	35,783	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 288,794</u>	<u>\$ 243,812</u>	<u>\$ 437,000</u>	<u>\$ (1,837,263)</u>	<u>\$ 1,055,044</u>	<u>\$ 954,622</u>	<u>\$ 300,943</u>	<u>\$ 1,284,760</u>	<u>\$ 1,284,760</u>	<u>\$ 672,323</u>

Source: District Financial Records

Note 2 - Fund Balance at June 30, 2020 has been restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

CEDAR GROVE PUBLIC SCHOOLS
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax Levy	\$ 24,397,090	\$ 25,193,964	\$ 25,693,226	\$ 26,274,455	\$ 26,869,964	\$ 28,294,388	\$ 29,071,482	\$ 29,971,603	\$ 30,789,633	\$ 31,319,723
Miscellaneous	1,053,839	668,117	751,782	844,712	743,049	1,045,432	1,018,375	1,057,469	687,292	719,805
State Sources	7,319,805	3,113,233	3,664,154	3,954,602	4,274,677	5,240,478	5,847,840	6,260,259	7,595,079	9,408,866
Federal Sources	424,980	415,701	446,418	540,094	535,358	573,725	554,643	516,663	827,782	1,193,524
Total Revenue	33,195,714	29,391,015	30,555,580	31,613,863	32,423,048	35,154,023	36,492,340	37,805,994	39,899,786	42,641,918
Expenditures										
Instruction										
Regular Instruction	10,898,578	11,024,038	11,303,323	11,870,318	12,221,779	12,755,135	13,457,563	14,187,834	14,679,564	15,474,640
Special Education Instruction	4,495,370	4,516,309	5,548,605	5,391,513	5,583,871	5,881,879	6,006,390	6,114,642	6,597,035	6,892,357
Other Instruction	264,859	369,664	403,958	476,295	517,030	517,446	503,308	275,316	209,428	293,826
School Sponsored Activities and Athletics	760,493	809,922	770,193	928,145	975,156	1,037,534	1,093,372	1,108,543	1,208,671	1,438,203
Support Services:										
Student and Inst. Related Services	2,457,167	2,763,604	2,770,647	2,941,027	3,255,674	3,304,294	3,441,126	4,599,442	4,956,633	5,791,998
Health Services	492,375	443,725	480,200	541,490	551,612	551,962	579,208			
Educational Media/School Library	385,659	399,598	334,645	335,564	437,958	425,292	440,214			
General Administration	1,001,931	898,092	786,644	751,258	914,600	791,709	871,150	921,388	980,902	1,168,517
School Administrative Services	2,044,527	1,858,116	1,747,085	1,934,579	1,991,977	2,066,510	2,121,061	2,245,478	2,421,227	2,507,524
Central Services	684,181	609,484	3,019,933	2,926,345	3,311,141	3,062,452	3,177,230	963,944	1,072,347	942,106
Plant Operations And Maintenance	2,979,000	2,953,886	1,037,686	1,164,180	1,230,684	1,336,793	1,268,146	3,439,959	3,308,961	3,827,089
Pupil Transportation	892,404	949,947	677,619	714,722	754,019	704,602	742,611	1,075,790	950,929	1,446,154
Employee Benefits										
Capital Outlay	10,142,290	209,835	479,180	2,705,860	12,840,101	152,258	684,490	2,355,417	482,666	471,100
Debt Service:										
Principal	520,000	745,000	760,000	775,000	790,000	1,435,000	1,473,477	1,495,738	1,824,415	1,847,415
Cost of Bond Issuance					56,112	-	-	-	-	-
Interest and Other Charges	281,208	404,174	389,124	367,491	567,947	602,757	568,207	531,873	519,601	468,911
Total Expenditures	38,300,042	28,955,394	30,508,842	33,823,787	45,999,661	34,625,623	36,427,553	39,315,364	39,212,379	42,569,840
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(5,104,328)	435,621	46,738	(2,209,924)	(13,576,613)	528,400	64,787	(1,509,370)	687,407	72,078
Other Financing Sources (Uses)										
Sale of Bonds					14,884,000			2,964,000	-	-
Refunding Bond Proceeds	7,582,000	-	-	-	-	-	-	-	-	-
Premium on Refunding Bonds	51,089	-	-	-	-	-	-	-	-	-
Premium on Note	10,894	9,612	7,912	59,080	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent							68,045	112,493	-	-
Lease Purchase Agreements										
Transfers In	132,551	46,812	13,126	67,586	1,313,802	11,395	8,404	18,445	887	465
Transfers Out	(132,239)	(46,812)	(13,126)	(69,766)	(1,324,793)	(20,392)	(8,404)	(44,445)	(8,887)	(465)
Total Other Financing Sources (Uses)	7,644,295	9,612	7,912	56,900	14,873,009	(8,997)	68,045	3,050,493	(8,000)	-
Net Change in Fund Balances	\$ 2,539,967	\$ 445,233	\$ 54,650	\$ (2,153,024)	\$ 1,296,396	\$ 519,403	\$ 132,832	\$ 1,541,123	\$ 679,407	\$ 72,078
Debt Service as a Percentage of										
Noncapital Expenditures	2.85%	4.00%	3.83%	3.67%	4.10%	5.91%	5.71%	5.49%	6.05%	5.50%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District Financial Records

**CEDAR GROVE PUBLIC SCHOOLS
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Interest Earned	Building Rentals	E-Rate	Prior Year Refunds	Tuition	Transportation Fees	Miscellaneous	Total
2013	\$ 75,296	\$ 870,519	\$ 33,781				\$ 30,769	\$ 1,010,365
2014	11,141	523,744	37,689	\$ 33,665			11,898	618,137
2015	20,289	570,823	52,284		\$ 22,500		49,869	715,765
2016	70,383	522,664	51,717	11,068	14,000		120,537	790,369
2017	14,196	581,110	41,572	7,950	18,500	\$ 13,860	26,719	703,907
2018	46,921	662,548	26,468	127,423	73,775	9,509	14,223	960,867
2019	78,665	690,008	20,928	25,900	106,400	7,807	32,126	961,834
2020	55,933	778,687		6,503	119,440	11,882	9,507	981,952
2021	8,169	378,431			103,714	6,350	82,226	578,890
2022	7,691	79,593		71,636	118,053	7,950	123,016	407,939

Source: District Financial Records

CEDAR GROVE PUBLIC SCHOOLS
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2013	\$ 45,679,500	\$ 1,824,313,800	\$ 1,256,500	\$ 3,200	\$ 202,847,800	\$ 101,142,900	\$ 47,860,000	\$ 2,223,103,700	\$ 1,878,100	\$ 2,224,981,800	\$ 2,218,771,570	\$ 1.132
2014	45,898,300	1,814,980,000	1,256,500	3,200	200,699,400	99,528,300	47,345,000	2,209,710,700	1,524,200	2,211,234,900	2,211,234,900	1.162
2015	47,228,100	1,812,915,000	1,256,500	3,200	196,140,700	97,524,000	47,345,000	2,202,412,500	1,545,700	2,203,958,200	2,203,758,200	1.192
2016	63,709,300	1,813,293,900	2,100,000	5,100	191,728,300	97,324,000	47,085,000	2,215,245,600	1,476,000	2,216,721,600	2,330,420,358	1.212
2017	60,513,100	1,818,783,800	2,100,000	5,100	189,695,100	97,221,100	47,697,000	2,160,155,200	1,503,700	2,161,658,900	2,297,797,503	1.276
2018	59,401,200	1,829,464,900	2,100,000	5,100	191,506,500	95,531,100	47,937,000	2,225,945,800	1,517,400	2,227,463,200	2,310,079,883	1.305
2019	37,088,000	1,835,488,500	2,100,000	5,100	194,009,500	95,236,100	54,387,800	2,218,315,000	1,517,300	2,219,832,300	2,317,629,210	1.350
2020	29,038,400	1,839,389,000	2,100,000	5,100	193,887,900	95,266,500	56,742,000	2,216,428,900	1,505,800	2,217,934,700	2,371,884,101	1.388
2021	28,401,900	1,845,843,400	2,100,000	5,100	192,637,500	95,291,500	56,742,000	2,221,021,400	1,540,200	2,222,561,600	2,429,451,987	1.409
2022	27,243,800	1,854,446,800	2,100,000	5,100	191,788,400	95,291,500	56,742,000	2,227,617,600	1,496,669	2,229,114,269	2,529,209,135	1.433

Source: County Abstract of Ratables

a Tax rates are per \$100

* The Township had a revaluation of real property that took effect in 2010

CEDAR GROVE PUBLIC SCHOOLS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)
(rate per \$100 of assessed value)

Calendar Year	Overlapping Rates				Total Direct and Overlapping Tax Rate
	Total Direct School Tax Rate	Township	County	Garbage District	
2013	\$ 1.132	\$ 0.415	\$ 0.491	\$ 0.067	\$ 2.105
2014	1.162	0.445	0.523	0.068	2.198
2015	1.192	0.456	0.526	0.070	2.244
2016	1.212	0.466	0.548	0.071	2.297
2017	1.276	0.484	0.538	0.072	2.370
2018	1.305	0.496	0.522	0.073	2.396
2019	1.350	0.507	0.508	0.073	2.438
2020	1.388	0.516	0.520	0.073	2.497
2021	1.409	0.526	0.525	0.073	2.533
2022	1.433	0.535	0.523	0.073	2.564

Source: County Abstract of Ratables

* The Township had a revaluation of real property that took effect in 2010

**CEDAR GROVE PUBLIC SCHOOLS
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Taxpayer	2022		2013	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Bradford Arms C/O S. Geltman & Co.	\$ 17,715,000	0.79%	\$ 17,715,000	0.80%
Grove Associates	16,320,000	0.73%	16,835,000	0.76%
Cedar Hill Realty Associates LLC	15,170,000	0.68%	15,170,000	0.68%
691 Pompton Avenue Realty LLC	13,780,700	0.62%	13,780,700	0.62%
Waterview Center Realty, LLC	11,875,000	0.53%	12,215,000	0.55%
Canterbury At Cedar Grove LLC	11,250,000	0.50%	12,023,400	0.54%
Cliffside Drive Holding LLC	9,960,000	0.45%	9,960,000	0.45%
2-48 Grove Avenue LLC	9,657,000	0.43%	10,415,000	0.47%
Contract Filling Inc.	9,235,400	0.41%	7,930,000	0.36%
Cedar Grove Properties Inc	8,385,000	0.38%		
	\$ 123,348,100	5.53%	\$ 124,429,100	5.59%
Bradford Arms C/O S. Geltman & Co.				
Grove Associates				
Cedar Hill Realty Associates LLC				
691 Pompton Avenue Realty LLC				
Health Resources of Cedar Grove LLC				
Canterbury At Cedar Grove LLC				
Contract Filling Inc				
11 Cliffside Drive LLC				
Cedar Grove Properties Inc				
Pompton Associates C/O Healthcare				

Source: Municipal Tax Assessor

CEDAR GROVE PUBLIC SCHOOLS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 24,397,090	\$ 24,397,090	100.00%	-
2014	25,193,964	25,193,964	100.00%	-
2015	25,693,226	25,693,226	100.00%	-
2016	26,274,455	26,274,455	100.00%	-
2017	26,869,964	26,869,964	100.00%	-
2018	28,294,388	28,294,388	100.00%	-
2019	29,071,482	29,071,482	100.00%	-
2020	29,971,603	29,971,603	100.00%	-
2021	30,789,633	30,789,633	100.00%	-
2022	31,319,723	31,319,723	100.00%	-

Source: District Financial Records

CEDAR GROVE PUBLIC SCHOOLS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population Estimates	Per Capita
	General Obligation Bonds	Leases	Grant Anticipation Notes			
2013	\$ 13,322,000		\$ 3,668,000	\$ 16,990,000	12,438	\$ 1,366
2014	12,577,000		3,668,000	16,245,000	12,514	1,298
2015	11,817,000		3,500,000	15,317,000	12,526	1,223
2016	11,042,000		14,000,000	25,042,000	12,543	1,996
2017	25,136,000		-	25,136,000	12,537	2,005
2018	23,701,000			23,701,000	12,551	1,888
2019	22,246,000			22,246,000	12,537	1,774
2020	23,730,000			23,730,000	12,796	1,854
2021	21,941,000			21,941,000	13,430	1,634
2022	20,131,000			20,131,000	13,430 (Est.)	1,499

Source: District financial records and NJ Department of Education

CEDAR GROVE PUBLIC SCHOOLS
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2013	\$ 13,322,000	\$ 16,017	\$ 13,305,983	0.60%	\$ 1,070
2014	12,577,000	35,634	12,541,366	0.57%	1,002
2015	11,817,000	35,783	11,781,217	0.53%	941
2016	11,042,000	342	11,041,658	0.50%	880
2017	25,136,000	-	25,136,000	1.16%	2,005
2018	23,701,000	27,560	23,673,440	1.06%	1,886
2019	22,246,000	1,293	22,244,707	1.00%	1,774
2020	23,730,000		23,730,000	1.07%	1,854
2021	21,941,000		21,941,000	0.99%	1,634
2022	20,131,000		20,131,000	0.90%	1,499

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**CEDAR GROVE PUBLIC SCHOOLS
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF DECEMBER 31, 2021
 (Unaudited)**

Net Debt

Municipal Debt: (1)	
Cedar Grove Township	<u>\$ 25,540,496</u>
	<u>25,540,496</u>
Overlapping Debt Apportioned to the Municipality:	
Essex County (A):	
County of Essex - Township's Share	<u>17,518,646</u>
Total Direct and Overlapping Debt	<u><u>\$ 43,059,142</u></u>

Source:

(1) Cedar Grove's 2021 Annual Debt Statement

(A) The debt for this entity was apportioned to Cedar Grove by dividing the municipality's 2021 equalized value by the total 2021 equalized value for Essex County.

**CEDAR GROVE PUBLIC SCHOOLS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2022

		Equalized Valuation Basis
	2021	\$ 2,512,751,895
	2020	2,415,463,056
	2019	2,364,941,365
		<u>\$ 7,293,156,316</u>
Average Equalized Valuation of Taxable Property		\$ 2,431,052,105
Debt Limit (4 % of Average Equalization		97,242,084 ^a
Total Net Debt Applicable to Limit		<u>20,132,535</u>
Legal Debt Margin		<u>\$ 77,109,549</u>

601

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 93,062,080	\$ 90,473,270	\$ 89,098,854	\$ 90,134,806	\$ 91,014,579	\$ 91,814,748	\$ 94,827,016	\$ 95,859,146	\$ 94,625,683	\$ 97,242,084
Total Net Debt Applicable to Limit	<u>16,990,385</u>	<u>16,245,385</u>	<u>26,702,104</u>	<u>25,926,719</u>	<u>25,136,719</u>	<u>23,701,719</u>	<u>25,211,535</u>	<u>23,731,535</u>	<u>21,942,525</u>	<u>20,132,535</u>
Legal Debt Margin	<u>\$ 76,071,695</u>	<u>\$ 74,227,885</u>	<u>\$ 62,396,750</u>	<u>\$ 64,208,087</u>	<u>\$ 65,877,860</u>	<u>\$ 68,113,029</u>	<u>\$ 69,615,481</u>	<u>\$ 72,127,611</u>	<u>\$ 72,683,158</u>	<u>\$ 77,109,549</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.26%	17.96%	29.97%	28.76%	27.62%	25.81%	26.59%	24.76%	23.19%	20.70%

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

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

**CEDAR GROVE PUBLIC SCHOOLS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2013	12,438	\$ 55,808	4.40%
2014	12,514	58,487	5.30%
2015	12,526	60,840	5.30%
2016	12,543	62,334	4.10%
2017	12,537	64,232	3.50%
2018	12,551	65,214	3.30%
2019	12,537	67,657	2.60%
2020	12,796	70,497	8.70%
2021	13,430	Not Available	5.70%
2022	13,430 (Est.)	Not Available	Not Available

Source: New Jersey State Department of Education

**CEDAR GROVE PUBLIC SCHOOLS
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

	<u>2022</u>		<u>2013</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

NOT AVAILABLE

**CEDAR GROVE PUBLIC SCHOOLS
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (Unaudited)**

<u>Function/Program</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>	<u>2022</u>
Instruction										
Regular	128	129	136	129	120	116	119	114	117	112
Special Education	18	18	21	28	40	37	38	38	41	40
Other Instruction	1	1	-	-	31	27	35	35	34	43
Support Services:										
Student and Instruction Related Services	28	28	19	22	21	21	21	21	23	20
General Administration	3	3	3	3	3	3	3	3	3	3
School Administrative Services	9	9	9	9	6	6	6	6	6	6
Other Administrative Services	3	3	3	3	3	2	3	3	3	3
Central Services	4	4	4	4	4	5	5	5	6	5
Administrative Information Technology	3	3	3	3	3	3	3	3	3	3
Plant Operations And Maintenance	20	20	21	20	21	20	21	19	20	20
Total	<u>217</u>	<u>218</u>	<u>219</u>	<u>221</u>	<u>252</u>	<u>240</u>	<u>254</u>	<u>247</u>	<u>256</u>	<u>255</u>

Source: District Personnel Records

**CEDAR GROVE PUBLIC SCHOOLS
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Pupil/Teacher Ratio

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2013	1,664	\$ 27,356,544	\$ 16,440	4.30%	1,664	11.40	10.90	10.29	1,639	1,569	0.74%	95.73%
2014	1,670	27,257,892	16,322	-0.72%	1,670	11.40	10.90	10.25	1,650	1,571	0.67%	95.21%
2015	1,637	28,880,538	17,642	8.09%	1,637	10.73	10.60	9.95	1,651	1,585	0.06%	96.00%
2016	1,618	29,975,436	18,526	5.01%	1,618	10.00	10.00	9.00	1,614	1,549	-2.24%	95.97%
2017	1,637	31,745,501	19,392	4.68%	147	11.09	10.11	11.02	1,599	1,526	-0.93%	95.43%
2018	1,594	32,435,608	20,349	4.93%	141	9.44	12.89	12.09	1,570	1,504	-1.81%	95.80%
2019	1,564	33,701,379	21,548	5.90%	146	9.34	12.27	11.15	1,553	1,487	-1.08%	95.75%
2020	1,593	34,932,336	21,929	1.77%	141	10.13	11.90	11.42	1,579	1,520	1.67%	96.26%
2021	1,586	36,385,697	22,942	4.62%	145	9.57	12.05	11.63	1,568	1,529	-0.70%	97.51%
2022	1,592	39,782,414	24,989	8.92%	138	10.51	13.04	11.85	1,587	1,505	1.21%	94.83%

Sources: District records

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

**CEDAR GROVE PUBLIC SCHOOLS
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>District Building</u>										
<u>Elementary</u>										
North End										
Square Feet	35,625	35,625	35,625	35,625	35,625	35,625	35,625	35,625	35,625	35,625
Capacity (students)	303	303	303	303	303	303	303	303	303	303
Enrollment	322	320	309	285	279	253	255	268	279	292
South End										
Square Feet	39,080	39,080	39,080	39,080	39,080	39,080	39,080	39,080	39,080	39,080
Capacity (students)	319	319	319	319	319	319	319	319	319	319
Enrollment	331	335	305	302	294	310	312	319	329	342
<u>Middle School</u>										
Square Feet	70,221	70,221	70,221	70,221	70,221	70,221	70,221	70,221	70,221	70,221
Capacity (students)	628	628	628	628	628	628	628	628	628	628
Enrollment	554	570	553	526	523	499	489	454	460	471
<u>High School</u>										
Square Feet	140,725	140,725	140,725	140,725	140,725	140,725	140,725	140,725	140,725	140,725
Capacity (students)	908	908	908	908	908	908	908	908	908	908
Enrollment	431	440	456	505	517	515	508	509	507	490
<u>Other</u>										
Leonard R Parks										
Square Feet	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000

Number of Schools at June 30, 2021
 Elementary = 2
 Middle School = 1
 Senior High School = 1
 Other = 1

Source: District Records

CEDAR GROVE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)

	<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>	<u>2022</u>
School Facilities										
High School	\$ 117,905	\$ 91,055	\$ 136,500	\$ 126,086	\$ 117,222	\$ 122,866	\$ 119,125	\$ 103,426	\$ 136,248	\$ 154,962
North End School	61,026	38,385	31,623	29,863	65,499	41,801	57,099	84,597	76,130	66,908
South End School	61,026	38,385	47,985	43,135	57,672	51,044	74,478	83,927	67,032	95,569
Middle School	71,197	62,006	105,536	96,224	72,617	91,846	97,595	84,903	84,403	86,468
Leonard R. Parks	10,171	13,897	37,309	36,498	47,855	55,416	97,115	57,795	55,623	41,509
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total School Facilities	<u>\$ 321,325</u>	<u>\$ 243,728</u>	<u>\$ 358,953</u>	<u>\$ 331,806</u>	<u>\$ 360,865</u>	<u>\$ 362,973</u>	<u>\$ 445,412</u>	<u>\$ 414,648</u>	<u>\$ 419,436</u>	<u>\$ 445,416</u>

Source: District Records

**CEDAR GROVE PUBLIC SCHOOLS
INSURANCE SCHEDULE
JUNE 30, 2022
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy/Zurich		
Building and Contents (All Locations)	\$ 76,897,692	\$ 5,000
Comprehensive General Liability	1,000,000 / 3,000,000	
Comprehensive Auto Liability	1,000,000	
Comprehensive Crime Liability	500,000	5,000
Computers and Schedule Equipment		
Data Processing Equipment	2,500,000	5,000
Musical Instruments	250,000	1,000
Boiler and Machinery		
Property Damage	25,000,000	5,000
Umbrella Liability		
Zurich	10,000,000	10,000 Retention
Fireman's Fund Cap	50,000,000	
School Boards Legal Liability/Darwin		
Educators E&O	1,000,000	5,000
Employment Practices Liability	Incl. in above limit	15,000
Public Employees' Faithful Performance Bond		
Business Administrator/Board Secretary	230,000	
Treasurer of School Monies	235,000	
Workers' Compensation and Employers Liability	1,000,000	
Cyber/Indian Harbor	2,000,000/4,000,000	25,000
Environmental/ACE	1,000,000/10,000,000	25,000
		50,000

Source: District records

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
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DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Cedar Grove Public Schools
Cedar Grove, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cedar Grove Board of Education as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Cedar Grove Board of Education's basic financial statements and have issued our report thereon dated March 10, 2023.

Report on Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2022-001 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2022-001 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cedar Grove Board of Education’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which are described in the accompanying schedule of findings and questioned costs as item 2022-001.

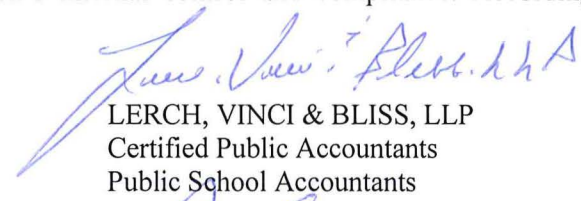
We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Cedar Grove Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated March 10, 2023.

Cedar Grove Board of Education’s Response to Finding

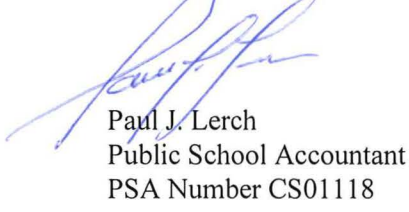
Government Auditing Standards requires the auditor to perform limited procedures on the Cedar Grove Board of Education’s response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Cedar Grove Board of Education’s response was not subjected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

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 Cedar Grove Board of Education’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Cedar Grove Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
March 10, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K -2

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

INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Trustees
Cedar Grove Public Schools
Cedar Grove, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Cedar Grove Public Schools’ compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Cedar Grove Public Schools’ major federal and state programs for the fiscal year ended June 30, 2022. The Cedar Grove Public Schools’ major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Cedar Grove Public Schools complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

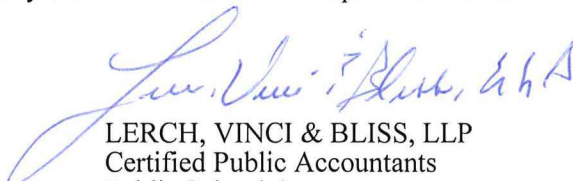
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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


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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cedar Grove Public Schools, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated March 10, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
March 10, 2023

CEDAR GROVE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor Program Title	Federal AL Number	Federal FAIN Number	Grant Period	Award Amount	Balance July 1, 2021	Cash Received	Budgetary Expenditures	Adjustments	Balance June 30, 2022			Memo GAAP Receivable
									(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Agriculture Passed-through State Department of Education Enterprise Fund												
National School Lunch Program Cash Assistance	10.555	221NJ304N1099	7/1/21-6/30/22	\$ 721,976	-	\$ 665,237	\$ 721,976	-	\$ (56,739)	-	-	\$ 56,739
Total U.S. Department of Agriculture/Child Nutrition Cluster				721,976	-	665,237	721,976	-	(56,739)	-	-	56,739
Special Revenue Funds:												
U.S. Department of Education Passed Through State Department of Education IDEA												
Part B, Basic	84.027A	H027A210100	7/1/21-9/30/22	\$ 395,973		\$ 246,438	\$ 471,614	\$ 2,500	(251,885)	\$ 29,209		222,676
Part B, Basic	84.027A	H027A200100	7/1/20-9/30/21	402,051	(155,105)	155,105						
Part B, Preschool	84.173	H173A210114	7/1/21-9/30/22	15,685		5,183	15,671		(11,931)	1,443		10,488
Part B, Preschool	84.173	H173A2100114	7/1/20-9/30/21	15,451	(5,642)	5,642						
ARP IDEA Part B, Basic	84.027X	H027X210100	7/1/21-9/30/22	76,409			74,246		(76,409)	2,163		74,246
ARP IDEA Part B, Preschool	84.173X	H173X210114	7/1/21-9/30/22	6,526		6,368	6,368		(158)	158		-
Total L.D.E.A. Cluster					(160,747)	418,736	567,899	2,500	(340,383)	32,973	-	307,410
ESEA												
Title I	84.010	S010A210030	7/1/21-9/30/22	64,908		29,166	62,859	-	(41,144)	7,451		33,693
Title I	84.010	S010A200030	7/1/20-9/30/21	143,811	(41,585)	42,264		(679)				
Title I	84.010	S010A110030	9/1/11-8/31/12	16,578	17						\$ 17	
Title IIA	84.367A	S367A210029	7/1/21-9/30/22	25,446		24,600	40,272	9,748	(11,230)	5,306		5,924
Title IIA	84.367A	S367A200029	7/1/20-9/30/21	31,288	(6,637)	19,029		(12,392)				
Title III Immigrant	84.365A	S365A210030	7/1/21-9/30/22	1,960			1,960		(1,960)	-		1,960
Title IV	84.424A	S424A210031	7/1/21-9/30/22	10,046		8,399	8,399	-	(8,918)	8,918		-
Title IV	84.424A	S424A200031	7/1/20-9/30/21	10,000	(200)	2,898		(2,698)				-
Total ESEA Cluster					(48,405)	126,356	113,490	(6,021)	(63,252)	21,675	17	41,577
Coronavirus Relief Fund												
Nonpublic Digital Divide	21.019		3/13/20-10/31/20	8,091	(7,454)	-	-	-	(8,091)	637		7,454
Total Coronavirus Relief Fund Cluster					(7,454)	-	-	-	(8,091)	637	-	7,454
ESSER I												
CARES Emergency Relief Grant	84.425D	S425D200027	3/13/20-9/30/22	116,581	(3,270)	5,917	-	(6,304)	(3,657)	-		3,657
ESSER II												
ESSER II	84.425D	S425D200027	3/13/20-9/30/23	451,085	(191,418)		247,877		(451,085)	11,790		439,295
Learning Acceleration	84.425D	S425D200027	3/13/20-9/30/23	28,948					(28,948)	28,948		-
Mental Health	84.425D	S425D200027	3/13/20-9/30/23	45,000					(45,000)	45,000		-
ESSER III												
ARP ESSER III	84.425U	S425U210027	3/13/20-9/30/24	1,013,784		43,118			(970,666)	1,013,784		(43,118)
Accelerated Learning Coach	84.425U	S425U210027	3/13/20-9/30/24	128,401			60,396		(128,401)	68,005		60,396
Evidence Based Summer	84.425U	S425U210027	3/13/20-9/30/24	40,000			21,596		(40,000)	18,404		21,596
Evidence Based Comprehensive	84.425U	S425U210027	3/13/20-9/30/24	40,000					(40,000)	40,000		-
NJTSS Mental Health	84.425U	S425U210027	3/13/20-9/30/24	45,000			29,750		(45,000)	15,250		29,750
Total ESSER I, II, III Cluster					(194,688)	49,035	359,619	(6,304)	(1,752,757)	1,241,181	-	511,576
FCC Emergency Connectivity Fund Program												
	32.009	N/A	7/1/21-6/30/22	203,119		203,119	203,119					
ACSERS Grant												
	21.027	SLFRFDOEISES	7/1/21-6/30/22	88,324		88,324	88,324					
Total Special Revenue Fund					(411,294)	885,570	1,332,451	(9,825)	(2,164,483)	1,296,466	17	868,017
Total Federal Financial Assistance					\$ (411,294)	\$ 1,550,807	\$ 2,054,427	\$ (9,825)	\$ (2,221,222)	\$ 1,296,466	\$ 17	\$ 924,756

121

**CEDAR GROVE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Grant or State Project Number	Grant	Award Amount	Balance June 30, 2021	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balance	Balance June 30, 2022			Memorandum		
									(Accts. Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Budgetary Expenditures	
State Department of Education														
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	\$ 1,153,621			\$ 1,041,249	\$ 1,153,621		\$ (112,372)				\$ 1,153,621	
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	874,896	(85,258)		85,258								
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	57,017			57,017	57,017		(5,554)				57,017	
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	57,017	(5,557)		5,557								
Total State Aid Public- Cluster				(90,815)	-	1,183,527	1,210,638	-	(117,926)	-	-	-	1,210,638	
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	284,386			256,685	284,386		(27,701)				284,386	
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	284,386	(27,713)		27,713								
Non-Public Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	42,630			42,630	42,630		(42,630)			\$ (42,630)	42,630	
Non-Public Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	36,830	(36,830)		36,830								
Total Transportation Aid - Cluster				(64,543)	-	321,228	327,016	-	(70,331)	-	-	-	(42,630)	327,016
Extraordinary Aid	22-100-034-5120-473	7/1/21-6/30/22	801,282				801,282		(801,282)				801,282	
Extraordinary Aid	21-100-034-5120-473	7/1/20-6/30/21	506,227	(506,227)		506,227								
On-Behalf TPAF Pension System Contr.														
Pension Cost	22-495-034-5094-002	7/1/21-6/30/22	4,795,875			4,795,875	4,795,875						4,795,875	
Non-contributory Insurance	22-495-034-5094-004	7/1/21-6/30/22	67,663			67,663	67,663						67,663	
Long-Term Disability	22-495-034-5094-004	7/1/21-6/30/22	2,025			2,025	2,025						2,025	
Post Retirement Medical Contribution	22-495-034-5094-001	7/1/21-6/30/22	1,136,319			1,136,319	1,136,319						1,136,319	
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	987,290			939,203	987,290		(48,087)			(48,087)	987,290	
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	7/1/20-6/30/21	957,382	(95,697)		95,697								
Total General Fund				(757,282)	-	9,047,764	9,328,108	-	(1,037,626)	-	-	(90,717)	9,328,108	
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	16,958			15,652	16,958		(1,306)			(1,306)	16,958	
Total Enterprise Fund				-	-	15,652	16,958	-	(1,306)	-	-	(1,306)	16,958	
State Department of Education														
New Jersey Non-Public Aid:														
Auxiliary Services (Chapter 192):														
Compensatory Education	22-100-034-5120-068	7/1/21-6/30/22	34,935			34,935	33,145				\$ 1,790		33,145	
Compensatory Education	21-100-034-5120-068	7/1/20-6/30/21	26,998	2,177				\$ 2,177						
Total Auxiliary Services (Chapter 192) -Cluster				2,177	-	34,935	33,145	2,177	-	-	1,790	-	33,145	
Handicapped Services (Chapter 193):														
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	14,417			14,417	11,377				3,040		11,377	
Examination and Classification	21-100-034-5120-066	7/1/20-6/30/21	25,263	8,915				8,915						
Supplemental Instruction	22-100-034-5120-066	7/1/21-6/30/22	15,694			15,694	14,868				826			
Supplemental Instruction	21-100-034-5120-066	7/1/20-6/30/21	12,303	243				243						
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	15,810			15,810	10,323				5,487		10,323	
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	18,228	6,653				6,653						
Total Handicapped Services (Chapter 193)- Cluster				15,811	-	45,921	36,568	15,811	-	-	9,353	-	21,700	
Textbook	22-100-034-5120-064	7/1/21-6/30/22	11,944			11,944	10,431				1,513		10,431	
Textbook	21-100-034-5120-064	7/1/20-6/30/21	11,363	2,819				2,819						
Technology	22-100-034-5120-070	7/1/21-6/30/22	8,358			8,358	6,833				1,525		6,833	
Nursing	22-100-034-5120-070	7/1/21-6/30/22	22,288			22,288	20,831				1,457			
Nursing	21-100-034-5120-070	7/1/20-6/30/21	18,972	2,881				2,881						
Security	22-100-034-5120-509	7/1/21-6/30/22	34,825			34,825	6,307				28,518		6,307	
Security	21-100-034-5120-509	7/1/20-6/30/21	32,550	7,326				7,326						
Total Special Revenue Fund				31,014	-	158,271	114,115	31,014	-	-	44,156	-	78,416	
Debt Service Fund														
Debt Service Aid	22-495-034-5120-075	7/1/21-6/30/22	288,797			288,797	288,797						288,797	
Total Debt Service Fund				-	-	288,797	288,797	-	-	-	-	-	288,797	
Total State Financial Assistance- Determination for Single Audit				\$ (726,268)	\$ -	\$ 9,510,484	\$ 9,747,978	\$ 31,014	\$ (1,038,932)	\$ -	\$ 44,156	\$ (92,023)	\$ 9,712,279	
Less: On-Behalf Pension Contributions Not Subject to Major Program Determination														
Pension Cost							(4,795,875)							
Non-contributory Insurance							(67,663)							
Long-Term Disability							(2,025)							
Post Retirement Medical Contribution							(1,136,319)							
Total State Financial Assistance Subject to Major Program Determination							\$ 3,746,096							

The Notes to the Schedules of Expenditures of Federal and State Awards are an Integral Part of this Statement

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Cedar Grove Public Schools. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal 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 are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) 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 the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$322,154 for the general fund and a decrease of \$140,533 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 9,005,954	\$ 9,005,954
Special Revenue Fund	\$ 1,193,524	114,115	1,307,639
Debt Service Fund	-	288,797	288,797
Food Service Fund	<u>721,976</u>	<u>16,958</u>	<u>738,934</u>
Total Financial Assistance	<u>\$ 1,915,500</u>	<u>\$ 9,425,824</u>	<u>\$ 11,341,324</u>

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$987,290 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2022. The amount reported as TPAF Pension System Contributions in the amount of \$4,863,538, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,025 and TPAF Long-Term Disability Insurance in the amount of \$1,136,319 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2022.

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

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

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

**CEDAR GROVE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? X yes none reported

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

Federal Awards Section

Internal Control over compliance:

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

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance yes X none

Identification of major programs:

<u>AL Number(s):</u>	<u>FAIN Number:</u>	<u>Name of Federal Program or Cluster:</u>
<u>84.425D</u>	<u>S425D10027</u>	<u>Coronavirus Response and Relief Supplemental Act (CRRSA - ESSER II Cluster)</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>American Rescue Plan - Elementary and Secondary Schools - Emergency Relief Fund (ARP-ESSER III Cluster)</u>
<u>84.027A</u>	<u>H027A210100</u>	<u>Individuals with Disabilities Education Act - (IDEA)</u>
<u>84.027X</u>	<u>H027X210100</u>	<u>Part B and IDEA Preschool;</u>
<u>84.173A</u>	<u>H173A210114</u>	<u>American Rescue Plan - Individuals with Disabilities</u>
<u>84.173X</u>	<u>H173X210114</u>	<u>Education Act - (IDEA) - Part B and IDEA Preschool</u>

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

Auditee qualified as low-risk auditee? yes X no

**CEDAR GROVE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part I – Summary of Auditor’s Results

State Awards Section

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

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over compliance:

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

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? yes X none reported

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08, as amended? yes X none

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
22-100-034-5120-473	Extraordinary Aid

**CEDAR GROVE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part 2 – Schedule of Financial Statement Findings

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

Finding 2022-001

Salary withholdings for the months of April and May were not promptly remitted to the proper agencies.

Criteria or specific requirement

Internal control procedures over payroll reporting.

Condition

Large amounts reflected as unpaid and outstanding in the payroll agency account at year end for withholdings.

Context

There are \$1,114,570 of salary withholdings and board match for the months of May and June which haven't been remitted to the proper agencies in a timely manner as of June 30. \$134,475 of these items pertain to pension withholdings were transmitted and cleared the bank in July, \$904,091 pertaining to federal tax withholdings and board match haven't cleared the bank as of the audit date and the remaining items cleared the bank in September.

Effect

Amounts reported to the IRS, State and other agencies maybe incorrect or not timely, which could result in the assessment of penalties and interest to the District.

Cause

Unknown.

Recommendation

Internal control procedures be reviewed and revised to ensure salary withholding be paid in a timely manner to the respective agencies.

View of Responsible Officials and Planned Corrective Action

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

**CEDAR GROVE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.

**CEDAR GROVE PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.