

EDGEWATER BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Edgewater, New Jersey

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

Edgewater Board of Education

Edgewater, New Jersey

For The Fiscal Year Ended June 30, 2022

Prepared by

Business Office

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INTRODUCTORY SECTION

Edgewater School District

251 Undercliff Avenue
Edgewater, New Jersey 07020
(201) 945-4106 x2200

Wally A. Lindsley
Business Administrator
Wlindsley@edgewaterschools.org

January 24, 2023

The Honorable President and Members of
the Board of Education
Borough of Edgewater School District
County of Bergen, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Borough of Edgewater School District (the "District") for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to fairly present the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, management's discussion, and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends, and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo a single annual audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements Costs Principles and Audit Requirements for a federal award, and New Jersey OMB Circular NJOMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. It is noted that a single federal audit was not required for the current fiscal year. Information related to this single audit, including the auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, is included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Borough of Edgewater School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Edgewater Public School System, including the Eleanor Van Gelder Elementary School and the George Washington School, constitute the District's reporting entity.

2) EDUCATIONAL PROGRAM: The Edgewater Public School System comprises two elementary schools (Special Education Pre-K to Grade 6), serving approximately 663 students. The public schools are accredited by the New Jersey State Department of Education. The District is served by 67 (FTE) teachers and 4 (FTE) administrators. Approximately 57% of the faculty has earned Masters' degrees.

The District provides a full range of educational services appropriate to levels Pre-K through Grade 6. These include reading, language arts, social studies, mathematics, science, computer education, remedial instruction, special education, resource room instruction, family life, physical and health education, career education, social-emotional learning, world languages, and enrichment. The curriculum is aligned with the New Jersey Core Curriculum Content Standards as required.

The District completed the 2021-2022 fiscal year with Pre-K through Grade 6 enrollment of 667 students and Grade 7-12 enrollment of 339 students in Leonia Public Schools, for an overall total of 1,006 students.

The following table details the changes in the District's average daily enrollment for grade levels Pre-K through 6 as of June 30, 2022, over the last six years:

<u>Average Daily Enrollment</u>		
<u>Fiscal Year</u>	<u>Pre K-6 Enrollment</u>	<u>Percent Change</u>
2021-2022	668	0.99%
2020-2021	667	<31.0%>
2019-2020	874	<12.4%>
2018-2019	982	0.61%
2017-2018	976	8.08%
2016-2017	903	<0.33%>

3) ECONOMIC CONDITIONS AND OUTLOOK: The District's primary funding source is property tax revenue. Overall tax revenue for the General Fund was increased for the 2021-2022 school year statutory allowance of 2%. The subsequent drop in enrollment depicted in the chart above, the voter approval of a second budget question to increase taxes in November of 2020, and prudent fiscal management have all contributed to stabilizing the financial condition of the district. In fact, Standard and Poors has upgraded its credit rating of the district from negative to neutral. The generation of surplus funds allowed the district to strengthen capital, tuition, and maintenance reserves.

4) MAJOR INITIATIVES: Specific initiatives for the 2021-2022 school year include the following accomplishments:

- Continuation of collaboration between Edgewater and Leonia.
- Increased security by updating and increasing the number of cameras in both buildings.

- Updates to the door entry system to increase security.
- Updates to the clock and public address systems for Eleanor Van Gelder School.
- Technology upgrades, rewiring allowing for improved internet access and reliability, and relocation of servers
- Continuation of after-school opportunities for students.
- Initiated professional development for mathematics and purchased a new math curriculum.
- Initiated Social Emotional Learning professional development.
- Committed to a major upgrade of HVAC systems at Eleanor Van Gelder School.
- Replaced the roof at Eleanor Van Gelder School.

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

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants. In January 2020, it was discovered that the district would incur a deficit of \$1.8 million. The Department of Education (DOE) provided the district with a state aid advance of \$1.8 million to cover the deficit. Additionally, the DOE appointed a state fiscal monitor to assist the district in strengthening internal controls and to develop a budget that would allow the district to recover from the deficit.

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

An encumbrance accounting system records 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.

7) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in the "Notes to Financial Statements", Note 1.

8) DEBT ADMINISTRATION: On June 30, 2022, the District had \$25,410,000 in outstanding statutory debt, comprised entirely of school bonds to improve District facilities.

9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in the "Notes to Financial Statements", Note 3. The District has adopted a cash management

plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA" or the "Act"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

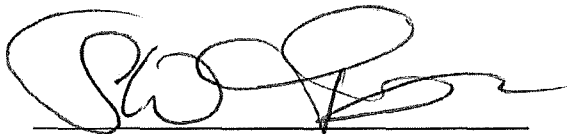
10) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

The Board is a member of the New Jersey School Boards Association Insurance Group (the "Group"). The Group is a risk-sharing public entity risk fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to its members. Additional information on the Group is included in the "Notes to Financial Statements", Note 12.

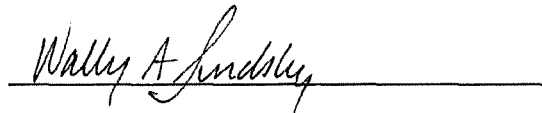
11) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, Bliss was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Uniform Guidance Act and New Jersey OMB Circular NJOMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

12) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Borough of Edgewater School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

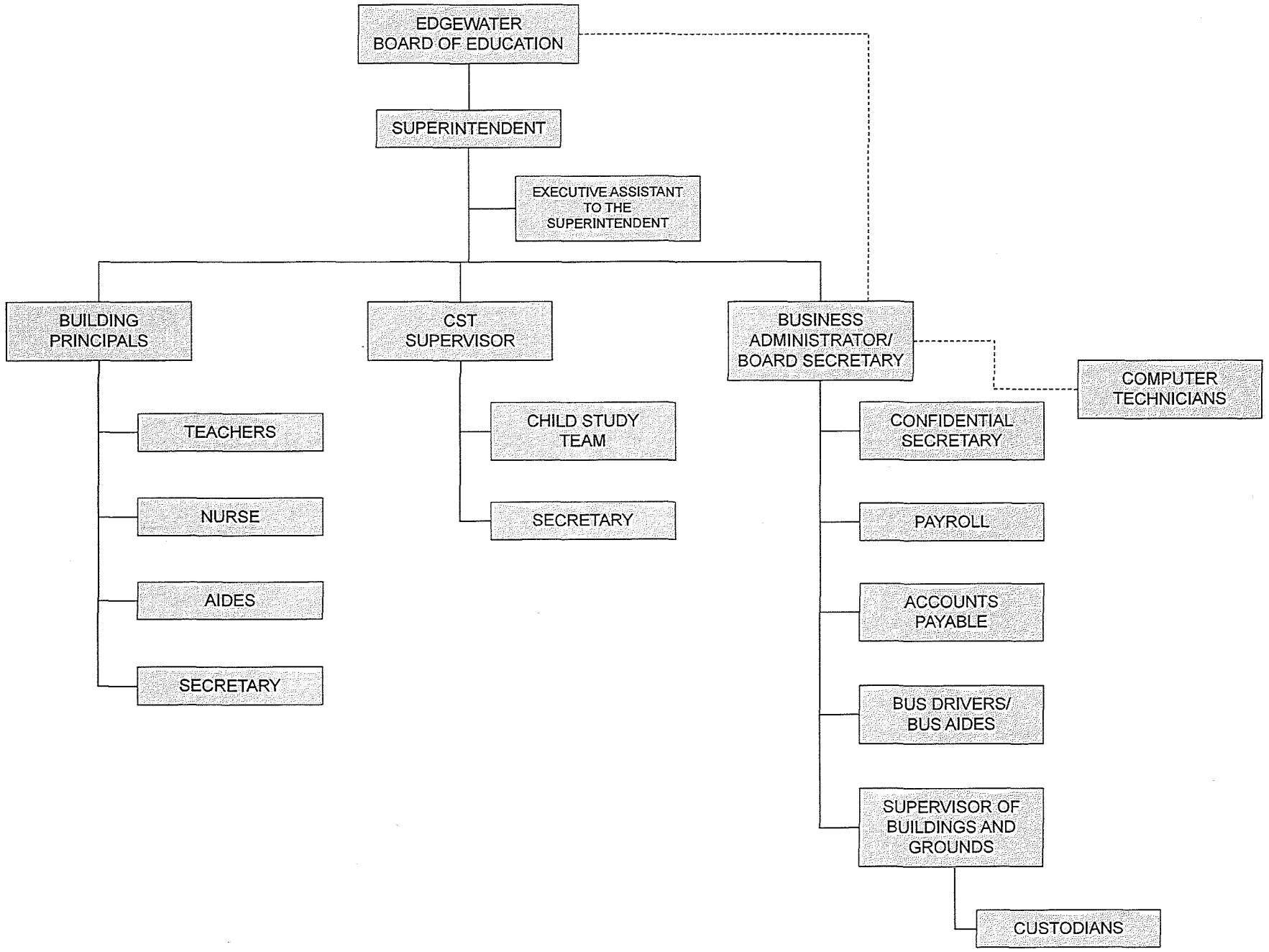
Respectfully submitted,



Superintendent of Schools



Business Administrator/Board Secretary



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**BOROUGH OF EDGEWATER SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2022**

Members of the Board of Education

Term
Expires

Sandy Klein, President	12/31/2024
Cristina Stefani-Rackow, Vice President	12/31/2024
Dr. Tamara Cella	12/31/2023
Khali Harris	12/31/2023
Thomas M. Quinton	12/31/2022

Other Officials

Title

Siobhan Tauchert	Chief School Administrator
Wally Lindsley	School Business Administrator/Board Secretary
Jeff Merlino	Board Attorney
Angelo DeSimone	State Fiscal Monitor

BOROUGH OF EDGEWATER SCHOOL DISTRICT
Consultants and Advisors

Attorney

Jeffrey Merlino
Counselor at Law
53 Cardinal Drive
P.O. Box 2369
Westfield, NJ 07091-2369

Audit Firm

Lerch Vinci Bliss, LLP
17-17 State RT 208 Ste 190
Fair Lawn, NJ 07410

Official Depositories

TD Bank
1400 Palisade Avenue
Fort Lee, NJ 07024

FINANCIAL SECTION

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 VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Edgewater Board of Education
Edgewater, 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 Edgewater 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 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 Edgewater Board of Education 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 Edgewater Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 24, 2023 on our consideration of the Edgewater Board of Education’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Edgewater Board of Education’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Edgewater Board of Education’s internal control over financial reporting and compliance.

LERCH, VINCI & BLISS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 24, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

EDGEWATER BOARD OF EDUCATION

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

As management of the Edgewater Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Edgewater Board of Education for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the letter of transmittal, which can be found in the introductory section of this report and the District's financial statements and related notes to the financial statement which immediately follows this discussion and analysis.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2021-2022 fiscal year include the following:

- The assets and deferred outflows of resources of the Edgewater Board of Education were more than its liabilities and deferred inflows of resources at the close of the fiscal year by \$11,292,807 (Net Position Deficit)
- The District's total net position increased by \$6,765,543 or 149%.
- Overall District revenues were \$36,709,432. General revenues accounted for \$30,237,551 or 82% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6,471,881 or 18% of total revenues.
- The school district had \$29,498,745 in expenses for governmental activities; only \$5,970,903 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$30,237,340 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$16,241,379. Of this amount, \$6,269,370 is restricted for capital projects, \$939,432 is restricted for required maintenance of District facilities, \$298,849 is restricted for the emergency reserve \$1,080,000 is restricted for the state aid advance loan repayment, \$4,669,878 is legally restricted for unspent additional spending proposal funds, \$2,059,000 is for future tuition adjustments and \$56,639 is restricted for other purposes, \$572,964 is assigned for year end encumbrances and the remaining amount is the unassigned fund balance of \$295,247.
- The General Fund fund balance at June 30, 2022 was \$16,114,579, an increase of \$6,007,805 compared to the ending fund balance at June 30, 2021 was \$10,106,774.
- The General Fund unassigned budgetary fund balance at June 30, 2022 was \$984,260, which represents an increase of \$195,981 when compared to the ending unassigned budgetary fund balance at June 30, 2021 of \$788,279.
- The District's total outstanding long-term liabilities decreased by \$2,066,146 during the current fiscal year.

EDGEWATER BOARD OF EDUCATION

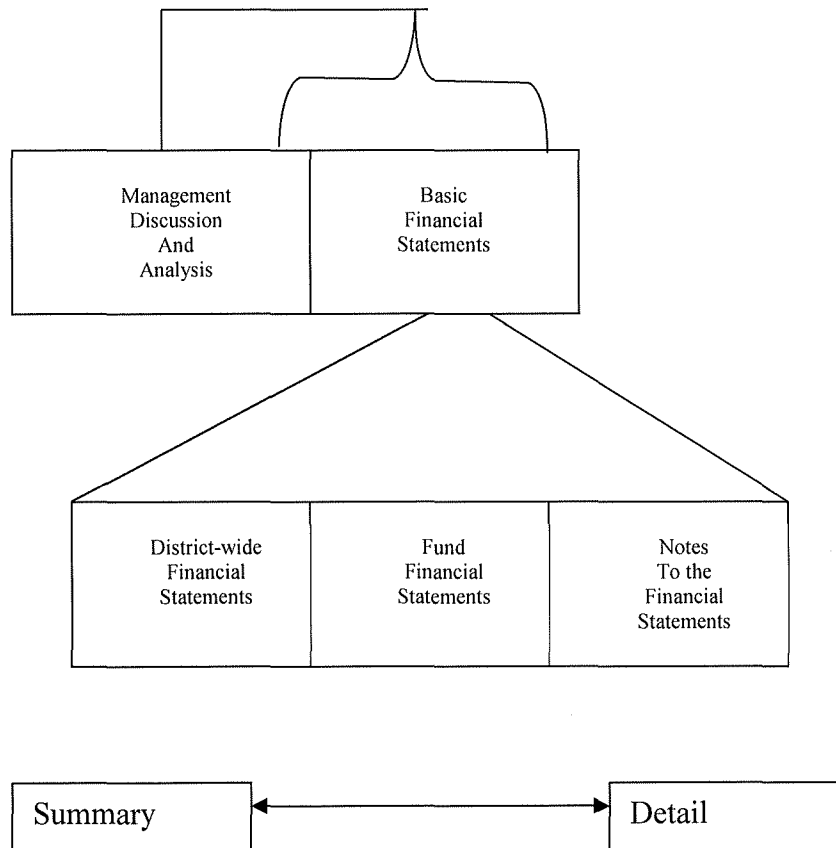
Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The basic financial statements also include notes that explain some of the information in the statements and provide more detailed data. The following shows how the various parts of this Annual Report are arranged and related to one another.



EDGEWATER BOARD OF EDUCATION

Management’s Discussion and Analysis Fiscal Year Ended June 30, 2022

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

Major Features of the District-Wide and Fund Financial Statements

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

District-Wide Statements

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

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

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

EDGEWATER BOARD OF EDUCATION

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

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

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, and plant operation and maintenance. Property taxes and Federal and State aid finance most of these activities.
- *Business type activities* – These are activities for operations that are financed and operated in a manner similar to private business enterprises. The District's food services (cafeteria) and preschool programs are included under this category.

Fund Financial Statements

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

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

The District has two kinds of funds:

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

EDGEWATER BOARD OF EDUCATION

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *combined* net position was \$11,292,807 and \$4,527,264 on June 30, 2022 and 2021, respectively as follows:

**Net Position
As of 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>
Assets						
Current and Other Assets	\$ 17,763,064	\$ 10,987,981	\$ 169,392	\$ 140,742	\$ 17,932,456	\$ 11,128,723
Capital Assets, Net	24,253,484	25,064,462	67,267	52,679	24,320,751	25,117,141
Total Assets	<u>42,016,548</u>	<u>36,052,443</u>	<u>236,659</u>	<u>193,421</u>	<u>42,253,207</u>	<u>36,245,864</u>
Deferred Outflows of Resources	<u>1,896,912</u>	<u>2,327,216</u>	<u>-</u>	<u>-</u>	<u>1,896,912</u>	<u>2,327,216</u>
Liabilities						
Current Liabilities	1,846,940	1,104,522	23,369	35,544	1,870,309	1,140,066
Long-Term Liabilities	29,813,701	31,879,847	-	-	29,813,701	31,879,847
Total Liabilities	<u>31,660,641</u>	<u>32,984,369</u>	<u>23,369</u>	<u>35,544</u>	<u>31,684,010</u>	<u>33,019,913</u>
Deferred Inflows of Resources	<u>1,172,604</u>	<u>1,024,573</u>	<u>698</u>	<u>1,330</u>	<u>1,173,302</u>	<u>1,025,903</u>
Net Position						
Net Investment in Capital Assets	(952,002)	(1,099,004)	67,267	52,679	(884,735)	(1,046,325)
Restricted	9,271,877	5,183,408			9,271,877	5,183,408
Unrestricted (Deficit)	2,760,340	286,313	145,325	103,868	2,905,665	390,181
Total Net Position	<u>\$ 11,080,215</u>	<u>\$ 4,370,717</u>	<u>\$ 212,592</u>	<u>\$ 156,547</u>	<u>\$ 11,292,807</u>	<u>\$ 4,527,264</u>

The District's investment in its capital assets is reported net of related debt, which results in a negative net investment in capital assets because the undepreciated book value of capital assets is less than the outstanding balance of the capital 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. Restricted net position represents amounts reserved for specific purposes by outside parties or state laws and regulations. Unrestricted net position represents amounts available to the government that are neither restricted nor invested in capital assets.

The District's total net position of \$11,292,807 at June 30, 2022 represents a \$6,765,543 or 149%, increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2022 and 2021.

EDGEWATER BOARD OF EDUCATION

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

Changes in Net Position For the Fiscal Years Ended June 30, 2022 and 2021

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program Revenues						
Charges for Services	\$ 38,561	\$ 8,721	\$ 98,448	\$ 6,226	\$ 137,009	\$ 14,947
Operating Grants and Contributions	5,836,733	7,069,631	402,530	113,355	6,239,263	7,182,986
Capital Grants and Contributions	95,609	20,930			95,609	
General Revenues						
Property Taxes	30,054,368	29,506,853			30,054,368	29,506,853
Unrestricted State Aid	29,245	28,117			29,245	28,117
Investment Income	23,818	15,910	211	202	24,029	16,112
Miscellaneous Income	129,909	133,157	-	-	129,909	133,157
Total Revenues	<u>36,208,243</u>	<u>36,783,319</u>	<u>501,189</u>	<u>119,783</u>	<u>36,709,432</u>	<u>36,903,102</u>
Expenses						
Instruction						
Regular	13,456,338	15,677,966			13,456,338	15,677,966
Special Education	5,896,663	4,744,979			5,896,663	4,744,979
Other Instruction	473,631	322,554			473,631	322,554
School Sponsored Activities and Athletics	35,316	12,656				12,656
Support Services						
Student and Instruction Related Services	2,831,454	1,859,551			2,831,454	1,859,551
General Administrative Services	747,404	840,128			747,404	840,128
School Administrative Services	644,972	616,229			644,972	616,229
Central Administrative Services	600,184	589,405			600,184	589,405
Plant Operations and Maintenance	1,695,600	1,459,225			1,695,600	1,459,225
Pupil Transportation	2,098,704	1,180,730			2,098,704	1,180,730
Interest on Long-Term Debt	1,018,479	1,055,050			1,018,479	1,055,050
Food Services			328,018	129,527	328,018	129,527
Preschool Program	-	-	117,126	-	117,126	-
Total Expenses	<u>29,498,745</u>	<u>28,358,473</u>	<u>445,144</u>	<u>129,527</u>	<u>29,943,889</u>	<u>28,488,000</u>
Increase (Decrease) in Net Position Before Transfers	6,709,498	8,424,846	56,045	(9,744)	6,765,543	8,415,102
Transfers	-	(1,000)	-	1,000	-	-
Increase (Decrease) in Net Position	6,709,498	8,423,846	56,045	(8,744)	6,765,543	8,415,102
Net Position, Beginning of Year	<u>4,370,717</u>	<u>(4,053,129)</u>	<u>156,547</u>	<u>165,291</u>	<u>4,527,264</u>	<u>(3,887,838)</u>
Net Position, End of Year	<u>\$ 11,080,215</u>	<u>\$ 4,370,717</u>	<u>\$ 212,592</u>	<u>\$ 156,547</u>	<u>\$ 11,292,807</u>	<u>\$ 4,527,264</u>

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$36,208,243 for the fiscal year ended June 30, 2022, property taxes of \$30,054,368 represented 83% of revenues. Another significant portion of revenues came from grants and contributions and unrestricted state aid which totaled \$5,961,587 and represented 16% of revenues. In addition, charges for services and general revenue from miscellaneous income such as interest, prior year refunds and other miscellaneous items represented 1% of revenues.

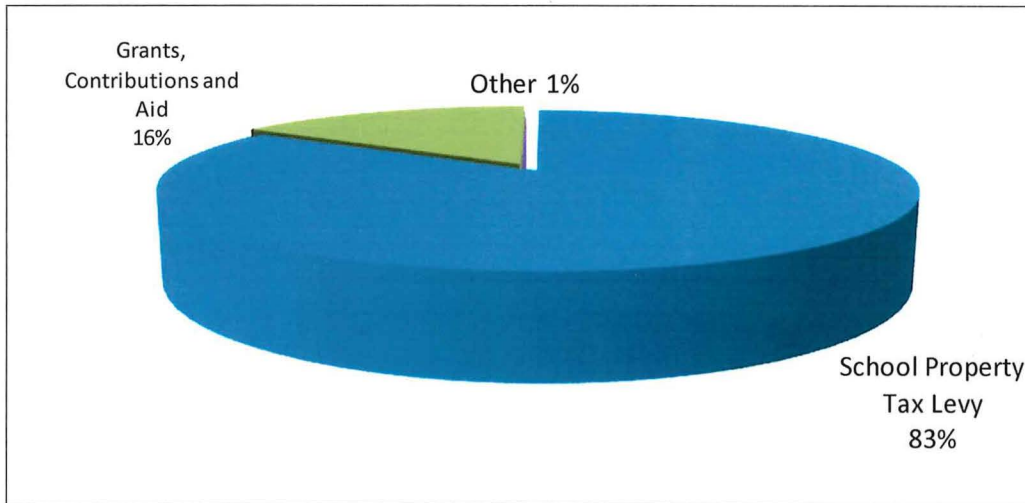
The total cost of all governmental activities programs and services was \$29,498,745 for the fiscal year ended June 30, 2022. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$19,861,948 (68%) of total expenses. Support services costs were \$8,618,318 (29%) of total expenses and interest on debt totaled \$1,018,479 (3%) of total expenses.

EDGEWATER BOARD OF EDUCATION

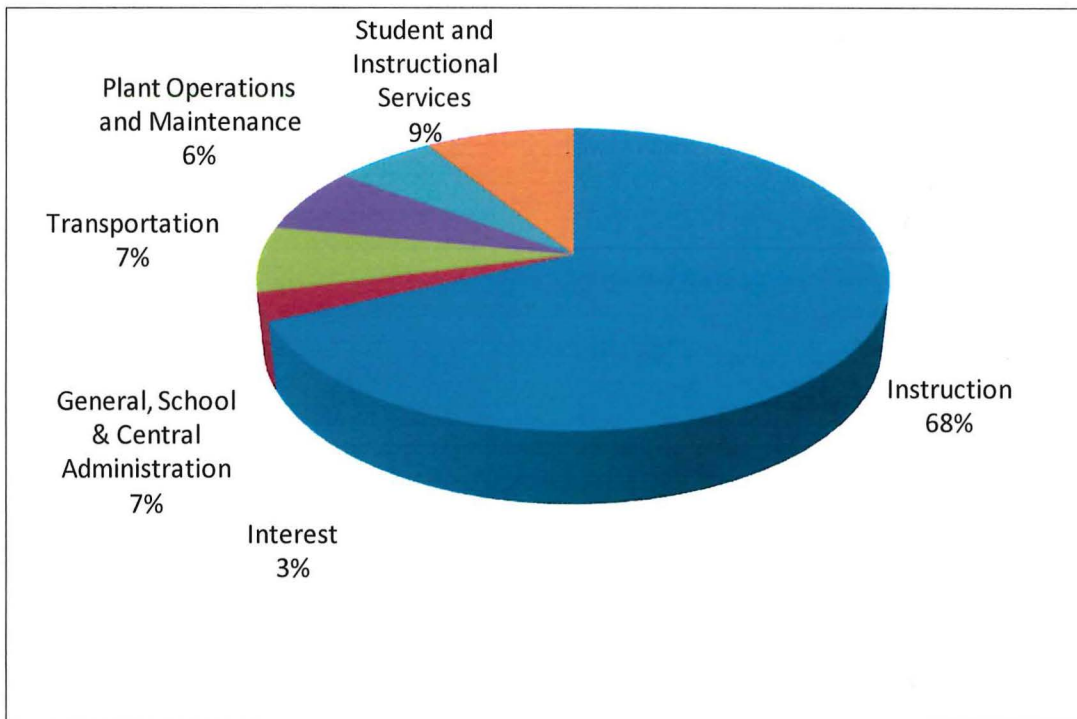
Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

For fiscal year 2021, total governmental activities revenues exceeded expenses and transfers increasing net position for governmental activities by \$8,423,846 from the previous year.

**Revenues by Sources – Governmental Activities
For Fiscal Year 2022**



**Expenses by Use – Governmental Activities
For Fiscal Year 2022**



EDGEWATER BOARD OF EDUCATION

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

Total and Net Cost of Governmental Activities. The District's total cost of services was \$29,498,745. After applying program revenues, derived from charges for services of \$38,561, operating and capital grants and contributions of \$5,932,342 the net cost of services of the District is \$23,527,842 for the fiscal year ended June 30, 2022.

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

	<u>Total Cost of Services</u>		<u>Net Cost (Revenue) of Services</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Instruction:				
Regular	\$ 13,456,338	\$ 15,677,966	\$ 11,475,945	\$ 12,264,312
Special Education	5,896,663	4,744,979	4,021,344	3,037,285
Other Instruction	473,631	322,554	332,820	185,750
School Sponsored Activities and Athletics	35,316	12,656	(4,460)	3,935
Support Services:				
Student & Instruction Related Services	2,831,454	1,859,551	2,212,038	1,304,800
General Administrative Services	747,404	840,128	620,742	730,888
School Administrative Services	644,972	616,229	492,263	412,665
Central Administrative Services	600,184	589,405	517,520	514,546
Plant Operations and Maintenance	1,695,600	1,459,225	1,465,668	1,288,127
Pupil Transportation	2,098,704	1,180,730	1,407,709	495,001
Interest on Long Term Debt	<u>1,018,479</u>	<u>1,055,050</u>	<u>986,253</u>	<u>1,021,882</u>
Total	<u>\$ 29,498,745</u>	<u>\$ 28,358,473</u>	<u>\$ 23,527,842</u>	<u>\$ 21,259,191</u>

Business-Type Activities – The District's total business-type activities revenues were \$501,189 for the fiscal year ended June 30, 2022. Charges for services of \$98,448 accounted for 20% of total revenues and operating grants and contributions of \$402,530 accounted for 80% of total revenues. In addition, interest income of \$211 was earned for the current fiscal year.

Total cost of all business-type activities programs and services was \$445,144 for the fiscal year ended June 30, 2021. Food service expenses represented 74% of total expense for the current year with the remaining 26% of expenses for the preschool program.

For fiscal year 2022, total business-type activities revenues were more than expenses increasing net position by \$56,045 or 36% from the previous year.

EDGEWATER BOARD OF EDUCATION

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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$16,241,379 at June 30, 2022, an increase of \$6,019,280 from last year's fund balance of \$10,222,099. The District's restricted fund balances increased \$5,467,318 and assigned fund balances increased \$522,538 while the unassigned fund balance of the governmental funds increased \$29,424 at June 30, 2022.

Revenues for the District's governmental funds were \$35,997,695 while total expenditures were \$29,978,415 for the fiscal year ended June 30, 2022.

GENERAL FUND

The General Fund includes the primary operations of the District in providing educational services to students from grades K through 12 including tuition, pupil transportation, extra-curricular activities and plant operation and maintenance costs.

The following schedule presents a summary of General Fund Revenues.

	Fiscal Year Ended <u>June 30, 2022</u>	Fiscal Year Ended <u>June 30, 2021</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Local Sources				
Property Tax Levy	\$ 28,203,051	\$ 27,650,050	\$ 553,001	2%
Other	153,587	149,058	4,529	3%
State Sources	4,812,844	4,039,301	773,543	19%
Federal Sources	<u>52,809</u>	<u>-</u>	<u>52,809</u>	100%
Total General Fund Revenues	<u>\$ 33,222,291</u>	<u>\$ 31,838,409</u>	<u>\$ 1,383,882</u>	4%

For fiscal year 2022, total General Fund revenues increased \$1,383,887 or 4% from the previous year. Property taxes increased \$553,001 or 2% over the previous year to fund increases in budgeted costs. As indicated, State aid increased \$773,543 or 19% mainly due to increases in special education formula aid and on behalf TPAF pension contributions made by the State for the District's teaching professionals. FEMA reimbursements for COVID-19 related expenditures represented the increase in Federal sources.

The following schedule presents a summary of General Fund expenditures.

	Fiscal Year Ended <u>June 30, 2022</u>	Fiscal Year Ended <u>June 30, 2021</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Instruction	\$ 18,829,495	\$ 17,842,694	\$ 986,801	6%
Support Services	8,107,250	5,645,841	2,461,409	44%
Debt Service				
Principal	250,761	241,338	9,423	4%
Interest and Other Charges	6,295	6,743	(448)	-7%
Capital Outlay	<u>20,825</u>	<u>117,131</u>	<u>(96,306)</u>	100%
Total Expenditures	<u>\$ 27,214,626</u>	<u>\$ 23,853,747</u>	<u>\$ 3,360,879</u>	14%

EDGEWATER BOARD OF EDUCATION

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

GENERAL FUND (Continued)

For fiscal year 2022, total General Fund expenditures increased \$3,360,879 or 14% from the previous year. Increases in special education and other instructional costs were offset by decreases in regular education instructional costs. Other notable increases for the year occurred in student and instruction related support service costs and pupil transportation support service costs. The decrease in capital outlay resulted from the acquisition of equipment under capital financing agreements in the prior year.

In fiscal year 2022 General Fund revenues and other financing sources exceeded expenditures by \$6,007,805. Therefore, the total fund balance at June 30, 2021 of \$10,106,774 increased to a fund balance of \$16,114,579 at June 30, 2022. After deducting restricted and assigned fund balances, the unassigned fund balance increased from \$265,823 at June 30, 2021 to \$295,247 at June 30, 2022. In addition, restricted fund balances for capital reserve, maintenance reserve, state aid advance loan repayment, emergency reserve and tuition adjustment reserve increased \$5,455,843 at June 30, 2022. Assigned fund balance for year end encumbrances increased \$522,538 at June 30, 2022.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2022, the District had \$24,253,484 invested in land, buildings, furniture, equipment and vehicles for governmental activities and \$67,267 for business type activity. The following is a comparison of the June 30, 2022 and 2021 balances:

Capital Assets (Net of Accumulated Depreciation) at 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	\$ 179,988	\$ 179,988			\$ 179,988	\$ 179,988
Construction in Progress	116,434				116,434	-
Land Improvements	274,958	310,338			274,958	310,338
Buildings and Buildings Improvements	23,504,005	24,360,203	\$ 17,425		23,521,430	24,360,203
Machinery, Equipment and Vehicles	178,099	213,933	49,842	\$ 52,679	227,941	266,612
Total Capital Assets, Net	<u>\$ 24,253,484</u>	<u>\$ 25,064,462</u>	<u>\$ 67,267</u>	<u>\$ 52,679</u>	<u>\$ 24,320,751</u>	<u>\$ 25,117,141</u>

Additional information on the District's capital assets is presented in Note 3 of this report.

LONG TERM LIABILITIES

At June 30, 2021 the District had \$29,813,701 of total outstanding long term liabilities. For fiscal year 2021/2022 total outstanding long-term liabilities decreased by \$2,066,146. The following is a comparison of the June 30, 2022 and 2021 balances:

Outstanding Long-Term Liabilities as of June 30, 2022 and 2021		
	Governmental Activities	
	<u>2022</u>	<u>2021</u>
Bonds Payable (including unamortized premium)	\$ 26,714,452	\$ 27,748,131
State Aid Advance Loan Payable	1,440,000	1,620,000
Capital Financing Agreements	88,320	159,081
Compensated Absences	249,442	252,880
Net Pension Liability	1,321,487	2,099,755
Total	<u>\$ 29,813,701</u>	<u>\$ 31,879,847</u>

Additional information of the District's long-term liabilities is presented in Note 3 of this report.

EDGEWATER BOARD OF EDUCATION

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

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made through budget transfers to prevent over expenditures in specific line item accounts, the appropriation of unassigned fund balance and the reappropriation of prior year encumbrances.

For fiscal year 2022 General Fund budgetary revenues and other financing sources exceeded budgetary expenditures increasing budgetary fund balance \$6,174,362. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance increased \$195,981 from an unassigned fund balance of \$788,279 at June 30, 2021 to \$984,260 at June 30, 2022. In addition, the District increased its capital reserve by \$2,717,994 to a balance of \$6,199,209 at June 30, 2022. Also, the District increased its maintenance reserve by \$300,000 to a balance of \$939,432 and its tuition adjustment reserve by \$1,059,000 to a balance of \$2,059,000 at June 30, 2022. In addition the District established reserves for the state aid advance loan repayment in the amount of \$1,080,000 and an emergency reserve in the amount of \$298,849 at June 30, 2022. The District's assigned fund balance for year end encumbrances increased \$522,538 to a balance of \$572,964 at June 30, 2022.

FACTORS BEARING ON THE DISTRICT'S FUTURE

While many factors influence the district's future, the availability of funding for increased enrollment, staffing needs special education costs and the economy will have the most impact on educational and fiscal decisions in the future.

Many factors were considered by the District's administration during the process of developing the fiscal year 2022-2023 budget. The primary factors were the District's projected student population, anticipated state and federal aid tuition costs as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2022-2023. Budgeted expenditures in the adopted General Fund budget increased approximately 22% to \$36,315,998 for fiscal year 2022-2023. A significant portion of the increase was for capital outlay building improvement projects which were funded by legally restricted fund balance designated at year end and appropriated to the 2022/2023 school year budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator, Edgewater Board of Education, 251 Undercliff Avenue, Edgewater, NJ 07020.

FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

EDGEWATER BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 17,412,248	\$ 248,734	\$ 17,660,982
Receivables, Net	231,559	36,150	267,709
Internal Balances	119,257	(119,257)	-
Inventory		3,765	3,765
Capital Assets, Not Being Depreciated	296,422		296,422
Capital Assets, Being Depreciated, Net	<u>23,957,062</u>	<u>67,267</u>	<u>24,024,329</u>
Total Assets	<u>42,016,548</u>	<u>236,659</u>	<u>42,253,207</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding of Debt	1,544,722		1,544,722
Deferred Amounts on Net Pension Liability	<u>352,190</u>	<u>-</u>	<u>352,190</u>
Total Deferred Outflows of Resources	<u>1,896,912</u>	<u>-</u>	<u>1,896,912</u>
Total Assets and Deferred Outflows of Resources	<u>43,913,460</u>	<u>236,659</u>	<u>44,150,119</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,453,221	1,131	1,454,352
Payable to Other Governments	8,618		8,618
Accrued Interest Payable	325,255		325,255
Unearned Revenue	59,846	22,238	82,084
Noncurrent Liabilities			
Due Within One Year	1,194,383		1,194,383
Due Beyond One Year	<u>28,619,318</u>	<u>-</u>	<u>28,619,318</u>
Total Liabilities	<u>31,660,641</u>	<u>23,369</u>	<u>31,684,010</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	1,172,604	-	1,172,604
Deferred Commodities Revenue	<u>-</u>	<u>698</u>	<u>698</u>
Total Deferred Inflows of Resources	<u>1,172,604</u>	<u>698</u>	<u>1,173,302</u>
Total Liabilities and Deferred Inflows of Resources	<u>32,833,245</u>	<u>24,067</u>	<u>32,857,312</u>
NET POSITION			
Net Investment in Capital Assets	(952,002)	67,267	(884,735)
Restricted for:			
Capital Projects	6,216,806		6,216,806
Plant Maintenance	939,432		939,432
Tuition Adjustments	2,059,000		2,059,000
Student Activities	56,639		56,639
Unrestricted	<u>2,760,340</u>	<u>145,325</u>	<u>2,905,665</u>
Total Net Position	<u>\$ 11,080,215</u>	<u>\$ 212,592</u>	<u>\$ 11,292,807</u>

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

**EDGEWATER BOARD OF EDUCATION
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	\$ 13,456,338		\$ 1,884,784	\$ 95,609	\$ (11,475,945)		\$ (11,475,945)
Special Education	5,896,663		1,875,319		(4,021,344)		(4,021,344)
Other Instruction	473,631		140,811		(332,820)		(332,820)
School Sponsored Activities and Athletics	35,316	\$ 38,561	1,215		4,460		4,460
Support Services:							
Student & Instruction Related Services	2,831,454		619,416		(2,212,038)		(2,212,038)
General Administrative Services	747,404		126,662		(620,742)		(620,742)
School Administrative Services	644,972		152,709		(492,263)		(492,263)
Central Administrative Services	600,184		82,664		(517,520)		(517,520)
Plant Operations and Maintenance	1,695,600		229,932		(1,465,668)		(1,465,668)
Pupil Transportation	2,098,704		690,995		(1,407,709)		(1,407,709)
Interest on Long Term Debt	1,018,479	-	32,226	-	(986,253)	-	(986,253)
Total Governmental Activities	29,498,745	38,561	5,836,733	95,609	(23,527,842)	-	(23,527,842)
Business-Type Activities:							
Food Service	328,018	\$ 9,348	402,530			\$ 83,860	83,860
Preschool Program	117,126	89,100	-	-	-	(28,026)	(28,026)
Total Business-Type Activities	445,144	98,448	402,530	-	-	55,834	55,834
Total Primary Government	\$ 29,943,889	\$ 137,009	\$ 6,239,263	\$ 95,609	(23,527,842)	55,834	(23,472,008)

**EDGEWATER BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Property Taxes:			
Levied for General Purposes	\$ 28,203,051		\$ 28,203,051
Levied for Debt Service	1,851,317		1,851,317
State Aid for Debt Service Principal	29,245		29,245
Interest Earnings	23,818	\$ 211	24,029
Miscellaneous Income	129,909		129,909
Transfers	-	-	-
Total General Revenues and Transfers	30,237,340	211	30,237,551
Change in Net Position	6,709,498	56,045	6,765,543
Net Position, Beginning of Year	4,370,717	156,547	4,527,264
Net Position, End of Year	\$ 11,080,215	\$ 212,592	\$ 11,292,807

FUND FINANCIAL STATEMENTS

**EDGEWATER BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 17,144,231	\$ 56,639	\$ 211,378		\$ 17,412,248
Receivables From Other Governments	67,163	163,996	400		231,559
Due from Other Funds	319,684	-	-	-	319,684
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 17,531,078</u>	<u>\$ 220,635</u>	<u>\$ 211,778</u>	<u>\$ -</u>	<u>\$ 17,963,491</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 1,000,171	\$ 36,722			\$ 1,036,893
Accrued Salaries and Wages	23,962				23,962
Payroll Deductions and Withdrawals Payable	125,753				125,753
Employee Deposits Payable	227,177				227,177
Payable to State Government		8,618			8,618
Other Liabilities	39,436				39,436
Due to Other Funds		58,810	\$ 141,617		200,427
Unearned Revenue	-	59,846	-	-	59,846
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>1,416,499</u>	<u>163,996</u>	<u>141,617</u>	<u>-</u>	<u>1,722,112</u>
Fund Balances:					
Restricted					
Capital Reserve	6,199,209				6,199,209
Maintenance Reserve	939,432				939,432
Emergency Reserve	298,849				298,849
State Aid Advance Loan Repayment	1,080,000				1,080,000
Tuition Adjustment Reserve	1,103,000				1,103,000
Tuition Adjustment Reserve - Designated for Subsequent Year's Expenditures	956,000				956,000
Legally Restricted - Unexpended Additional Spending Proposal - Designated for Subsequent Year's Expenditures	4,669,878				4,669,878
Student Activities		56,639			56,639
Capital Projects			70,161		70,161
Assigned					
Year End Encumbrances	572,964				572,964
Unassigned	295,247	-	-	-	295,247
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>16,114,579</u>	<u>56,639</u>	<u>70,161</u>	<u>-</u>	<u>16,241,379</u>
Total Liabilities and Fund Balances	<u>\$ 17,531,078</u>	<u>\$ 220,635</u>	<u>\$ 211,778</u>	<u>\$ -</u>	<u>\$ 17,963,491</u>

**EDGEWATER BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2022**

Total Fund Balances (Exhibit B-1) \$ 16,241,379

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$36,760,046 and the accumulated depreciation is \$12,506,562.

24,253,484

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.

1,544,722

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.

Deferred Outflows of Resources
Deferred Inflows of Resources

\$ 352,190
(1,172,604)

(820,414)

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:

(325,255)

Long-term liabilities, are not due payable in the current period and therefore are not reported as liabilities in the funds

Serial Bonds (including unamortized premium)
State Aid Advance Loan
Capital Financing Agreements
Compensated Absences
Net Pension Liability

26,714,452
1,440,000
88,320
249,442
1,321,487

(29,813,701)

Total Net Assets of Governmental Activities (Exhibit A-1) \$ 11,080,215

EDGEWATER BOARD OF EDUCATION
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	\$ 28,203,051			\$ 1,851,317	\$ 30,054,368
Interest Earnings	23,678		\$ 140		23,818
Miscellaneous	129,909	\$ 88,576	-	-	218,485
	<u>28,356,638</u>	<u>88,576</u>	<u>140</u>	<u>1,851,317</u>	<u>30,296,671</u>
Total - Local Sources					
State Sources	4,812,844	32,163	-	61,471	4,906,478
Federal Sources	52,809	741,737	-	-	794,546
	<u>33,222,291</u>	<u>862,476</u>	<u>140</u>	<u>1,912,788</u>	<u>35,997,695</u>
Total Revenues					
EXPENDITURES					
Current Expenditures					
Instruction					
Regular	12,744,348	354,376			13,098,724
Special Education	5,655,367	160,041			5,815,408
Other Instruction	422,168	21,763			443,931
School Sponsored Activities and Athletics	7,612	24,661			32,273
Support Services					
Student and Instruction Related Services	2,539,597	192,126			2,731,723
General Administrative Services	705,740		2,425		708,165
School Administrative Services	606,871				606,871
Central Administrative Services	555,156				555,156
Plant Operations and Maintenance	1,618,566				1,618,566
Pupil Transportation	2,081,320				2,081,320
Debt Service					
Principal	250,761			910,000	1,160,761
Interest	6,295			1,002,788	1,009,083
Capital Outlay	20,825	95,609	-	-	116,434
	<u>27,214,626</u>	<u>848,576</u>	<u>2,425</u>	<u>1,912,788</u>	<u>29,978,415</u>
Total Expenditures					
Excess (Deficiencies) of Revenues					
Over/(Under) Expenditures	6,007,665	13,900	(2,285)	-	6,019,280
OTHER FINANCING SOURCES (USES)					
Transfers In	140				140
Transfers Out	-	-	(140)	-	(140)
	<u>140</u>	<u>-</u>	<u>(140)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)					
Net Change in Fund Balances	6,007,805	13,900	(2,425)	-	6,019,280
Fund Balance, Beginning of Year	10,106,774	42,739	72,586	-	10,222,099
Fund Balance, End of Year	<u>\$ 16,114,579</u>	<u>\$ 56,639</u>	<u>\$ 70,161</u>	<u>\$ -</u>	<u>\$ 16,241,379</u>

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

**EDGEWATER BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 6,019,280**

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 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 Outlays	\$ 116,434	
Depreciation Expense	<u>(927,412)</u>	(810,978)

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

Principal Repayments:		
General Obligations Bonds	910,000	
Capital Financing Agreements	70,761	
State Aid Advance Loan Payable	<u>180,000</u>	1,160,761

In the statement of activities, certain amounts related to the issuance of long term debt are deferred and amortized over the term of the debt. In the governmental funds, these amounts either provide or use current resources. These amounts represent the current year amortization of the costs related to the issuance of long term debt.

Deferred Amounts on Refunding of Debt	(146,460)	
Original Issue Premium	<u>123,679</u>	(22,781)

In the statement of activities, certain operating expenses - compensated absences and pension expense - are measured by the amounts earned or incurred during the year. In the governmental funds however, expenditures for these items are measured by the amount of financial resources used (paid): When the earned or incurred amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

Decrease in Compensated Absences	3,438	
Decrease in Pension Expense	<u>346,393</u>	349,831

In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation.

13,385

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 6,709,498**

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

**EDGEWATER BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022**

	Business-Type Activities Enterprise Funds		
	<u>Food Service</u>	<u>Non-Major Preschool Program</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 145,089	\$ 103,645	\$ 248,734
Intergovernmental Receivable	36,056		36,056
Other Accounts Receivable, Net	94		94
Inventories	<u>3,765</u>	<u>-</u>	<u>3,765</u>
Total Current Assets	<u>185,004</u>	<u>103,645</u>	<u>288,649</u>
Capital Assets			
Building Improvements	17,425		17,425
Machinery and Equipment	193,842		193,842
Accumulated Depreciation	<u>(144,000)</u>	<u>-</u>	<u>(144,000)</u>
Total Capital Assets, Net	<u>67,267</u>	<u>-</u>	<u>67,267</u>
Total Assets	<u>252,271</u>	<u>103,645</u>	<u>355,916</u>
LIABILITIES			
Current Liabilities			
Accrued Salaries and Wages		1,131	1,131
Due to Other Funds	3,262	115,995	119,257
Unearned Revenue	<u>7,838</u>	<u>14,400</u>	<u>22,238</u>
Total Current Liabilities	<u>11,100</u>	<u>131,526</u>	<u>142,626</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Commodities Revenue	<u>698</u>	<u>-</u>	<u>698</u>
Total Liabilities and Deferred Inflow of Resources	<u>698</u>	<u>131,526</u>	<u>143,324</u>
NET POSITION			
Investment in Capital Assets	67,267		67,267
Unrestricted	<u>173,206</u>	<u>(27,881)</u>	<u>145,325</u>
Total Net Position	<u>\$ 240,473</u>	<u>\$ (27,881)</u>	<u>\$ 212,592</u>

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

**EDGEWATER BOARD OF EDUCATION
 PROPRIETARY FUND
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-Type Activities Enterprise Funds		
	Food Service	Non-Major Preschool Program	Total
OPERATING REVENUES			
Local Sources			
Daily Sales - Non-Reimbursable Programs	\$ 9,348		\$ 9,348
Program Fees	-	\$ 89,100	89,100
Total Operating Revenues	<u>9,348</u>	<u>89,100</u>	<u>98,448</u>
OPERATING EXPENSES			
Cost of Sales - Reimbursable Programs	137,883		137,883
Cost of Sales - Non-Reimbursable Programs	2,814		2,814
Salaries and Benefits	127,508	117,126	244,634
Repairs and Maintenance	5,468		5,468
Purchased Management Services	9,353		9,353
Other Purchased Services	18,339		18,339
Supplies and Materials	14,127		14,127
Miscellaneous Expense	3,256		3,256
Depreciation	9,270	-	9,270
Total Operating Expenses	<u>328,018</u>	<u>117,126</u>	<u>445,144</u>
Operating (Loss)	<u>(318,670)</u>	<u>(28,026)</u>	<u>(346,696)</u>
Nonoperating Revenues			
State Sources			
State School Lunch Program	7,314		7,314
Federal Sources			
School Breakfast Program	49,305		49,305
National School Lunch Program	311,600		311,600
Administrative Cost Program	628		628
Food Distribution Program	33,683		33,683
Interest Earnings	134	\$ 77	211
Total Nonoperating Revenues	<u>402,664</u>	<u>77</u>	<u>402,741</u>
Income Before Transfers	83,994	(27,949)	56,045
Transfers In	-	-	-
Change in Net Position	83,994	(27,949)	56,045
Total Net Position, Beginning of Year	<u>156,479</u>	<u>68</u>	<u>156,547</u>
Total Net Position, End of Year	<u>\$ 240,473</u>	<u>\$ (27,881)</u>	<u>\$ 212,592</u>

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

**EDGEWATER BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-Type Activities Enterprise Funds		
	Food Service	Non-Major Preschool Program	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 7,062	\$ 80,400	\$ 87,462
Cash Payments for Employees Salaries and Benefits	(127,508)	(115,995)	(243,503)
Cash Payments to Suppliers for Goods and Services	(153,469)		(153,469)
Cash Payments to Customers - Refunds	(1,089)	(1,200)	(2,289)
Net Cash (Used for) Operating Activities	<u>(275,004)</u>	<u>(36,795)</u>	<u>(311,799)</u>
Cash Flows from Noncapital Financing Activities			
Cash Received from Other Funds	19,266	115,995	135,261
Cash Received from State and Federal Subsidy Reimbursements	376,199	-	376,199
Net Cash Provided by Noncapital Financing Activities	<u>395,465</u>	<u>115,995</u>	<u>511,460</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(23,858)	-	(23,858)
Net Cash (Used For) Capital and Related Financing Activities	<u>(23,858)</u>	<u>-</u>	<u>(23,858)</u>
Cash Flows from Investing Activities			
Interest Earnings Received	134	77	211
Net Cash Provided by Investing Activities	<u>134</u>	<u>77</u>	<u>211</u>
Net Increase in Cash and Cash Equivalents	96,737	79,277	176,014
Cash and Cash Equivalents, Beginning of Year	48,352	24,368	72,720
Cash and Cash Equivalents, End of Year	<u>\$ 145,089</u>	<u>\$ 103,645</u>	<u>\$ 248,734</u>
Reconciliation of Operating Income (Loss) to Net Cash (Used for) Operating Activities			
Operating (Loss)	\$ (318,670)	\$ (28,026)	(346,696)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities			
Depreciation	9,270		9,270
Non-Cash Federal Assistance-Food Distribution Program	33,683		33,683
Change in Assets, Liabilities and Deferred Inflows			
(Increase)/Decrease in Accounts Receivable	31		31
(Increase)/Decrease in Inventory	4,720		4,720
Increase/(Decrease) in Accrued Salaries and Wages		1,131	1,131
Increase/(Decrease) in Unearned Revenue	(3,406)	(9,900)	(13,306)
Increase/(Decrease) in Deferred Commodities Revenue	(632)	-	(632)
Total Adjustments	<u>43,666</u>	<u>(8,769)</u>	<u>34,897</u>
Net Cash (Used For) Operating Activities	<u>\$ (275,004)</u>	<u>\$ (36,795)</u>	<u>\$ (311,799)</u>
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	\$ 33,051		\$ 33,051

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

NOTES TO THE FINANCIAL STATEMENTS

**EDGEWATER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Edgewater Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of 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 six (6) school district in two elementary schools and sends its grade seven (7) to twelve (12) students to Leonia Public Schools under a send/receive tuition agreement.

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 Edgewater Board of Education this includes general operations, food service, preschool program 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.

**EDGEWATER BOARD OF EDUCATION
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. 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.
- 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.

**EDGEWATER BOARD OF EDUCATION
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. 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.

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.

**EDGEWATER BOARD OF EDUCATION
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

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 and 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.

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 fund which is organized to be self-supporting through user charges:

The *preschool program fund* accounts for the activities of the District's pre-kindergarten program which provides a learning environment and educational programs to resident children between the ages of 3 and 4 years old.

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.

**EDGEWATER BOARD OF EDUCATION
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

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 and fiduciary 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 agreement and leases payable for intangible right-to-use assets are reported as other financing sources.

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

**EDGEWATER BOARD OF EDUCATION
 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)

3. *Inventories*

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

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

4. *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	15-30
Buildings	40
Building Improvements	20
Machinery, Equipment and Vehicles	8-15
Office Equipment and Furniture	5-15
Computer Equipment	5

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

**EDGEWATER BOARD OF EDUCATION
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 (Continued)*

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types which arise only under the accrual basis of accounting that qualify for reporting in this category. One item that qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed. The other 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, personal and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated vacation and sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

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.

**EDGEWATER BOARD OF EDUCATION
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 outflows of resources. Bond premiums 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. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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.

EDGEWATER BOARD OF EDUCATION
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

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

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

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

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

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education. (See Note 2E).

State Aid Advance Loan Repayment – This restriction was created in accordance with N.J.S.A. 18A:7A-56(c) to represent the amount of the District's unassigned general fund balance in excess of 1.5% of general fund expenditures which will be the additional amount applied to the annual loan repayment in the subsequent year.

Tuition Adjustment Reserve – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2021/2022 contract year and is required to be liquidated in the second year following the contract year with any remaining balance related to that contract year to be reserved and budgeted for property tax relief in the 2023/2024 original budget certified for taxes.

Tuition Adjustment Reserve – Designated for Subsequent Year's Expenditures – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2020/2021 contract year that is appropriated in the 2022/2023 original budget certified for taxes.

Legally Restricted – Unexpended Additional Spending Proposal – Designated for Subsequent Year's Expenditure – This restriction was created in accordance with NJAC 6A:23A-12.13(a)11 to represent the unexpended proceeds of separate spending proposals approved by the voters in the 2020/2021 District budget that is appropriated in the 2022/2023 original budget certified for taxes.

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.

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

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

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

**EDGEWATER BOARD OF EDUCATION
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 Expenditures*

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 and preschool program enterprise funds 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. Federal and State subsidies for the food service operation are considered nonoperating revenues.

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 no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. 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 \$1,320,847. The increase was funded by the additional appropriation of unassigned fund balance, grant awards, student activity revenues 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.

**EDGEWATER BOARD OF EDUCATION
 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. Deficit Fund Equity

The Preschool Program Enterprise Fund has a cumulative deficit in net position of \$27,881 as of June 30, 2022. This deficit will be provided for in the 2022/2023 General Fund budget and/or through normal operations in the 2022/2023 fiscal year.

C. Capital Reserve

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

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

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

Balance, July 1, 2021		\$ 3,481,215
Increased by		
Deposits Approved by Board Resolution	\$ 2,000,000	
Deposits Approved by State Monitor	<u>717,994</u>	
Total Increases		<u>2,717,994</u>
Balance, June 30, 2022		<u>\$ 6,199,209</u>

**EDGEWATER BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve

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

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

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

Balance, July 1, 2021	\$ 639,432
Increased by	
Deposits Approved by Board Resolution	<u>300,000</u>
Balance, June 30, 2022	<u>\$ 939,432</u>

The June 30, 2022 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,038,374.

E. Emergency Reserve

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency 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. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

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

Balance, July 1, 2021	-
Increased by	
Deposits Approved by State Monitor	<u>\$ 298,849</u>
Balance, June 30, 2022	<u>\$ 298,849</u>

**EDGEWATER BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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.

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 \$17,660,982 and bank and brokerage firm balances of the Board's deposits amounted to \$18,653,238. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 18,345,532
Uninsured and Collateralized	<u>307,706</u>
	<u>\$ 18,653,238</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2022 the Board's bank balance of \$307,706 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department but not in the Board's name	<u>\$ 307,706</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.

**EDGEWATER BOARD OF EDUCATION
 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)

Investments (Continued)

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.

B. Receivables

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

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Intergovernmental-					
Federal		\$ 163,996		\$ 35,391	\$ 199,387
State	\$ 67,163		\$ 400	665	68,228
Other	-	-	-	94	94
	<u>67,163</u>	<u>163,996</u>	<u>400</u>	<u>36,150</u>	<u>267,709</u>
Gross Receivables					-
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 67,163</u>	<u>\$ 163,996</u>	<u>\$ 400</u>	<u>\$ 36,150</u>	<u>\$ 267,709</u>

**EDGEWATER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

Special Revenue Fund		
Unencumbered Grant Draw Downs	\$	43,009
Grant Draw Downs Reserved for Encumbrances		<u>16,837</u>
Total Unearned Revenue for Governmental Funds	\$	<u>59,846</u>

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</u>	Balance, <u>June 30, 2022</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 179,988	-	-	\$ 179,988
Construction in Progress	<u>-</u>	<u>116,434</u>	<u>-</u>	<u>116,434</u>
Total Capital Assets, Not Being Depreciated	<u>179,988</u>	<u>116,434</u>	<u>-</u>	<u>296,422</u>
Capital Assets, Being Depreciated:				
Land Improvements	688,548			688,548
Buildings and Building Improvements	34,046,755			34,046,755
Machinery, Equipment and Vehicles	<u>1,728,321</u>	<u>-</u>	<u>-</u>	<u>1,728,321</u>
Total Capital Assets Being Depreciated	<u>36,463,624</u>	<u>-</u>	<u>-</u>	<u>36,463,624</u>
Less Accumulated Depreciation for:				
Site Improvements	(378,210)	(35,380)		(413,590)
Buildings and Building Improvements	(9,686,552)	(856,198)		(10,542,750)
Machinery, Equipment and Vehicles	<u>(1,514,388)</u>	<u>(35,834)</u>	<u>-</u>	<u>(1,550,222)</u>
Total Accumulated Depreciation	<u>(11,579,150)</u>	<u>(927,412)</u>	<u>-</u>	<u>(12,506,562)</u>
Total Capital Assets, Being Depreciated, Net	<u>24,884,474</u>	<u>(927,412)</u>	<u>-</u>	<u>23,957,062</u>
Governmental Activities Capital Assets, Net	<u>\$ 25,064,462</u>	<u>\$ (810,978)</u>	<u>\$ -</u>	<u>\$ 24,253,484</u>

**EDGEWATER BOARD OF EDUCATION
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)

Business-Type Activities:

Capital Assets, Being Depreciated:

Building Improvement		\$ 17,425		\$ 17,425
Machinery and Equipment	\$ 187,409	6,433	-	193,842
	<u>187,409</u>	<u>23,858</u>	<u>-</u>	<u>211,267</u>
Total Capital Assets Being Depreciated				
Less Accumulated Depreciation for:				
Building Improvement	-	-	-	-
Machinery and Equipment	(134,730)	(9,270)	-	(144,000)
	<u>(134,730)</u>	<u>(9,270)</u>	<u>-</u>	<u>(144,000)</u>
Total Accumulated Depreciation				
Total Capital Assets, Being Depreciated, Net	<u>52,679</u>	<u>14,588</u>	<u>-</u>	<u>67,267</u>
Business-Type Activities Capital Assets, Net	<u>\$ 52,679</u>	<u>\$ 14,588</u>	<u>\$ -</u>	<u>\$ 67,267</u>

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

Governmental Activities:

Instruction

Regular	\$ 450,975
Special Education	102,840
Other Instruction	37,142
School-Sponsored Activities and Athletics	<u>2,964</u>
Total Instruction	<u>593,921</u>

Support Services

Student and Instruction Related Services	122,872
General Administrative Services	42,013
School Administrative Services	44,929
Central Administrative Services	39,685
Plant Operations and Maintenance	68,513
Pupil Transportation	<u>15,479</u>
Total Support Services	<u>333,491</u>

Total Depreciation Expense - Governmental Activities \$ 927,412

Business-Type Activities:

Food Service Fund \$ 9,270

Total Depreciation Expense-Business-Type Activities \$ 9,270

**EDGEWATER BOARD OF EDUCATION
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 project and other significant commitments at June 30, 2022 as follows:

<u>Project</u>	<u>Remaining Commitment</u>
HVAC Upgrades	\$ 189,150
Technology Supplies and Equipment	<u>239,160</u>
Total	<u>\$ 428,310</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	Special Revenue Fund	\$ 58,810
General Fund	Capital Projects Fund	141,617
General Fund	Food Service Fund	3,262
General Fund	Preschool Fund	<u>115,995</u>
Total		<u>\$ 319,684</u>

The above balances are the results of expenditures paid by one fund which are due to another fund or to cover cash balances that were in a deficit position

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

Interfund Transfers

	<u>Transfer In:</u>
	<u>General</u>
Transfer Out:	
Capital Projects Fund	<u>\$ 140</u>
Total Transfers	<u>\$ 140</u>

The above transfers are the result of revenues earned in one fund to finance expenditures in another fund.

**EDGEWATER BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements

Capital Financing Agreements

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

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

\$100,000, fiscal year 2018 Agreement for the acquisition of a school bus for a term of 5 years due in annual principal installments of \$20,797 through September 15, 2022 interest at 3.80%	\$ 20,797
\$95,118, fiscal year 2021 Agreement for the acquisition of photo copiers for a term of 5 years due in annual principal installments of \$18,586 to \$20,536 through November 15, 2025 interest at 4.95%	<u>67,523</u>
Total	<u>\$ 88,320</u>

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Capital Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	39,383	3,744	43,127
2024	19,537	2,003	21,540
2025	20,536	1,004	21,540
2026	<u>8,864</u>	<u>11</u>	<u>8,875</u>
Total	<u>\$ 88,320</u>	<u>\$ 6,762</u>	<u>\$ 95,082</u>

**EDGEWATER BOARD OF EDUCATION
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

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. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

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

\$3,080,000, 2013 Refunding Bonds, due in annual installments of \$375,000 through September 1, 2022, interest at 4.00%	\$375,000
\$26,565,000, 2017 Refunding Bonds, due in annual installments of \$570,000 to \$1,910,000 through September 1, 2040, interest at 3.00% to 4.00%	<u>25,035,000</u>
Total	<u>\$25,410,000</u>

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>General Obligation Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	945,000	966,387	1,911,387
2024	1,020,000	936,088	1,956,088
2025	1,070,000	895,287	1,965,287
2026	1,120,000	852,488	1,972,488
2027	1,170,000	807,687	1,977,687
2028-2032	6,615,000	3,310,038	9,925,038
2033-2037	7,945,000	2,024,263	9,969,263
2038-2040	<u>5,525,000</u>	<u>447,400</u>	<u>5,972,400</u>
Total	<u>\$ 25,410,000</u>	<u>\$ 10,239,638</u>	<u>\$ 29,677,238</u>

**EDGEWATER BOARD OF EDUCATION
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)

State Aid Advance Loan Payable

In the fiscal year 2019/2020 the Board entered into a loan agreement with the State of New Jersey in the amount of \$1,800,000 pursuant to N.J.S.A. 18A:7A-56 in the form of an advancement of state aid to provide funds to eliminate the unassigned budgetary fund deficit in the General Fund. The State aid advance loan is being repaid by the school district through automatic reductions in the State aid provided to the school district in each year. The term of the loan repayment is ten (10) years which began in the 2020/2021 school year at a minimum amount of \$180,000 per year, but may be for a shorter term as determined by the State Treasurer. At any time during the term of the repayment the State Treasurer, in consultation with the Commissioner of Education, may determine to impose interest on the unpaid balance. The State Treasurer has not imposed interest during the 2021/2022 school year.

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

Governmental Activities:

Year Ended June 30,	<u>State Aid Advance Loan</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 180,000		180,000
2024	180,000		180,000
2025	180,000		180,000
2026	180,000		180,000
2027	180,000		180,000
2028-2032	<u>540,000</u>	<u>-</u>	<u>540,000</u>
Total	<u>\$ 1,440,000</u>	<u>\$ -</u>	<u>\$ 1,440,000</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:

2.5% of Equalized Valuation Basis (Municipal)	\$ 94,078,899
Less: Net Debt	<u>25,410,000</u>
Remaining Borrowing Power	<u>\$ 68,668,899</u>

**EDGEWATER BOARD OF EDUCATION
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 (Continued)

Changes in Long-Term Liabilities

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

	Balance, July 1, 2021	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, 2022	Due Within <u>One Year</u>
Governmental Activities:					
Serial Bonds	\$ 26,320,000	-	\$ 910,000	\$ 25,410,000	\$ 945,000
Add: Premium	1,428,131	-	123,679	1,304,452	-
Total Bonds Payable	27,748,131	-	1,033,679	26,714,452	945,000
State Aid Advance Loan	1,620,000		180,000	1,440,000	180,000
Capital Financing Agreements	159,081		70,761	88,320	39,383
Compensated Absences	252,880		3,438	249,442	30,000
Net Pension Liability	2,099,755	-	778,268	1,321,487	-
Governmental Activity Long-Term Liabilities	<u>\$ 31,879,847</u>	<u>\$ -</u>	<u>\$ 2,066,146</u>	<u>\$ 29,813,701</u>	<u>\$ 1,194,383</u>

For the governmental activities, the liabilities for state aid advance loan, capital financing agreements, compensated absences and net pension liability are generally liquidated by the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the North Jersey Educational Insurance Fund (NJSIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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

**EDGEWATER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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.

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.

**EDGEWATER BOARD OF EDUCATION
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)

Public Employees' Retirement System (PERS) (Continued)

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.

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

**EDGEWATER BOARD OF EDUCATION
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)

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 PERS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

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

**EDGEWATER BOARD OF EDUCATION
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)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

**EDGEWATER BOARD OF EDUCATION
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)

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.

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	\$ 130,639	\$ 1,956,814	\$ 13,014
2021	140,858	1,553,178	1,757
2020	113,771	1,158,049	27,378

**EDGEWATER BOARD OF EDUCATION
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)

In addition for fiscal years 2022, 2021 and 2020 the District contributed \$0, \$0 and \$623, respectively for PERS and the State contributed \$1,295, \$1,557 and \$1,718, 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 \$357,182 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.

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 \$1,321,487 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 .01116 percent, which was a decrease of .00172 percent from its proportionate share measured as of June 30, 2020 of .01288 percent.

**EDGEWATER BOARD OF EDUCATION
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 \$215,754 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:

	2021	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 20,842	\$ 9,460
Changes of Assumptions	6,882	470,458
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		348,114
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>324,466</u>	<u>344,572</u>
Total	<u>\$ 352,190</u>	<u>\$ 1,172,604</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>
2023	\$ (388,457)
2024	(305,289)
2025	(230,470)
2026	69,459
2027	34,343
Thereafter	<u>-</u>
	<u>\$ (820,414)</u>

**EDGEWATER BOARD OF EDUCATION
 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.

**EDGEWATER BOARD OF EDUCATION
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%

**EDGEWATER BOARD OF EDUCATION
 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 (Continued)

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>\$ 1,799,597</u>	<u>\$ 1,321,487</u>	<u>\$ 915,743</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.

**EDGEWATER BOARD OF EDUCATION
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 \$593,144 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 \$25,207,514. 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 .05243 percent, which was an increase of .00056 percent from its proportionate share measured as of June 30, 2020 of .05187 percent.

**EDGEWATER BOARD OF EDUCATION
 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.

**EDGEWATER BOARD OF EDUCATION
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.

**EDGEWATER BOARD OF EDUCATION
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>\$ 29,824,700</u>	<u>\$ 25,207,514</u>	<u>\$ 21,329,368</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 Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Teachers Pension and Annuity Fund (TPAF) (Continued)

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.

**EDGEWATER BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Plan Description and Benefits Provided

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS 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.

**EDGEWATER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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.

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 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 \$457,191, \$486,742 and \$429,615, 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.

**EDGEWATER BOARD OF EDUCATION
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

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.

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,031,409. 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 \$21,406,783. 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 .03567 percent, which was a decrease of .00061 percent from its proportionate share measured as of June 30, 2020 of .03628 percent.

**EDGEWATER BOARD OF EDUCATION
 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)

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

The actuarial assumptions used in the June 30, 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.

**EDGEWATER BOARD OF EDUCATION
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>24,599,618</u>
Changes Recognized for the Fiscal Year:	
Service Cost	1,799,706
Changes in Benefit Terms	555,315
Interest on the Total OPEB Liability	(22,785)
Differences Between Expected and Actual Experience	(5,122,955)
Changes of Assumptions	21,119
Gross Benefit Payments	(437,432)
Contributions from the Member	14,197
Net Changes	<u>\$ (3,192,835)</u>
Balance, June 30, 2021 Measurement Date	\$ <u>21,406,783</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.

**EDGEWATER BOARD OF EDUCATION
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 <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 25,641,965</u>	<u>\$ 21,406,783</u>	<u>\$ 18,071,831</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>\$ 17,328,860</u>	<u>\$ 21,406,783</u>	<u>\$ 26,883,132</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.

**EDGEWATER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

F. Tax Abatements

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

For Edgewater Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

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.

**EDGEWATER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS (Continued)

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 \$2,833,313 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

**EDGEWATER BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 28,203,051	\$ -	\$ 28,203,051	\$ 28,203,051	
Interest Earned in Maintenance Reserve	50		50	50	\$ -
Interest Earned in Capital Reserve Funds	500		500	1,239	739
Interest				22,389	22,389
Unrestricted Miscellaneous	48,000	-	48,000	129,909	81,909
Total Local Revenues	28,251,601	-	28,251,601	28,356,638	105,037
State Sources					
Special Education Aid	925,673	-	925,673	925,673	-
Security Aid	45,596	-	45,596	45,596	-
Transportation Aid	618,022	-	618,022	618,022	-
Extraordinary Special Education Costs Aid				570,068	570,068
Nonpublic School Transportation Costs				47,560	47,560
On-Behalf TPAF Contributions (Non-Budgeted)					
Pension Benefit Contribution				1,929,590	1,929,590
Pension - NCGI Premium				27,224	27,224
Post Retirement Medical Benefit Contribution				457,191	457,191
Long Term Disability Insurance				1,295	1,295
Reimbursed Social Security Contribution	-	-	-	357,182	357,182
Total State Revenues	1,589,291	-	1,589,291	4,979,401	3,390,110
Federal Sources					
FEMA Reimbursement	-	-	-	52,809	52,809
Total Federal Revenues	-	-	-	52,809	52,809
Total Revenues	29,840,892	-	29,840,892	33,388,848	3,547,956
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Preschool		63,878	63,878	-	63,878
Kindergarten	418,419	91,740	510,159	443,824	66,335
Grades 1-5	2,999,819	(222,992)	2,776,827	2,297,945	478,882
Grades 6-8	336,937	3,000	339,937	273,138	66,799
Regular Programs - Home Instruction					
Salaries of Teachers	4,000	318	4,318	318	4,000
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	475,000	(147,596)	327,404	75,399	252,005
Purchased Technical Services	296,200	(52,285)	243,915	225,958	17,957
Other Purchased Services	1,500	277	1,777	1,739	38
General Supplies	307,700	261,468	569,168	299,271	269,897
Textbooks	160,065	(98,912)	61,153	61,150	3
Other Objects	2,800	(161)	2,639	699	1,940
Total Regular Programs	5,002,440	(101,265)	4,901,175	3,679,441	1,221,734
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	292,086	(152,125)	139,961	136,435	3,526
Other Salaries for Instruction	140,000	(65,000)	75,000	40,967	34,033
General Supplies	750	-	750	-	750
Total Learning / Language Disabilities	432,836	(217,125)	215,711	177,402	38,309
Resource Room / Resource Center					
Salaries of Teachers	356,466	125,663	482,129	480,886	1,243
General Supplies	1,000	668	1,668	1,668	-
Total Resource Room / Resource Center	357,466	126,331	483,797	482,554	1,243

**EDGEWATER BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Autism					
Salaries of Teachers	\$ 74,000	\$ (16,115)	\$ 57,885	\$ 52,577	\$ 5,308
Other Salaries for Instruction	25,000	-	25,000	19,950	5,050
General Supplies	5,000	3,238	8,238	1,137	7,101
Total Autism	104,000	(12,877)	91,123	73,664	17,459
Preschool Disabilities - Full - Time					
Salaries of Teachers	61,578	24,611	86,189	83,395	2,794
Other Salaries for Instruction	-	25,000	25,000	19,678	5,322
General Supplies	-	4,493	4,493	494	3,999
Total Preschool Disabilities - Full - Time	61,578	54,104	115,682	103,567	12,115
Total Special Education	955,880	(49,567)	906,313	837,187	69,126
Bilingual Education					
Salaries of Teachers	246,496	-	246,496	246,496	-
General Supplies	18,000	-	18,000	-	18,000
Total Bilingual Education	264,496	-	264,496	246,496	18,000
School Sponsored Co-Curricular Activities					
Salaries	9,725	-	9,725	5,460	4,265
Total School Sponsored Co-Curricular Activities	9,725	-	9,725	5,460	4,265
Total - Instruction	6,232,541	\$ (150,832)	6,081,709	4,768,584	1,313,125
Undistributed Expenditures					
Instruction (Tuition)					
Tuition - Other LEA's Within State - Regular	6,563,184	-	6,563,184	6,563,184	-
Tuition - Other LEA's Within State - Special	3,433,128	-	3,433,128	2,972,644	460,484
Tuition to County Vocational School District-Reg.	265,113	(4,717)	260,396	219,719	40,677
Tuition to CSSD and Regional Day Schools	430,460	-	430,460	225,126	205,334
Tuition to APSSD Within the State	1,180,446	109,000	1,289,446	1,011,912	277,534
Tuition - State Facilities	39,872	-	39,872	39,872	-
Total Undistributed - Instruction (Tuition)	11,912,203	104,283	12,016,486	11,032,457	984,029
Attendance and Social Work Services					
Salaries	29,000	-	29,000	-	29,000
Other Purchased Services	15,000	-	15,000	14,911	89
Total Attendance and Social Work Services	44,000	-	44,000	14,911	29,089
Health Services					
Salaries	121,356	39,922	161,278	147,661	13,617
Purchased Professional and Technical Services	2,000	-	2,000	-	2,000
Other Purchases Services	4,700	(324)	4,376	35	4,341
Supplies and Materials	2,000	1,402	3,402	2,678	724
Total Health Services	130,056	41,000	171,056	150,374	20,682
Speech, OT, PT and Related Services					
Salaries	175,083	-	175,083	170,718	4,365
Purchased Professional - Educational Services	721,425	(83,901)	637,524	366,797	270,727
Supplies and Materials	-	806	806	806	-
Total Speech, OT, PT and Related Services	896,508	(83,095)	813,413	538,321	275,092

**EDGEWATER BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Other Support Services-Students-Extra Services					
Salaries		\$ 112,759	\$ 112,759	\$ 82,919	\$ 29,840
Purchased Professional-Educational Services	\$ 445,000	560	445,560	418,205	27,355
Supplies and Materials	4,000	-	4,000	145	3,855
Total Other Support Services-Extra Services	449,000	113,319	562,319	501,269	61,050
Guidance					
Salaries of Other Professional Staff	64,079	-	64,079	58,791	5,288
Supplies and Materials	-	1,000	1,000	318	682
Total Guidance	64,079	1,000	65,079	59,109	5,970
Child Study Team					
Salaries of Other Professional Staff	380,114	-	380,114	291,365	88,749
Salaries of Secretarial and Clerical Assistants	45,900	-	45,900	39,375	6,525
Other Purchased Professional and Technical Services	220,620	-	220,620	137,129	83,491
Other Purchased Services	1,750	-	1,750	-	1,750
Supplies and Materials	6,400	478	6,878	3,602	3,276
Other Objects	1,100	-	1,100	1,095	5
Total Child Study Team	655,884	478	656,362	472,566	183,796
Educational Media Services/School Library					
Salaries	70,000	3,594	73,594	54,445	19,149
Supplies and Materials	1,100	-	1,100	-	1,100
Total Educational Media Services/School Library	71,100	3,594	74,694	54,445	20,249
Instructional Staff Training Services					
Salaries	85,000	25,000	110,000	103,599	6,401
Purchased Professional-Educational Services	15,000	-	15,000	6,098	8,902
Supplies and Materials	1,500	-	1,500	51	1,449
Other Objects	1,100	-	1,100	-	1,100
Total Instructional Staff Training Services	102,600	25,000	127,600	109,748	17,852
Support Services General Administration					
Salaries	282,482	1,019	283,501	283,501	-
Salaries of State Fiscal Monitors	147,000	(33,058)	113,942	76,846	37,096
Repayment of Principal - NJDOE Loan	180,000	-	180,000	180,000	-
Legal Services	40,000	90,000	130,000	45,483	84,517
Audit Fees	40,000	30,600	70,600	30,975	39,625
Purchased Technical Services	-	2,030	2,030	2,030	-
Communications/Telephone	54,800	(197)	54,603	29,683	24,920
BOE Other Purchased Services	1,000	(975)	25	-	25
General Supplies	3,000	-	3,000	1,386	1,614
Miscellaneous Expenditures	9,550	-	9,550	3,175	6,375
BOE Membership Dues and Fees	9,500	(148)	9,352	6,719	2,633
Total Support Services General Administration	767,332	89,271	856,603	659,798	196,805
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	269,280	2,640	271,920	271,920	-
Salaries of Secretarial and Clerical Assistants	99,219	1,388	100,607	96,120	4,487
Unused Vacation Payment to Terminated/Retired Staff	-	932	932	932	-
Supplies and Materials	6,000	(633)	5,367	4,339	1,028
Other Objects	2,200	(176)	2,024	1,878	146
Total Support Services School Administration	376,699	4,151	380,850	375,189	5,661

**EDGEWATER BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Central Services					
Salaries	\$ 311,701	\$ (144,651)	\$ 167,050	\$ 163,458	\$ 3,592
Salaries of Secretarial and Clerical Assistants		208,141	208,141	208,141	-
Purchased Professional Services	31,000	-	31,000	20,069	10,931
Miscellaneous Purchased Services	5,200	-	5,200	5,051	149
Supplies and Materials	5,100	-	5,100	4,962	138
Miscellaneous Expenditures	3,290	(250)	3,040	2,240	800
Total Central Services	<u>356,291</u>	<u>63,240</u>	<u>419,531</u>	<u>403,921</u>	<u>15,610</u>
Administration Information Technology					
Other Purchased Services	2,400	2,347	4,747	4,747	-
Supplies and Materials	400	(400)	-	-	-
Other Objects	1,250	(1,036)	214	-	214
Total Administration Information Technology	<u>4,050</u>	<u>911</u>	<u>4,961</u>	<u>4,747</u>	<u>214</u>
Required Maintenance for School Facilities					
Salaries	220,836	1,608	222,444	211,112	11,332
Unused Vacation Payment to Terminated/Retired Staff	39,229	(39,229)	-	-	-
Cleaning, Repair & Maintenance Services	194,351	86,093	280,444	242,177	38,267
General Supplies	51,600	(14,312)	37,288	37,288	-
Total Required Maintenance for School Facilities	<u>506,016</u>	<u>34,160</u>	<u>540,176</u>	<u>490,577</u>	<u>49,599</u>
Custodial Services					
Salaries	499,981	45,113	545,094	381,486	163,608
Unused Vacation Payment to Terminated/Retired Staff	26,839	(26,839)	-	-	-
Purchased Professional-Technical Services	3,500	-	3,500	1,120	2,380
Cleaning, Repair and Maintenance Services	96,200	-	96,200	87,001	9,199
Other Purchased Property Services	54,000	-	54,000	38,068	15,932
Insurance	128,000	(1,198)	126,802	98,352	28,450
General Supplies	90,600	-	90,600	34,651	55,949
Energy (Natural Gas)	170,000	(20,000)	150,000	105,428	44,572
Energy (Electricity)	128,000	21,109	149,109	147,573	1,536
Other Objects	9,000	89	9,089	703	8,386
Total Custodial Services	<u>1,206,120</u>	<u>18,274</u>	<u>1,224,394</u>	<u>894,382</u>	<u>330,012</u>
Student Transportation Services					
Salaries of Non-Instructional Aides	68,000	-	68,000	24,109	43,891
Salaries for Pupil Transportation (Between Home and School) - Regular	155,172	-	155,172	108,363	46,809
Other Purchased Prof. and Technical Serv	10,000	1,467	11,467	11,466	1
Lease Purchase Payments - School Buses	58,516	(2,066)	56,450	55,516	934
Contracted Serv. - Aid in Lieu Pymts NonPub School	150,000	-	150,000	114,953	35,047
Contracted Serv (Bet Home an School) Joint Agreements	1,176,303	101,000	1,277,303	1,134,368	142,935
Contracted Serv (Sp Ed. Students) ESCs & CTSAs	824,500	58,434	882,934	595,450	287,484
Miscellaneous Purchased Services - Transportation	69,000	(726)	68,274	29,165	39,109
General Supplies	9,200	(9,200)	-	-	-
Transportation Supplies		10,520	10,520	10,518	2
Other Objects	700	6	706	706	-
Total Student Transportation Services	<u>2,521,391</u>	<u>159,435</u>	<u>2,680,826</u>	<u>2,084,614</u>	<u>596,212</u>
Unallocated Benefits					
Social Security Contributions	210,000	-	210,000	180,394	29,606
Other Retirement Contributions - PERS	226,000	291	226,291	143,653	82,638
Unemployment Compensation	49,372	-	49,372	2,513	46,859
Workmen's Compensation	81,000	-	81,000	68,673	12,327
Health Benefits	2,829,005	(163,206)	2,665,799	1,299,032	1,366,767
Tuition Reimbursement	21,500	(5,499)	16,001	4,231	11,770
Other Employee Benefits	35,450	5,499	40,949	40,949	-
Unused Sick Payment to Terminated/Retired Staff	30,000	-	30,000	-	30,000
Total Unallocated Benefits	<u>3,482,327</u>	<u>(162,915)</u>	<u>3,319,412</u>	<u>1,739,445</u>	<u>1,579,967</u>

**EDGEWATER BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
On Behalf TPAF Contributions (Non Budgeted)					
Pension Benefit Contribution		-		\$ 1,929,590	\$ (1,929,590)
Pension -NCGI Premium				27,224	(27,224)
Post Retirement Medical Benefit Contribution		-		457,191	(457,191)
Long Term Disability Insurance				1,295	(1,295)
Reimbursed Social Security Contribution	-	-	-	357,182	(357,182)
Total On-Behalf Contributions	-	-	-	2,772,482	(2,772,482)
Total Undistributed Expenditures	\$ 23,545,656	\$ 412,106	\$ 23,957,762	22,358,355	1,599,407
Interest on Maintenance Reserve	50	-	50	-	50
Total Expenditures - Current Expenditures	29,778,247	261,274	30,039,521	27,126,939	2,912,582
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Legal Services	4,000	-	4,000	255	3,745
Architectural/Engineering Services	40,000	208,515	248,515	20,570	227,945
Assessment for Debt Service on SDA Funding	27,043	-	27,043	27,043	-
Total Facilities Acquisition and Construction Services	71,043	208,515	279,558	47,868	231,690
Interest on Capital Reserve	500	-	500	-	\$ 500
Total Capital Outlay	71,543	208,515	280,058	47,868	232,190
Transfer of Funds to Charter Schools	35,102	4,717	39,819	39,819	-
Total Expenditures	29,884,892	474,506	30,359,398	27,214,626	3,144,772
Excess (Deficiency) of Revenues Over (Under) Expenditures	(44,000)	(474,506)	(518,506)	6,174,222	6,692,728
Other Financing Sources/(Uses)					
Transfers In - Capital Projects Fund	-	-	-	140	140
Total Other Financing Sources/(Uses)	-	-	-	140	140
Net Change in Fund Balances	(44,000)	(474,506)	(518,506)	6,174,362	\$ 6,692,868
Fund Balances Beginning of Year	10,629,230	-	10,629,230	10,629,230	-
Fund Balances, End of Year	\$ 10,585,230	\$ (474,506)	\$ 10,110,724	\$ 16,803,592	\$ 6,692,868
Recapitulation of Fund Balances					
Restricted					
Capital Reserve				\$ 6,199,209	
Maintenance Reserve				939,432	
Emergency Reserve				298,849	
State Aid Advance Loan Repayment				1,080,000	
Tuition Adjustment Reserve (2021/2022)				1,103,000	
Tuition Adjustment Reserve (2020/2021) - Designated for Subsequent Year's Expenditures				956,000	
Legally Restricted - Unexpended Additional Spending Proposal - Designated for Subsequent Year's Expenditures				4,669,878	
Assigned					
Year End Encumbrances				572,964	
Unassigned					
				984,260	
Fund Balance Per State Budgetary Basis of Accounting				16,803,592	
Reconciliation to Governmental Funds Statements (GAAP)					
Less State Aid Revenue Not Recognized on GAAP Basis				(689,013)	
Fund Balance Per Governmental Funds (GAAP)				\$ 16,114,579	

**EDGEWATER BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 18,550	\$ 23,398	41,948	\$ 32,924	\$ (9,024)
Federal	469,690	780,652	1,250,342	672,720	(577,622)
Local Sources					
Miscellaneous	-	42,291	42,291	94,001	51,710
Total Revenues	<u>488,240</u>	<u>846,341</u>	<u>1,334,581</u>	<u>799,645</u>	<u>(534,936)</u>
EXPENDITURES					
Instruction					
Salaries	65,879	28,439	94,318	122,253	(27,935)
Purchased Professional & Technical Services	7,514	7,444	14,958	14,958	-
Tuition	193,358	(9,412)	183,946	183,946	-
Other Purchased Services	14,633	19,115	33,748	25,535	8,213
General Supplies	115,114	20,520	135,634	73,720	61,914
Textbooks	1,469	92	1,561	1,561	-
Co-Curricular/Extra-Curricular Activities	-	24,661	24,661	24,661	-
Total Instruction	<u>397,967</u>	<u>90,859</u>	<u>488,826</u>	<u>446,634</u>	<u>42,192</u>
Support Services					
Salaries		100,000	100,000	3,959	96,041
Purchased Professional & Technical Services		106,621	106,621	103,796	2,825
Purchased Professional & Educational Service	22,473	23,569	46,042	34,280	11,762
Other Purchased Services		21,076	21,076	21,076	-
Supplies and Materials		54,237	54,237	32,104	22,133
Other Objects	2,448	464	2,912	2,912	-
Total Support Services	<u>24,921</u>	<u>305,967</u>	<u>330,888</u>	<u>198,127</u>	<u>132,761</u>
Unallocated Employee Benefits	<u>65,352</u>	<u>18,309</u>	<u>83,661</u>	<u>45,375</u>	<u>38,286</u>
Capital Outlay					
Non-Instructional Equipment	-	431,206	431,206	95,609	335,597
Total Capital Outlay	<u>-</u>	<u>431,206</u>	<u>431,206</u>	<u>95,609</u>	<u>335,597</u>
Total Expenditures	<u>488,240</u>	<u>846,341</u>	<u>1,334,581</u>	<u>785,745</u>	<u>548,836</u>
Net Change in Fund Balances	-	-	-	13,900	13,900
Fund Balance, Beginning of Year (restated)	<u>42,739</u>	<u>-</u>	<u>42,739</u>	<u>42,739</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 42,739</u>	<u>-</u>	<u>42,739</u>	<u>\$ 56,639</u>	<u>\$ 13,900</u>
Recapitulation of Fund Balance:					
Restricted					
Student Activities				<u>\$ 56,639</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**EDGEWATER BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NOTES TO THE 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	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 33,388,848	\$ 799,645
Difference - Budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2021-2022)	(689,013)	
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2020-2021)	522,456	
State Aid Advance Loan recognized for budgetary purposes, not recognized as revenues for GAAP Statements		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2022		(16,837)
Encumbrances, June 30, 2021	<u>-</u>	<u>79,668</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 33,222,291</u>	<u>\$ 862,476</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 27,214,626	\$ 785,745
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2022		(16,837)
Encumbrances, June 30, 2021	<u>-</u>	<u>79,668</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 27,214,626</u>	<u>\$ 848,576</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS INFORMATION

**EDGEWATER BOARD OF EDUCATION
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)	.01116	.01288%	.01170%	.01058%	.00975%	.01197%	.01232%	.01454%	.01202%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,321,487	\$ 2,099,755	\$ 2,107,504	\$ 2,082,797	\$ 2,268,505	\$ 3,543,778	\$ 2,766,090	\$ 2,722,384	\$ 2,797,128
District's Covered-Employee Payroll	\$ 750,798	\$ 861,326	\$ 890,087	\$ 820,083	\$ 746,127	\$ 737,906	\$ 1,004,832	\$ 907,290	\$ 880,864
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	176.01%	243.78%	236.78%	253.97%	304.04%	480.25%	275.28%	300.06%	317.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%	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 trend is compiled, the District will only present information for those years for which information is available.

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

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>
Contractually Required Contribution	\$ 130,639	\$ 140,858	\$ 113,771	\$ 105,219	\$ 90,282	\$ 106,298	\$ 105,938	\$ 119,870	\$ 90,563
Contributions in Relation to the Contractually Required Contribution	<u>130,639</u>	<u>140,858</u>	<u>113,771</u>	<u>105,219</u>	<u>90,282</u>	<u>106,298</u>	<u>105,938</u>	<u>119,870</u>	<u>90,563</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-Employee Payroll	\$ 882,008	\$ 750,798	\$ 861,326	\$ 890,087	\$ 820,083	\$ 746,127	\$ 737,906	\$ 1,004,832	\$ 907,290
Contributions as a Percentage of Covered-Employee Payroll	14.81%	18.76%	13.21%	11.82%	11.01%	14.25%	14.36%	11.93%	9.98%

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.

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

Teachers Pension and Annuity Fund
 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%	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>\$ 25,207,514</u>	<u>\$ 34,154,280</u>	<u>\$ 29,977,352</u>	<u>\$ 30,963,346</u>	<u>\$ 30,679,796</u>	<u>Not Available</u>	<u>\$ 23,946,788</u>	<u>\$ 18,635,646</u>	<u>\$ 16,625,166</u>
Total	<u>\$ 25,207,514</u>	<u>\$ 34,154,280</u>	<u>\$ 29,977,352</u>	<u>\$ 30,963,346</u>	<u>\$ 30,679,796</u>	<u>\$ -</u>	<u>\$ 23,946,788</u>	<u>\$ 18,635,646</u>	<u>\$ 16,625,166</u>
Covered Payroll	\$ 3,671,919	\$ 5,749,218	\$ 5,669,662	\$ 5,459,922	\$ 5,085,378	\$ 5,058,574	\$ 5,129,256	\$ 4,979,860	\$ 4,979,860
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%	25.41%	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.

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

**EDGEWATER BOARD OF EDUCATION
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>2021</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Cost	\$ 1,799,706	\$ 978,114	\$ 897,167	\$ 982,776	\$ 1,190,596
Interest on Total OPEB Liability	555,315	540,881	622,784	660,837	566,356
Changes in Benefit Terms	(22,785)				
Differences Between Expected and Actual Experience	(5,122,955)	4,320,926	(2,032,079)	(1,738,670)	-
Changes of Assumptions	21,119	4,493,505	218,902	(1,768,606)	(2,566,421)
Gross Benefit Payments	(437,432)	(428,259)	(450,677)	(412,112)	(409,357)
Contribution from the Member	<u>14,197</u>	<u>12,981</u>	<u>13,359</u>	<u>14,243</u>	<u>15,074</u>
Net Change in Total OPEB Liability	(3,192,835)	9,918,148	(730,544)	(2,261,532)	(1,203,752)
Total OPEB Liability - Beginning	<u>\$ 24,599,618</u>	<u>\$ 14,681,470</u>	<u>\$ 15,412,014</u>	<u>\$ 17,673,546</u>	<u>18,877,298</u>
Total OPEB Liability - Ending	<u>\$ 21,406,783</u>	<u>\$ 24,599,618</u>	<u>\$ 14,681,470</u>	<u>\$ 15,412,014</u>	<u>\$ 17,673,546</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>24,599,618</u>	<u>24,599,618</u>	<u>14,681,470</u>	<u>15,412,014</u>	<u>17,673,546</u>
Total OPEB Liability - Ending	<u>\$ 24,599,618</u>	<u>\$ 24,599,618</u>	<u>\$ 14,681,470</u>	<u>\$ 15,412,014</u>	<u>\$ 17,673,546</u>
Covered Payroll	\$ 4,422,717	\$ 6,610,544	\$ 6,559,749	\$ 6,280,005	\$ 5,831,505
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

**EDGEWATER BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVELS SCHEDULES

GENERAL FUND

NOT APPLICABLE

SPECIAL REVENUE FUND

EDGEWATER BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ESEA Title I	ESEA Title IIA	ESEA Title III	ESEA Title IV	IDEA Basic	IDEA Preschool	(Exhibit E-1a)	(Exhibit E-1b)	Total 2022
REVENUES									
Intergovernmental									
State							\$ 21,076	\$ 11,848	\$ 32,924
Federal	\$ 125,489	\$ 17,114	\$ 19,369	\$ 10,178	\$ 153,978	\$ 7,507	339,085	-	672,720
Other Sources	-	-	-	-	-	-	-	94,001	94,001
Total Revenues	<u>\$ 125,489</u>	<u>\$ 17,114</u>	<u>\$ 19,369</u>	<u>\$ 10,178</u>	<u>\$ 153,978</u>	<u>\$ 7,507</u>	<u>\$ 360,161</u>	<u>\$ 105,849</u>	<u>\$ 799,645</u>
EXPENDITURES									
Instruction									
Salaries of Teachers	\$ 68,258			\$ -			\$ 5,980	\$ 48,015	\$ 122,253
Purchased Professional and Technical Services						\$ 7,507	7,451	-	14,958
Tuition					\$ 152,534		31,412	-	183,946
Other Purchased Services							17,971	7,564	25,535
General Supplies	\$ 11,856		\$ 13,794	\$ 8,158			32,676	7,236	73,720
Textbooks							-	1,561	1,561
Co-Curricular/Extra-Curricular Activities	-	-	-	-	-	-	-	24,661	24,661
Total Instruction	<u>80,114</u>	<u>-</u>	<u>13,794</u>	<u>8,158</u>	<u>152,534</u>	<u>7,507</u>	<u>95,490</u>	<u>89,037</u>	<u>446,634</u>
Support Services									
Salaries							3,959		3,959
Personnel Services - Employee Benefits	45,375			-			-	-	45,375
Purchased Professional/Technical Services			5,575		1,444		96,777		103,796
Purchased Professional and Educational Svc		17,114		653			16,513		34,280
Other Purchased Services							21,076		21,076
Supplies and Materials				1,367			30,737		32,104
Other Objects	-	-	-	-	-	-	-	2,912	2,912
Total Support Services	<u>45,375</u>	<u>17,114</u>	<u>5,575</u>	<u>2,020</u>	<u>1,444</u>	<u>-</u>	<u>169,062</u>	<u>2,912</u>	<u>243,502</u>
Capital Outlay									
Non - Instructional Equipment	-	-	-	-	-	-	95,609	-	95,609
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,609</u>	<u>-</u>	<u>95,609</u>
Total Expenditures	<u>\$ 125,489</u>	<u>\$ 17,114</u>	<u>\$ 19,369</u>	<u>\$ 10,178</u>	<u>\$ 153,978</u>	<u>\$ 7,507</u>	<u>\$ 360,161</u>	<u>\$ 91,949</u>	<u>\$ 785,745</u>
Excess (Deficiency) of Revenues and Other									
Net Change in Fund Balances	-	-	-	-	-	-	-	13,900	13,900
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	42,739	42,739
Fund Balance, End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,639</u>	<u>56,639</u>

EDGEWATER BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>CARES</u>	<u>ARP Basic</u>	<u>ARP Preschool</u>	<u>CRRSA ESSER II</u>	<u>CRRSA Learning Acceleration</u>	<u>CRRSA Mental Health</u>	<u>SDA Emergent & CAP Needs</u>	<u>Total Exhibit E-1</u>
REVENUES								
Intergovernmental								
State							\$ 21,076	\$ 21,076
Federal	\$ 16,513	\$ 31,412	\$ 2,679	211,658	\$ 34,471	\$ 42,352		339,085
Other Sources	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 16,513</u>	<u>\$ 31,412</u>	<u>\$ 2,679</u>	<u>\$ 211,658</u>	<u>\$ 34,471</u>	<u>\$ 42,352</u>	<u>\$ 21,076</u>	<u>\$ 360,161</u>
EXPENDITURES								
Instruction								
Salaries of Teachers					\$ 5,500	\$ 480		\$ 5,980
Purchased Professional and Technical Services			2,679			4,772		7,451
Tuition		31,412						31,412
Other Purchased Services					17,971			17,971
General Supplies	\$ -			32,396	280			32,676
Textbooks								-
Co-Curricular/Extra-Curricular Activities	-	-	-	-	-	-	-	-
Total Instruction	-	31,412	2,679	32,396	23,751	5,252	-	95,490
Support Services								
Salaries				3,959				3,959
Personnel Services - Employee Benefits								-
Purchased Professional / Technical Services				\$ 50,000	10,027	36,750		96,777
Purchased Professional and Educational Services	16,513							16,513
Other Purchased Services							\$ 21,076	21,076
Supplies and Materials				29,694	693	350		30,737
Other Objects	-	-	-	-	-	-	-	-
Total Support Services	16,513	-	-	83,653	10,720	37,100	21,076	169,062
Capital Outlay								
Non - Instructional Equipment	-	-	-	95,609	-	-	-	95,609
Total Capital Outlay	-	-	-	95,609	-	-	-	95,609
Total Expenditures	<u>\$ 16,513</u>	<u>\$ 31,412</u>	<u>\$ 2,679</u>	<u>\$ 211,658</u>	<u>\$ 34,471</u>	<u>\$ 42,352</u>	<u>\$ 21,076</u>	<u>\$ 360,161</u>
Net Change in Fund Balances	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-
Fund Balance, End of Year	-	-	-	-	-	-	-	\$ -

EDGEWATER BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Non Public Nursing</u>	<u>Non Public Textbook</u>	<u>Non Public Technology</u>	<u>Nonpublic Security</u>	<u>Corrective Speech</u>	<u>Local</u>	<u>Student Activities</u>	<u>Total Exhibit E-1</u>
REVENUES								
Intergovernmental								
State	\$ 2,912	\$ 1,561	\$ 1,092	\$ 4,144	\$ 2,139			\$ 11,848
Federal								-
Other Sources	-	-	-	-	-	\$ 55,440	\$ 38,561	94,001
Total Revenues	<u>\$ 2,912</u>	<u>\$ 1,561</u>	<u>\$ 1,092</u>	<u>\$ 4,144</u>	<u>\$ 2,139</u>	<u>\$ 55,440</u>	<u>\$ 38,561</u>	<u>\$ 105,849</u>
EXPENDITURES								
Instruction								
Salaries of Teachers						\$ 48,015		\$ 48,015
Purchased Professional and Technical Services								-
Tuition								-
Other Purchased Services					\$ 2,139	\$ 5,425		7,564
General Supplies			\$ 1,092	\$ 4,144		2,000		7,236
Textbooks		\$ 1,561						1,561
Co-Curricular/Extra-Curricular Activities	-	-	-	-	-	-	24,661	24,661
Total Instruction	<u>-</u>	<u>1,561</u>	<u>1,092</u>	<u>4,144</u>	<u>2,139</u>	<u>55,440</u>	<u>24,661</u>	<u>89,037</u>
Support Services								
Salaries								-
Personnel Services - Employee Benefits								-
Purchased Professional / Technical Services								-
Purchased Professional and Educational Services								-
Other Purchased Services								-
Supplies and Materials								-
Other Objects	\$ 2,912	\$ -	-	-	-	-	-	2,912
Total Support Services	<u>2,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,912</u>
Capital Outlay								
Non - Instructional Equipment	-	-	-	-	-	-	-	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 2,912</u>	<u>\$ 1,561</u>	<u>\$ 1,092</u>	<u>\$ 4,144</u>	<u>2,139</u>	<u>55,440</u>	<u>\$ 24,661</u>	<u>\$ 91,949</u>
Net Change in Fund Balances	-	-	-	-	-	-	13,900	13,900
Fund Balance, Beginning of Year	-	-	-	-	-	-	42,739	42,739
Fund Balance, End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,639</u>	<u>\$ 56,639</u>

**EDGEWATER BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
PRESCHOOL - ALL PROGRAMS
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**EDGEWATER BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Cancelled</u>	<u>Balance June 30, 2022</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Construction of New George Washington School	\$ 28,728,000	\$ 28,675,436			\$ 52,564
Emergency Generator at Eleanor Van Gelder School	441,500	415,379		12,773	13,348
Acquisition of Equipment (Capital Financing Agreement)	4,249				4,249
Alyssa's Law Compliance - Panic Buttons	49,227	\$ 20,930	\$ -	-	28,297
	<u>\$ 29,222,976</u>	<u>\$ 29,111,745</u>	<u>\$ -</u>	<u>\$ 12,773</u>	<u>\$ 98,458</u>
<u>Recapitulation to GAAP</u>					
Project Balance, June 30, 2022					\$ 98,458
Less: Unearned Alyssa's Law Grant Revenue					<u>(28,297)</u>
Fund Balance, June 30, 2022 - GAAP Basis					<u>\$ 70,161</u>
<u>Reconciliation to Fund Balance</u>					
Restricted for Capital Projects					
Year End Encumbrances					\$ 28,619
Available for Capital Projects					<u>41,542</u>
Total Fund Balance - Restricted for Capital Projects					<u>\$ 70,161</u>

**EDGEWATER BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Revenues and Other Financing Sources

Revenues:

Interest on Investments	140
-------------------------	-----

Total Revenues and Other Financing sources	140
--	-----

Expenditures and Other Financing Uses

Bad Debt Expense - Cancellation of Grants Receivable	12,773
--	--------

Transfer to General Fund	140
--------------------------	-----

Total Expenditures and Other Financing Uses	12,913
---	--------

Excess of Revenues and Other Financing Sources

Over Expenditures and Other Financing Uses	(12,773)
--	----------

Fund Balance, Beginning of Year	111,231
---------------------------------	---------

Fund Balance, End of Year	\$ 98,458
---------------------------	-----------

Reconciliation to GAAP

Fund Balance, June 30, 2022 - Budgetary Basis	\$ 98,458
---	-----------

Less: Difference in Grants Revenue Recognized	(28,297)
---	----------

Fund Balance, June 30, 2022 - GAAP Basis	\$ 70,161
--	-----------

EDGEWATER BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
CONSTRUCTION OF A NEW ELEMENTARY SCHOOL AND INSTALLATION OF
SOLAR PANELS AT THE ELEANOR VAN GELDER SCHOOL
FROM INCEPTION THROUGH JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 28,728,000	-	\$ 28,728,000	\$ 28,728,400
 Total Revenues and Other Financing Sources	 28,728,000	 -	 28,728,000	 28,728,400
Expenditures				
Salaries	88,260		88,260	100,000
Architectural / Engineering Services	2,091,905		2,091,905	2,013,000
Legal Services	59,265		59,265	155,600
Purchased Professional and Technical Services	297,368		297,368	270,800
Construction Services	23,714,253		23,714,253	22,868,000
Other Purchased Services	2,424,385	-	2,424,385	3,321,000
 Total Expenditures	 28,675,436	 -	 28,675,436	 28,728,400
 Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 \$ 52,564	 \$ -	 \$ 52,564	 \$ -

Additional project information:

Project Number - New School	1270-N01-09-1000
Project Number - Solar	1270-050-09-1000
Grant Date	N/A
Bond Authorization Date	December 8, 2009
Bonds Authorized	\$ 28,728,400
Bonds Issued	\$ 28,728,400
Original Authorized Cost	\$ 28,725,400
Revised Authorized Cost	\$ 28,728,400

Percentage Increase(Decrease) Over Original

Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	Not Readily Available
Revised Target Completion Date	Not Readily Available

**EDGEWATER BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
INSTALLATION OF GENERATOR AT THE ELEANOR VAN GELDER SCHOOL
FROM INCEPTION THROUGH JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 176,500	\$ (12,773)	\$ 163,727	\$ 176,500
From Capital Reserve Transfers	<u>265,000</u>	<u>-</u>	<u>265,000</u>	<u>265,000</u>
Total Revenues and Other Financing Sources	<u>441,500</u>	<u>(12,773)</u>	<u>428,727</u>	<u>441,500</u>
Expenditures				
Architectural / Engineering Services	15,190		15,190	30,000
Legal Services	4,223		4,223	10,000
Construction Services	<u>395,966</u>	<u>-</u>	<u>395,966</u>	<u>401,500</u>
Total Expenditures	<u>415,379</u>	<u>-</u>	<u>415,379</u>	<u>441,500</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 26,121</u>	<u>\$ (12,773)</u>	<u>\$ 13,348</u>	<u>\$ -</u>

Additional project information:

Project Number	1270-050-14-1008-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 441,500
Revised Authorized Cost	\$ 441,500
Percentage Increase(Decrease) Over Original	
Authorized Cost	N/A
Percentage Completion	100.00%
Original Target Completion Date	6/30/2016
Revised Target Completion Date	6/30/2019

EDGEWATER BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
INSTALLATION OF PANIC ALARMS FOR COMPLIANCE UNDER ALYSSA'S LAW
FROM INCEPTION THROUGH JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenues and Other Financing Sources				
State Sources - Alyssa's Law	\$ 49,227	\$ -	\$ 49,227	\$ 49,227
 Total Revenues and Other Financing Sources	 49,227	 -	 49,227	 49,227
Expenditures				
Construction Services	20,930	-	20,930	49,227
 Total Expenditures	 20,930	 -	 20,930	 49,227
 Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 \$ 28,297	 \$ -	 \$ 28,297	 \$ -

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 49,227
Revised Authorized Cost	\$ 49,227
 Percentage Increase(Decrease) Over Original	
Authorized Cost	N/A
Percentage Completion	42.52%
Original Target Completion Date	8/31/2021
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

**EDGEWATER BOARD OF EDUCATION
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

**EDGEWATER BOARD OF EDUCATION
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2022</u>
Refunding Schools Bonds	3/1/2013	\$ 3,080,000	9/1/2022	375,000	4.000 %	\$ 750,000		\$ 375,000	\$ 375,000
Refunding Schools Bonds	8/1/2017	26,565,000	3/1/2023	570,000	4.000 %				
			3/1/2024	1,020,000	4.000				
			3/1/2025	1,070,000	4.000				
			3/1/2026	1,120,000	4.000				
			3/1/2027	1,170,000	4.000				
			3/1/2028	1,220,000	4.000				
			3/1/2029	1,265,000	4.000				
			3/1/2030	1,325,000	4.000				
			3/1/2031	1,380,000	3.000				
			3/1/2032	1,425,000	4.000				
			3/1/2033	1,480,000	3.000				
			3/1/2034	1,530,000	4.000				
			3/1/2035	1,590,000	3.125				
			3/1/2036	1,640,000	4.000				
			3/1/2037	1,705,000	4.000				
			3/1/2038	1,775,000	4.000				
			3/1/2039	1,840,000	4.000				
			3/1/2040	1,910,000	4.000				
						<u>25,570,000</u>	<u>-</u>	<u>535,000</u>	<u>25,035,000</u>
						<u>\$ 26,320,000</u>	<u>\$ -</u>	<u>\$ 910,000</u>	<u>\$ 25,410,000</u>
							Paid by Budget	<u>\$ 910,000</u>	

**EDGEWATER BOARD OF EDUCATION
SCHEDULE OF CAPITAL LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Capital Leases</u>	Amount of Original Issue	Interest Rate	Balance, July 1, 2021	Issued	Retired	Balance, June 30, 2022
2017 School Bus Lease	\$ 160,000	2.740%	\$ 33,014		\$ 33,014	\$ -
2018 School Bus Lease	100,000	3.800%	40,863		20,066	20,797
2021 Acquisition of Copiers	95,118	4.950%	<u>85,204</u>	<u>\$ -</u>	<u>17,681</u>	<u>67,523</u>
Total			<u>\$ 159,081</u>	<u>\$ -</u>	<u>\$ 70,761</u>	<u>\$ 88,320</u>
				Paid by Budget Appropriation	<u>\$ 70,761</u>	

**EDGEWATER BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 1,851,317		\$ 1,851,317	\$ 1,851,317	
State Sources					
Debt Service State Aid	<u>61,471</u>	<u>-</u>	<u>61,471</u>	<u>61,471</u>	<u>-</u>
Total Revenues	<u>1,912,788</u>	<u>-</u>	<u>1,912,788</u>	<u>1,912,788</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	910,000		910,000	910,000	-
Interest	<u>1,002,788</u>	<u>-</u>	<u>1,002,788</u>	<u>1,002,788</u>	<u>-</u>
Total Expenditures	<u>1,912,788</u>	<u>-</u>	<u>1,912,788</u>	<u>1,912,788</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

This part of the Edgewater Board of Education's comprehensive annual 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 comprehensive annual financial reports for the relevant year.

BOROUGH OF EDGEWATER SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	As of June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net Investment in Capital Assets	\$ 5,585,748	\$ 5,201,403	\$ 776,791	\$ 17,074			\$ (1,033,289)	\$ (1,129,607)	\$ (1,099,004)	\$ (952,002)
Restricted	2,944,373	2,762,562	1,853,943	1,486,751	\$ 1,390,349	\$ 1,264,330	1,191,351	1,356,746	5,183,408	9,271,877
Unrestricted	(313,469)	(173,383)	(2,030,229)	(2,753,138)	(3,457,669)	(5,413,046)	(3,124,934)	(4,280,268)	286,313	2,760,340
Total governmental activities net position	<u>\$ 8,216,652</u>	<u>\$ 7,790,582</u>	<u>\$ 600,505</u>	<u>\$ (1,249,313)</u>	<u>\$ (2,067,320)</u>	<u>\$ (4,148,716)</u>	<u>\$ (2,966,872)</u>	<u>\$ (4,053,129)</u>	<u>\$ 4,370,717</u>	<u>\$ 11,080,215</u>
Business-type activities										
Net Investment in Capital Assets	\$ 1,831	\$ 1,615	\$ 1,399	\$ 1,183	\$ 967	\$ 751	\$ 69,931	\$ 61,306	\$ 52,679	\$ 67,267
Restricted	322,601	390,106	577,270	544,044	397,358	98,909	(11,496)	103,985	103,868	145,325
Total business-type activities net position	<u>\$ 324,432</u>	<u>\$ 391,721</u>	<u>\$ 578,669</u>	<u>\$ 545,227</u>	<u>\$ 398,325</u>	<u>\$ 99,660</u>	<u>\$ 58,435</u>	<u>\$ 165,291</u>	<u>\$ 156,547</u>	<u>\$ 212,592</u>
District-wide										
Net Investment in Capital Assets	\$ 5,587,579	\$ 5,203,018	\$ 778,190	\$ 18,257	\$ 967	\$ 751	\$ (963,358)	\$ (1,068,301)	\$ (1,046,325)	\$ (884,735)
Restricted	2,944,373	2,762,562	1,853,943	1,486,751	1,390,349	1,264,330	1,191,351	1,356,746	5,183,408	9,271,877
Unrestricted	9,132	216,723	(1,452,959)	(2,209,094)	(3,060,311)	(5,314,137)	(3,136,430)	(4,176,283)	390,181	2,905,665
Total district net position	<u>\$ 8,541,084</u>	<u>\$ 8,182,303</u>	<u>\$ 1,179,174</u>	<u>\$ (704,086)</u>	<u>\$ (1,668,995)</u>	<u>\$ (4,049,056)</u>	<u>\$ (2,908,437)</u>	<u>\$ (3,887,838)</u>	<u>\$ 4,527,264</u>	<u>\$ 11,292,807</u>

Note 1 - Net Position as of June 30, 2020 was restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities"

BOROUGH OF EDGEWATER SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	For the Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 3,892,617	\$ 4,006,589	\$ 4,723,302	\$ 4,871,840	\$ 6,527,759	\$ 7,937,022	\$ 13,091,508	\$ 13,522,613	\$ 15,677,966	\$ 13,456,338
Special Education	718,988	1,282,620	1,103,161	1,613,187	1,265,663	1,848,632	4,506,182	6,085,907	4,744,979	5,896,663
Other Instruction	412,523	371,600	498,542	348,981	310,137	512,939	495,992	600,927	322,554	473,631
School Sponsored Activities and Athletics		2,277	22,176	29,214	27,552	26,806	21,317	39,804	12,656	35,316
Support Services:										
Tuition	6,472,243	6,824,783	6,956,574	7,721,550	8,628,019	8,169,206	-	-		
Student & Instruction Related Services	1,294,741	1,161,145	1,498,292	1,665,152	2,348,533	2,354,975	2,393,553	2,552,812	1,859,551	2,831,454
General Administrative Services	259,404	439,263	448,325	607,331	521,285	636,341	737,194	887,928	840,128	747,404
School Administrative Services	272,105	542,323	561,341	497,295	507,355	659,510	628,189	672,686	616,229	644,972
Central Administrative Services	379,909	385,104	378,193	363,084	406,665	590,283	555,650	585,120	589,405	600,184
Administrative Information Technology	112,826	12,778	12,698	6,050			-	-		
Plant Operations and Maintenance	1,113,816	1,134,938	1,367,696	1,253,568	1,585,199	1,618,067	1,801,560	1,581,195	1,459,225	1,695,600
Pupil Transportation	1,048,643	1,351,962	1,448,681	1,506,819	1,692,283	1,934,947	1,829,109	1,585,252	1,180,730	2,098,704
Special Schools		17,467	5,333							
Transfer of Funds to Charter Schools	22,431	8,867								
State Assessment on EDA Grants	17,538	27,043	25,912	27,043						
Interest on Long Term Debt	1,292,172	1,286,190	1,439,937	1,240,054	1,220,154	2,976,417	1,006,504	1,092,038	1,055,050	1,018,479
Unallocated Depreciation	1,011,514	1,044,345	5,257,189	1,032,360				-		
Total Governmental Activities Expenses	<u>18,321,470</u>	<u>19,899,294</u>	<u>25,747,352</u>	<u>22,783,528</u>	<u>25,040,604</u>	<u>29,265,145</u>	<u>27,066,758</u>	<u>29,206,282</u>	<u>28,358,473</u>	<u>29,498,745</u>
Business-Type Activities:										
Food Service	254,786	264,873	280,095	276,209	568,781	380,658	364,472	199,778	129,527	328,018
Preschool Program	395,312	529,723	352,633	435,235	309,392	737,487	545,602	376,063	-	117,126
Total Business-Type Activities Expense	<u>650,098</u>	<u>794,596</u>	<u>632,728</u>	<u>711,444</u>	<u>878,173</u>	<u>1,118,145</u>	<u>910,074</u>	<u>575,841</u>	<u>129,527</u>	<u>445,144</u>
Total District Expenses	<u>\$ 18,971,568</u>	<u>\$ 20,693,890</u>	<u>\$ 26,380,080</u>	<u>\$ 23,494,972</u>	<u>\$ 25,918,777</u>	<u>\$ 30,383,290</u>	<u>\$ 27,976,832</u>	<u>\$ 29,782,123</u>	<u>\$ 28,488,000</u>	<u>\$ 29,943,889</u>
Program Revenues										
Governmental Activities:										
Charges for Services								-	8,721	38,561
Operating Grants and Contributions	948,260	879,193	1,101,691	881,472	1,049,682	763,994	554,863	4,852,445	7,069,631	5,836,733
Capital Grants and Contributions				264,517	29,336			-	20,930	95,609
Total Governmental Activities Program Revenues	<u>948,260</u>	<u>879,193</u>	<u>1,101,691</u>	<u>1,145,989</u>	<u>1,079,018</u>	<u>763,994</u>	<u>554,863</u>	<u>4,852,445</u>	<u>7,099,282</u>	<u>5,970,903</u>

BOROUGH OF EDGEWATER SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	For the Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-Type Activities:										
Charges for Services										
Food Service	\$ 156,168	\$ 188,117	\$ 202,868	\$ 202,651	\$ 433,800	\$ 227,309	\$ 231,249	\$ 157,751	\$ 6,226	\$ 9,348
Preschool Program	654,072	579,600	493,177	361,600	202,969	489,950	547,625	448,303	-	89,100
Operating Grants and Contributions	81,006	93,789	123,045	112,773	94,502	95,788	98,105	72,083	113,355	402,530
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	891,246	861,506	819,090	677,024	731,271	813,047	876,979	678,137	119,581	500,978
Total District Program Revenues	<u>\$ 1,839,506</u>	<u>\$ 1,740,699</u>	<u>\$ 1,920,781</u>	<u>\$ 1,823,013</u>	<u>\$ 1,810,289</u>	<u>\$ 1,577,041</u>	<u>\$ 1,431,842</u>	<u>\$ 5,530,582</u>	<u>\$ 7,218,863</u>	<u>\$ 6,471,881</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (17,373,210)	\$ (19,020,101)	\$ (24,645,661)	\$ (21,637,539)	\$ (23,961,586)	\$ (28,501,151)	\$ (26,511,895)	\$ (24,353,837)	\$ (21,259,191)	\$ (23,527,842)
Business-Type Activities	241,148	66,910	186,362	(34,420)	(146,902)	(305,098)	(33,095)	102,296	(9,946)	55,834
Total District-Wide Net Expense	<u>\$ (17,132,062)</u>	<u>\$ (18,953,191)</u>	<u>\$ (24,459,299)</u>	<u>\$ (21,671,959)</u>	<u>\$ (24,108,488)</u>	<u>\$ (28,806,249)</u>	<u>\$ (26,544,990)</u>	<u>\$ (24,251,541)</u>	<u>\$ (21,269,137)</u>	<u>\$ (23,472,008)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 14,254,469	\$ 15,632,668	\$ 16,582,328	\$ 18,153,303	\$ 18,695,192	\$ 19,069,096	\$ 19,775,600	\$ 21,261,797	\$ 27,650,050	\$ 28,203,051
Property Taxes Levied for Debt Service	1,067,270	1,731,143	1,878,556	1,878,700	1,888,284	1,888,578	1,850,425	1,785,944	1,856,803	1,851,317
Unrestricted Federal and State Aid	1,249,592	1,064,077	1,156,921	1,118,630	2,513,303	5,348,605	4,711,682	24,566	28,117	29,245
Interest and Miscellaneous Income	202,444	166,140	134,915	359,665	46,800	113,476	245,833	155,458	149,067	153,727
Unrecorded Prior Year Expenditures	-	-	-	-	-	-	-	-	-	-
Cancellation of Grants Receivable	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	(2,885)	(1,000)	-
Total Governmental Activities	<u>16,773,775</u>	<u>18,594,028</u>	<u>19,752,720</u>	<u>21,510,298</u>	<u>23,143,579</u>	<u>26,419,755</u>	<u>26,583,540</u>	<u>23,224,880</u>	<u>29,683,037</u>	<u>30,237,340</u>
Business-Type Activities:										
Investment Earnings	75	380	587	979	-	6,433	3,349	1,675	202	211
Transfers	-	-	-	-	-	-	-	2,885	1,000	-
Total Business-Type Activities	<u>75</u>	<u>380</u>	<u>587</u>	<u>979</u>	<u>-</u>	<u>6,433</u>	<u>3,349</u>	<u>4,560</u>	<u>1,202</u>	<u>211</u>
Total District-Wide General Revenues and Other Changes in Net Position	<u>\$ 16,773,850</u>	<u>\$ 18,594,408</u>	<u>\$ 19,753,307</u>	<u>\$ 21,511,277</u>	<u>\$ 23,143,579</u>	<u>\$ 26,426,188</u>	<u>\$ 26,586,889</u>	<u>\$ 23,229,440</u>	<u>\$ 29,684,239</u>	<u>\$ 30,237,551</u>
Change in Net Position										
Governmental Activities	\$ (599,435)	\$ (426,073)	\$ (4,892,941)	\$ (127,241)	\$ (818,007)	\$ (2,081,396)	\$ 71,645	\$ (1,128,957)	\$ 8,423,846	\$ 6,709,498
Business-Type Activities	241,223	67,290	186,949	(33,441)	(146,902)	(298,665)	(29,746)	106,856	(8,744)	56,045
Total District Change in Net Position	<u>\$ (358,212)</u>	<u>\$ (358,783)</u>	<u>\$ (4,705,992)</u>	<u>\$ (160,682)</u>	<u>\$ (964,909)</u>	<u>\$ (2,380,061)</u>	<u>\$ 41,899</u>	<u>\$ (1,022,101)</u>	<u>\$ 8,415,102</u>	<u>\$ 6,765,543</u>

BOROUGH OF EDGEWATER SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	As of June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 2,305,131	\$ 2,423,454	\$ 1,801,377	\$ 1,326,957	\$ 1,322,011	\$ 1,122,523	\$ 1,087,523	\$ 1,294,028	\$ 9,790,525	\$ 15,246,368
Assigned				7,768	12,104	6,479	6,479	586,185	50,426	572,964
Unassigned	421,614	291,136	326,673	408,806	200,271	155,311	159,595	147,776	265,823	295,247
Total General Fund	\$ 2,726,745	\$ 2,714,590	\$ 2,128,050	\$ 1,743,531	\$ 1,534,386	\$ 1,284,313	\$ 1,253,597	\$ 2,027,989	\$ 10,106,774	\$ 16,114,579
All Other Governmental Funds										
Restricted for:										
Special Revenue Fund								\$ 42,700	\$ 42,739	\$ 56,639
Capital Projects Fund	\$ 725,563	\$ 339,108	\$ 52,566	\$ 152,025	\$ 68,337	\$ 68,337	\$ 72,577	72,582	72,586	70,161
Debt Service Fund	137,249			1	1	73,470	73,469	-		
Unassigned (Deficit), Reported in:										
Special Revenue Fund				#	(2,251)	#	(1,594)	(3,641)	(1,231)	-
Total all other governmental funds	\$ 862,812	\$ 339,108	\$ 52,566	\$ 152,026	\$ 66,087	\$ 140,213	\$ 142,405	\$ 114,051	\$ 115,325	\$ 126,800

Note 1 - Fund Balances as of June 30, 2020 was restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities"

BOROUGH OF EDGEWATER SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	For the Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax Levy	\$ 15,321,739	\$ 17,363,811	\$ 18,460,884	\$ 20,032,003	\$ 20,583,476	\$ 20,957,674	\$ 21,626,025	\$ 23,047,741	\$ 29,506,853	\$ 30,054,368
Interest Earnings	983	638	3,363	4,035	88	16,140	29,804	23,118	15,910	23,818
Miscellaneous	91,461	167,145	131,552	355,630	46,712	97,336	216,029	153,842	599,287	218,485
State Sources	1,999,152	1,772,050	2,012,841	1,747,057	3,114,859	3,189,381	3,294,882	3,387,793	4,133,735	4,906,478
Federal Sources	198,699	169,579	245,772	517,562	475,211	483,985	514,648	481,194	671,097	794,546
Total revenue	17,612,034	19,473,223	20,854,412	22,656,287	24,220,346	24,744,516	25,681,388	27,093,688	34,926,882	35,997,695
Expenditures										
Instruction										
Regular Instruction	2,785,103	2,869,575	3,455,434	3,715,804	4,257,917	4,314,327	4,299,727	12,513,364	14,202,129	13,098,724
Special Education Instruction	494,014	925,445	760,330	1,237,052	825,386	944,580	1,062,722	5,879,904	4,436,707	5,815,408
Other Instruction	283,047	257,317	343,610	253,286	202,252	262,092	277,649	516,994	240,274	443,931
School Sponsored Activities and Athletics		1,575	15,285	21,287	18,034	13,697	11,933	36,107	9,682	32,273
Support Services:										
Instruction - Tuition	6,472,243	6,824,783	6,956,574	7,721,550	8,628,019	8,169,206	8,249,135			
Student & Inst. Related Services	1,048,576	960,578	1,190,105	1,368,861	1,898,686	1,584,174	1,663,144	2,286,208	1,555,142	2,731,723
General Administrative Services	222,763	375,538	381,498	524,946	365,651	379,775	475,552	813,948	732,310	708,165
School Administrative Services	187,786	376,710	388,199	362,218	322,933	340,354	354,787	582,793	484,043	606,871
Central Administrative Services	267,408	275,941	276,972	282,140	278,403	316,722	323,944	525,858	497,342	555,156
Administrative Information Technology	108,061	12,778	11,219	6,050	4,555	6,436	6,198	-		
Plant Operations and Maintenance	912,007	961,416	1,146,169	1,064,200	1,065,448	1,012,835	1,203,323	1,495,740	1,318,512	1,618,566
Pupil Transportation	1,020,663	1,298,761	1,431,702	1,494,738	1,466,841	1,659,064	1,599,085	1,565,945	1,160,570	2,081,320
Unallocated Benefits	2,141,430	2,380,351	2,799,533	2,301,158	3,064,896	3,828,869	4,245,597			
Special Schools		12,080	3,675							
Transfer to Charter Schools	22,431	8,867								
Capital Outlay	3,631,813	519,289	601,272	621,339	100,383	186,258	27,043	-	138,061	116,434
Cost of Issuance						181,308				
Debt Service										
Principal	630,000	660,000	700,000	720,000	750,000	1,220,000	815,000	894,850	1,121,338	1,160,761
Interest	1,296,958	1,288,079	1,265,917	1,246,717	1,226,342	682,074	1,099,313	1,075,754	1,044,831	1,009,083
Total Governmental Fund Expenditures	21,524,303	20,009,083	21,727,494	22,941,346	24,475,746	25,101,771	25,714,152	28,187,465	26,940,941	29,978,415
Excess (Deficiency) of revenues over (under) expenditures	(3,912,269)	(535,860)	(873,082)	(285,059)	(255,400)	(357,255)	(32,764)	(1,093,777)	7,985,941	6,019,280

BOROUGH OF EDGEWATER SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	For the Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Financing sources (uses)										
Transfers In	2,980	637	117	265,057	88	293	33	13	5	140
Transfers Out	(2,980)	(637)	(117)	(265,057)	(88)	(293)	(33)	(2,898)	(1,005)	(140)
State Aid Advance Loan								1,800,000		
Capital Lease Proceeds									95,118	
Cancellation of Grant Receivables and Payables					(39,684)					
Unrecorded Prior Year Expenditures										
Payment to Refunding Bond Escrow Agent						(28,260,478)				
Premium on Sale of Bonds						1,876,786				
Bond Proceeds						26,565,000				
Total other financing sources (uses)	-	-	-	-	(39,684)	181,308	-	1,797,115	94,118	-
Net change in fund balances	<u>\$ (3,912,269)</u>	<u>\$ (535,860)</u>	<u>\$ (873,082)</u>	<u>\$ (285,059)</u>	<u>\$ (295,084)</u>	<u>\$ (175,947)</u>	<u>\$ (32,764)</u>	<u>\$ 703,338</u>	<u>\$ 8,080,059</u>	<u>\$ 6,019,280</u>
Debt service as a percentage of noncapital expenditures	10.77%	10.00%	9.31%	8.81%	8.11%	7.63%	7.45%	6.99%	8.08%	7.27%

* Noncapital expenditures are total expenditures less capital outlay.

**BOROUGH OF EDGEWATER SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Rental - Use of Facilities</u>	<u>Parking Fees</u>	<u>FEMA</u>	<u>Summer Program</u>	<u>Lynx Technologies</u>	<u>E-Rate</u>	<u>Medical Contributions</u>	<u>Prior Year Reimbursements</u>	<u>Prior Year Voids</u>	<u>Club Fees</u>	<u>Other</u>	<u>Total</u>
2013	5,136	\$ 15,000										22,356	42,492
2014	3,580							\$ 3,766				160,436	167,782
2015	3,363											131,426	134,789
2016	4,035	24,000							85,381	\$ 211,541	\$ 13,820	20,888	359,665
2017	88								1,056			45,568	46,712
2018	16,140											97,043	113,183
2019	29,804	20,000	\$ 48,000	\$ 80,431	\$ 10,520	\$ 10,000	\$ 1,018			9,185		36,875	245,833
2020	23,100	15,000	36,000				2,650			28,316		50,374	155,440
2021	15,901		48,000						\$ 64,355			20,802	149,058
2022	23,678		48,000						35,081	20,915		25,913	153,587

**BOROUGH OF EDGEWATER SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (Unaudited)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2013	53,129,100	1,483,198,300		572,208,300	25,614,400	489,200,000	2,623,350,100	1,342,815	2,624,692,915	3,015,344,943	0.616
2014	42,707,100	1,509,306,200		590,875,500	25,614,400	489,009,900	2,657,513,100	1,409,977	2,658,923,077	3,021,486,850	0.670
2015	60,858,500	1,570,040,600		605,247,900	25,614,400	480,777,600	2,742,539,000	1,597,567	2,744,136,567	3,141,467,580	0.711
2016	89,097,900	1,644,915,900		592,568,500	25,614,400	460,069,100	2,812,265,800	1,575,594	2,813,841,394	3,352,389,394	0.722
2017	49,981,100	1,665,841,800		620,284,700	25,614,400	534,740,200	2,896,462,200	1,567,489	2,898,029,689	3,621,299,388	0.717
2018	76,160,100	1,800,727,000		587,567,400	25,614,400	457,899,700	2,947,968,600	1,458,659	2,949,427,259	3,821,748,979	0.722
2019	79,549,500	1,836,264,700		566,157,500	22,422,400	462,130,400	2,966,524,500	1,387,817	2,967,912,317	4,168,444,661	0.754
2020	120,962,000	1,846,569,600		526,490,600	6,422,400	462,130,400	2,962,575,000	1,437,792	2,964,012,792	4,080,524,372	0.789
2021	118,379,400	1,860,048,300		529,874,400	9,814,000	465,789,800	2,983,905,900	1,641,460	2,985,547,360	3,937,766,308	1.095
2022	212,770,600	2,397,271,900		714,053,400	10,301,100	737,771,155	4,072,168,155	1,993,757	4,074,161,912	3,949,270,072	0.745

Source: County Abstract of Ratables

a Tax rates are per \$100

Note - The Borough of Edgewater undertook a revaluation of real property effective for calendar year 2022.

**BOROUGH OF EDGEWATER SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)
(rate per \$100 of assessed value)**

Calendar Year	Total Direct School Tax Rate	Overlapping Rates		Total Direct and Overlapping Tax Rate
	Edgewater Local School District	Municipality of Edgewater	County of Bergen	
2013	0.616	0.740	0.270	1.626
2014	0.670	0.766	0.265	1.701
2015	0.711	0.771	0.273	1.755
2016	0.722	0.766	0.291	1.779
2017	0.717	0.774	0.309	1.800
2018	0.722	0.787	0.324	1.833
2019	0.754	0.805	0.337	1.896
2020	0.789	0.816	0.340	1.945
2021	1.095	0.827	0.331	2.253
2022	0.745	0.633	0.234	1.612

Source: Municipal Tax Collector

* Includes Library

Note - The Borough of Edgewater undertook a revaluation of real property effective for calendar year 2022.

**BOROUGH OF EDGEWATER SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS,
LAST YEAR AND EIGHT YEARS AGO
(Unaudited)**

Taxpayer	2022		2014	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Edgewater Retirement Partners LLC	\$ 155,719,200	3.82%	\$ 124,500,500	4.68%
The Edgewater Colony, Inc.	135,539,300	3.33%	76,996,400	2.90%
Edgewater Financing LLC Avalonbay Com	133,641,355	3.28%	100,000,000	3.76%
100 Alexander Way	92,644,600	2.27%		
Windsor at Mariner's Tower , LLC	81,194,600	1.99%	65,000,000	2.44%
Mel Mac River Club LLC	80,350,700	1.97%		
WAC St Moritz Venture LLC	73,463,000	1.80%		
Portside Gorge Assoc. LLC			54,873,500	2.06%
AIMCO River Club LLC			46,000,000	1.73%
California State Teachers' Retirement System			31,984,900	1.20%
YNJ LLC c/o Mitsuwa			31,640,600	1.19%
RREEF Amer REIT II	50,000,000	1.23%	30,425,600	1.14%
One Main Street Edgewater LLC	47,882,700	1.18%		
One Main Street LLC National Re	46,412,600	1.14%		
Edgewater Lofts LLC			31,039,000	1.17%
	<u>\$ 896,848,055</u>	<u>22.01%</u>	<u>\$ 592,460,500</u>	<u>22.28%</u>

Source: Municipal Tax Assessor

Note - Principal property taxpayers from nine years ago was not available, therefore principal taxpayers from eight years ago is presented

BOROUGH OF EDGEWATER SCHOOL DISTRICT
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	15,321,739	15,321,739	100.00%	
2014	17,363,811	17,363,811	100.00%	
2015	18,460,884	18,460,884	100.00%	
2016	20,282,952	20,282,952	100.00%	
2017	20,583,476	20,583,476	100.00%	
2018	20,957,674	20,957,674	100.00%	
2019	21,626,025	21,626,025	100.00%	
2020	23,047,741	23,047,741	100.00%	
2021	29,506,853	29,506,853	100.00%	
2022	30,054,368	30,054,368	100.00%	

BOROUGH OF EDGEWATER SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita
	General Obligation Bonds	State Aid Advance Loan	Capital Financing Agreements			
2013	32,383,000			32,383,000	11,658	2,778
2014	31,723,000			31,723,000	11,881	2,670
2015	31,023,000			31,023,000	12,256	2,531
2016	30,653,000			30,653,000	11,884	2,579
2017	29,553,000			29,553,000	11,906	2,482
2018	28,860,000			28,860,000	12,158	2,374
2019	28,045,000		\$ 175,151	28,220,151	12,669	2,227
2020	27,200,000	1,800,000	125,301	27,325,301	13,365	2,045
2021	26,320,000	1,620,000	159,081	26,479,081	14,396	1,839
2022	25,410,000	1,440,000	88,320	25,498,320	14,647	1,741

* Estimate

Source: District records

BOROUGH OF EDGEWATER SCHOOL DISTRICT
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
	General Obligation Bonds	Deductions			
2013	32,383,000		32,383,000	1.23%	\$ 2,778
2014	31,723,000		31,723,000	1.19%	\$ 2,670
2015	31,023,000		31,023,000	1.13%	\$ 2,531
2016	30,653,000		30,653,000	1.09%	\$ 2,579
2017	29,553,000		29,553,000	1.02%	\$ 2,482
2018	28,860,000		28,860,000	0.98%	\$ 2,374
2019	28,045,000		28,045,000	0.94%	\$ 2,214
2020	27,200,000		27,200,000	0.92%	\$ 2,035
2021	26,320,000		26,320,000	0.88%	\$ 1,828
2022	25,410,000	-	25,410,000	0.62%	\$ 1,735

Source: District records

**BOROUGH OF EDGEWATER SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2021
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Borough of Edgewater School District (as of June 30, 2022)	\$ 25,410,000
Borough of Edgewater	<u>48,250,709</u>
	<u>73,660,709</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	31,241,707
Bergen County Utilities Authority (B)	<u>4,119,401</u>
Total Overlapping Debt	<u>35,361,108</u>
Total Direct and Overlapping Debt	<u>\$ 109,021,817</u>

Source:

(1) Township's 2021 Annual Debt Statement

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

(B) The debt was computed based upon municipal flow to the Authority.

**BOROUGH OF EDGEWATER SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized valuation basis
	2021 \$ 3,686,565,234
	2020 3,598,414,916
	2019 4,004,487,716
	<u>\$ 11,289,467,866</u>
Average equalized valuation of taxable property	<u>\$ 3,763,155,955</u>
Debt limit (2.5 % of average equalization value)	\$ 94,078,899
Total Net Debt Applicable to Limit	<u>25,410,000</u>
Legal debt margin	<u>\$ 68,668,899</u>

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 73,467,075	\$ 75,136,086	\$ 76,485,828	\$ 79,294,532	\$ 84,292,970	\$ 89,961,981	\$ 96,762,442	\$ 97,874,686	\$ 97,218,866	\$ 94,078,899
Total net debt applicable to limit	<u>32,383,000</u>	<u>31,723,000</u>	<u>31,023,000</u>	<u>30,303,000</u>	<u>29,553,000</u>	<u>28,860,000</u>	<u>28,045,000</u>	<u>27,200,000</u>	<u>26,320,000</u>	<u>25,410,000</u>
Legal debt margin	<u>\$ 41,084,075</u>	<u>\$ 43,413,086</u>	<u>\$ 45,462,828</u>	<u>\$ 48,991,532</u>	<u>\$ 54,739,970</u>	<u>\$ 61,101,981</u>	<u>\$ 68,717,442</u>	<u>\$ 70,674,686</u>	<u>\$ 70,898,866</u>	<u>\$ 68,668,899</u>
Total net debt applicable to the limit as a percentage of debt limit	44.08%	42.22%	40.56%	38.22%	35.06%	32.08%	28.98%	27.79%	27.07%	27.01%

Source: Annual Debt Statements

**BOROUGH OF EDGEWATER SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Borough Unemployment Rate</u>
2013	11,658	68,592	8.60%
2014	11,881	71,773	7.70%
2015	12,256	71,286	6.40%
2016	11,884	73,883	6.00%
2017	11,906	77,323	5.60%
2018	12,158	78,836	7.70%
2019	12,669	81,024	2.60%
2020	13,365	85,191	2.30%
2021	14,396	88,241	7.10%
2022	14,647	91,972	4.30%

Source: New Jersey State Department of Education

**BOROUGH OF EDGEWATER SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS,
 CURRENT YEAR AND NINE YEARS AGO
 (Unaudited)**

<u>Employer</u>	<u>2021</u>		<u>2012</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION IS NOT AVAILABLE

BOROUGH OF EDGEWATER SCHOOL DISTRICT
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	47.0	48.0	52.7	54.2	56.4	58.4	61.7	60.4	42.0	48.0
Special Education	8.0	8.0	8.6	8.6	9.6	9.6	9.6	11.0	6.0	6.0
Other Special Education	5.0	5.0				7.0	7.0	14.9	5.5	7.0
Other Instruction	1.0	1.0	4.0	6.0	8.0					
Support Services:										
Student and Instruction Related Services	6.5	7.0	29.1	28.0	27.0	27.2	27.8	12.6	10.0	11.0
General Administrative Services	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administrative Services	2.0	2.0	5.6	5.6	5.6	5.6	5.6	5.6	4.0	4.0
Central Services	4.0	5.0	3.8	3.0	3.0	3.0	4.0	4.0	4.0	4.0
Administrative Information Technology	2.0	2.0	-	-	-	-	-			
Plant Operations and Maintenance	12.5	14.0	14.0	12.5	12.5	12.5	13.5	13.5	11.0	10.0
Pupil Transportation		-							2.0	2.0
Total	<u>89.0</u>	<u>94.0</u>	<u>119.8</u>	<u>119.9</u>	<u>124.1</u>	<u>125.3</u>	<u>131.2</u>	<u>124.0</u>	<u>86.5</u>	<u>94.0</u>

Source: District Personnel Records

**BOROUGH OF EDGEWATER SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Enrollment-Grades ^a		Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teacher/ Pupil Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
	Pre-K-6	7-12				Teaching Staff	Elementary				
2013	780	343	15,717,584	13,996	-4.91%	47.0	16.3:1	764.8	731.3	15.23%	95.62%
2014	808	381	17,339,394	14,583	4.19%	48.0	16.8:1	865.0	826.5	13.10%	95.55%
2015	905	379	18,901,616	14,721	0.94%	53.0	17.1:1	907.4	867.1	4.90%	95.56%
2016	906	381	19,462,818	15,123	2.73%	54.0	16.8:1	905.9	870.2	-0.17%	96.06%
2017	903	372	22,398,661	17,568	16.17%	56.0	16.1:1	906.4	862.3	0.06%	95.13%
2018	976	414	22,832,131	16,426	-6.50%	58.0	16.8:1	956.7	907.2	5.55%	94.83%
2019	982	496	23,772,796	16,084	-2.08%	61.0	16.1:1	986.3	935.2	3.09%	94.82%
2020	874	471	26,216,861	19,492	21.19%	60.0	14.6:1	924.1	887.2	-6.30%	96.01%
2021	681	535	24,636,711	20,260	3.94%	48.0	12.9:1	642.3	612.3	-30.50%	95.33%
2022	667	516	27,692,137	23,408	15.54%	60.0	11.1:1	665.8	627.5	3.66%	94.25%

Sources: District records

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

**BOROUGH OF EDGEWATER SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL 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>
<u>District Building</u>										
<u>Elementary</u>										
George Washington School (2012):										
Square Feet	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Capacity Students	925	925	925	925	925	925	925	925	925	925
Enrollment	423	460	525	508	488	488	533	481	321	325
Eleanor Van Gelder School (1914):										
Enrollment	63,941	63,941	63,941	63,941	63,941	63,941	63,941	63,941	63,941	63,941
Capacity Students	565	565	565	565	565	565	565	565	565	565
Enrollment	332	348	382	398	418	418	429	393	358	342

Number of Schools at June 30, 2022
Elementary - 2

N/A - Not Applicable

Source: District Records

**BOROUGH OF EDGEWATER SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)**

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

	<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										
George Washington	\$ 96,842	\$ 139,583	\$ 193,588	\$ 199,672	\$ 204,665	\$ 193,685	\$ 206,507	\$ 257,415	\$ 162,369	\$ 297,585
Eleanor Van Gelder	<u>118,775</u>	<u>149,585</u>	<u>82,966</u>	<u>86,266</u>	<u>89,403</u>	<u>89,635</u>	<u>133,926</u>	<u>166,941</u>	<u>105,301</u>	<u>192,992</u>
Grand Total	<u>\$ 215,617</u>	<u>\$ 289,168</u>	<u>\$ 276,554</u>	<u>\$ 285,938</u>	<u>\$ 294,068</u>	<u>\$ 283,320</u>	<u>\$ 340,433</u>	<u>\$ 424,356</u>	<u>\$ 267,670</u>	<u>\$ 490,577</u>

Source: District Records

BOROUGH OF EDGEWATER SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2022
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - N.J. Schools Insurance Group		
Property:		
Blanket Real and Personal Property Per Occurrence	\$ 500,000,000	\$ 5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Papers	10,000,000	5,000
Flood Insurance:		
Special Hazard Area Zones	25,000,000	500,000
All Other Zones	75,000,000	10,000
Earthquake Insurance	50,000,000	5,000
Demolition and Increased Cost of Construction	25,000,000	5,000
Electronic Data Processing:		
Blanket Hardware	250,000	1,000
Blanket Extra Expense	Included	1,000
Combined Single Limit Per Accident Property Damage	100,000,000	25,000
Crime:		
Public Employee Dishonesty with Faithful Performance	500,000	1,000
Theft, Disappearance and Destruction:		
Loss of Money and Securities	25,000	500
Money Orders and Counterfeit Paper Currency	25,000	500
Forgery or Alteration	500,000	1,000
Computer Fraud	500,000	1,000
Comprehensive General Liability:		
Bodily Injury and Property Damage	16,000,000	
Employee Benefit Liability	16,000,000	1,000
Terrorism	1,000,000	
Automobile:		
Liability	16,000,000	
School Board Legal Liability - NJ Schools Insurance Group		
Group:		
School Leaders Errors and Omissions:		
Coverage A	16,000,000	5,000
Coverage B	100,000/300,000	5,000
Cyber Security Coverage - AXIS Insurance Company		
Aggregate First Party Coverages	1,000,000	7,500
System Disruption	1,000,000	-
Data Recovery Expenses	1,000,000	7,500
Ransom Loss	1,000,000	7,500
Workers Compensation and Employers' Liability - NJ School Insurance Group		
Association Insurance Group:		
Workers' Compensation	Statutory	
Employers' Liability	3,000,000	
Public Employees' Faithful Performance Blanket Position Bond - NJSBAIG		
Board Secretary	250,000	1,000
Treasurer	250,000	1,000

Source: School District's records

SINGLE AUDIT SECTION

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ROBERT LERCH, CPA
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CHRISTINA CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Edgewater Board of Education
Edgewater, 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 Edgewater 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 Edgewater Board of Education's basic financial statements and have issued our report thereon dated January 24, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Edgewater Board of Education’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which are described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Edgewater Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated January 24, 2023.

Edgewater Board of Education’s Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Edgewater 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 Edgewater Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lerch, Vinci & Bliss, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 24, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

INDEPENDENT AUDITOR’S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

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

In our opinion, the Edgewater Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 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 Edgewater Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Edgewater Board of Education’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which is described in the accompanying schedule of findings and questioned costs as item 2022-003. Our opinion on each major federal and state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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 Edgewater 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 Board of Education's basic financial statements. We have issued our report thereon dated January 24, 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.

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Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 24, 2023

EDGEWATER BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance, July 1, 2021			Carryover/ (Walkover) Amount Def. Rev.	Carryover/ (Walkover) Amount A/R	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years Balances	Balance, June 30, 2022			Memo GAAP Receivable
					(Account Receivable)	Deferred Revenue	Due to Grantor							(Account Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education																	
Passed-through State Department of Education																	
Enterprise Fund																	
School Breakfast Program	10.553	211NJ304N1099	7/1/21-6/30/22	\$ 49,305					\$ 42,790	\$ 49,305			\$ (6,515)			\$ (6,515)	
School Breakfast Program	10.553	201NJ304N1099	7/1/20-6/30/21	33,474	(5,521)				5,521								
National School Lunch Program	10.555	211NJ304N1099															
Cash Assistance			7/1/21-6/30/22	311,600						282,724	311,600		(28,876)			(28,876)	
Cash Assistance			7/1/20-6/30/21	63,405	(27,312)				27,312								
Non-Cash Assistance (Food Distribution)			7/1/21-6/30/22	33,051					33,051	32,353			\$ 698				
Non-Cash Assistance (Food Distribution)			7/1/20-6/30/21	414		414				414							
Non-Cash Assistance (Food Distribution)			7/1/19-6/30/20	23,802		\$ 916				916							
Emergency Operational Cost Program	10.555	202121H170341	7/1/20-6/30/21	8,981	(8,981)				8,981								
P-EBT Administrative Costs	10.649	2021215900941	7/1/21-6/30/22	628					628	628							
P-EBT Administrative Costs	10.649	2021215900941	7/1/20-6/30/21	614	(614)				614								
Total Child Nutrition /Enterprise Fund					(42,428)	1,330				401,621	395,216			(35,391)	698	(35,391)	
Special Revenue Fund																	
ESEA																	
Title I	84.010	S010A210030	7/1/21-9/30/22	153,697			5,041	5,041	93,143	125,489			(60,554)	33,249		(27,305)	
Title I	84.010	S010A210030	7/1/20-9/30/21	205,887		5,041	(5,041)										
Title I	84.010	S010A200030	7/1/19-9/30/20	204,743			60					60					
Title I	84.010	S010A190030	7/1/18-6/30/19	218,618	(2,366)								(2,366)			(2,366)	
Total ESEA Title I					(2,366)	5,041	60		93,143	125,489		60	(62,920)	33,249		(29,671)	
Title II, Part A	84.367A	S367A210029	7/1/21-9/30/22	17,114					16,375	17,114			(739)			(739)	
Title II, Part A	84.367A	S367A190029	7/1/18-6/30/19	28,416	(7,457)								(7,457)			(7,457)	
Total ESEA Title II, Part A					(7,457)				16,375	17,114			(8,196)			(8,196)	
Title III	84.365	S365A210030	7/1/21-9/30/22	19,369					19,369	19,369							
Title III	84.365	S365A210030	7/1/20-9/30/21	25,080	(885)				885								
Title III	84.365	S365A180030	7/1/18-6/30/19	33,335	(5,477)								(5,477)			(5,477)	
Title III, Immigrant	84.365	S365A210030	7/1/20-9/30/21	9,573	(9,573)				9,573								
					(15,935)				29,827	19,369			(5,477)			(5,477)	
ESEA Title IV	84.424	S424A210031	7/1/21-9/30/22	15,028			3	3	9,339	10,178			(5,689)	4,853		(836)	
ESEA Title IV	84.424	S424A210031	7/1/20-9/30/21	15,120		3	(3)										
ESEA Title IV	84.424	S424A200031	7/1/19-9/30/20	12,758			69					69					
						3	69		9,339	10,178		69	(5,689)	4,853		(836)	
L.D.E.A. Part B, Basic Regular	84.027	H027A170100	7/1/21-9/30/22	152,534				1,444	\$ (1,444)	153,978	153,978						
L.D.E.A. Part B, Basic Regular	84.027	H027A190100	7/1/20-9/30/21	190,667	(1,444)	1,444	(1,444)	1,444									
L.D.E.A. Part B, Basic Regular	84.027	H027A180100	7/1/18-6/30/19	213,231	(80,903)								(80,903)			(80,903)	
L.D.E.A. Part B, APR Basic	84.027X	H027X210100	7/1/21-9/30/22	31,412					31,412	31,412							
L.D.E.A. Part B, Preschool	84.173	H173A200114	7/1/21-9/30/22	7,071				436	7,071	7,507							
L.D.E.A. Part B, Preschool	84.173	H173A200114	7/1/19-9/30/20	7,514		218	(436)		218								
L.D.E.A. ARP Preschool	84.173X	H173X210114	7/1/21-9/30/22	2,679						2,679			(2,679)			(2,679)	
Total Special Education Cluster IDEA					(82,347)	1,662			192,679	195,576			(83,582)			(83,582)	

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

EDGEWATER BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance, July 1, 2021			Carryover/ (Walkover) Amount Def. Rev.	Carryover/ (Walkover) Amount A/R	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years Balances	Balance, June 30, 2022			Memo GAAP Receivable
					(Account Receivable)	Deferred Revenue	Due to Grantor							(Account Receivable)	Deferred Revenue	Due to Grantor	
Elementary and Secondary School Emergency Relief (ESSER)																	
CARES Act	84.42SD	S425D200027	3/3/20-9/30/22	\$ 178,811	\$ (15,812)	\$ 20,812			\$ 15,812	\$ 16,513			\$ -	\$ 4,299	-		
Elementary and Secondary School Emergency Relief (ESSER II)																	
ESSER II	84.42SD	S425D210027	3/13/20-9/20/23	674,856	(674,856)	674,856			175,424	211,658			(499,432)	463,198		(36,234)	
Learning Acceleration	84.42SD	S425D210027	3/13/20-9/20/23	43,309	(43,309)	43,309			43,309	34,471			-	8,838		-	
Mental Health	84.42SD	S425D210027	3/13/20-9/20/23	45,000	(45,000)	45,000			45,000	42,352			-	2,648		-	
American Rescue Plan																	
ARP ESSER III	84.42SU	S425U210027	3/13/20-9/30/24	1,516,696									(1,516,696)	1,516,696		-	
Accelerated Learning Coach & Educator Support	84.42SU	S425U210027	3/13/20-9/30/24	107,549									(107,549)	107,549		-	
Evidence Based Summer Learning & Enrichment	84.42SU	S425U210027	3/13/20-9/30/24	40,000									(40,000)	40,000		-	
Evidence Based Comprehensive Beyond the School Day	84.42SU	S425U210027	3/13/20-9/30/24	40,000									(40,000)	40,000		-	
NJTSS Mental Health Support Staffing	84.42SU	S425U210027	3/13/20-9/30/24	45,000									(45,000)	45,000		-	
Total ESSER Cluster					(778,977)	783,977	-	-	279,545	304,994	-	-	(2,248,677)	2,228,228	-	(36,234)	
Coronavirus Relief Fund (CRF)																	
Coronavirus Relief Fund	21.019	N/A	3/1/20-12/31/21	55,192	-	-	-	-	-	-	-	292	-	-	292	-	-
					-	-	-	-	-	-	-	292	-	-	292	-	-
Total Special Revenue Fund					(887,082)	790,683	\$ 129	-	-	620,908	672,720	292	\$ 129	(2,414,541)	2,266,622	-	\$ (163,996)
U.S. Department of Homeland Security																	
General Fund																	
FEMA - Public Assistance Grant - COVID	97.036	N/A	N/A	52,809	-	-	-	-	52,809	52,809	-	-	-	-	-	-	-
Total General Fund					-	-	-	-	52,809	52,809	-	-	-	-	-	-	-
Total Federal Awards					\$ (929,510)	\$ 792,013	\$ 129	\$ -	\$ -	\$ 1,075,338	\$ 1,120,745	\$ 292	\$ 129	\$ (2,449,932)	\$ 2,267,320	-	\$ (199,387)

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

EDGEWATER BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2021	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Balance, June 30, 2022			Memo		
									(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education														
General Fund:														
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	\$ 925,673		\$ 856,394	\$ 925,673								\$ 925,673
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	759,285	\$ (51,843)	51,843					\$ (69,279)				-
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	45,596		42,184	45,596					(3,412)			45,596
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	45,596	(3,113)	3,113									-
Total State Aid Public Cluster				(54,956)	953,534	971,269				(72,691)				971,269
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	618,022		571,768	618,022				(46,254)				618,022
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	618,022	(42,198)	42,198									-
Nonpublic Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	47,560			47,560				(47,560)			\$ (47,560)	47,560
Nonpublic Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	41,470	(41,470)	41,470									-
Extraordinary Aid	21-495-034-5120-473	7/1/21-6/30/22	570,068			570,068				(570,068)				570,068
Extraordinary Aid	21-495-034-5120-473	7/1/20-6/30/21	425,302	(425,302)	425,302									-
On Behalf Payments														
TPAF Social Security	21-495-034-5094-003	7/1/21-6/30/22	357,182		337,579	357,182				(19,603)			(19,603)	357,182
TPAF Social Security	20-495-034-5094-003	7/1/20-6/30/21	282,348	(15,344)	15,344									-
TPAF Pension and OPEB														
Pension - NCGI Premium	22-495-034-5094-004	7/1/21-6/30/22	27,224		27,224	27,224								27,224
Pension Benefit Contribution	22-495-034-5094-002	7/1/21-6/30/22	1,929,590		1,929,590	1,929,590								1,929,590
Post Retirement Medical Benefit Contribution	22-495-034-5094-001	7/1/21-6/30/22	457,191		457,191	457,191								457,191
Long Term Disability Insurance	22-495-034-5094-004	7/1/21-6/30/22	1,295		1,295	1,295								1,295
Total General Fund				(579,270)	4,802,495	4,979,401				(756,176)			(67,163)	4,979,401
Special Revenue Fund:														
Safety Grant	Not Available	7/1/16-6/30/17	3,421	3,421	-	-					\$ 3,421			-
Schools Development Authority (SDA)														
Emergent and Capital Maintenance Needs			21,076		21,076	21,076								21,076
Auxiliary Services Chpt 192:														
English as Secondary Language	21-100-034-5120-067	7/1/20-6/30/21	5,329	5,329	-	-		5,329						-
Total Auxiliary Services (Chpt 192) Cluster				5,329	-	-		5,329						-
Handicapped Services Chpt 193:														
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	6,631		6,631								6,631	
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	3,720		3,720	2,139							1,581	2,139
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	5,104	1,823	-		\$ -	1,823						-
Total Handicapped Services (Chpt 193) Cluster				1,823	10,351	2,139		1,823					8,212	2,139
New Jersey Nonpublic Aid:														
Textbook Aid	22-100-034-5120-064	7/1/21-6/30/22	1,561		1,561	1,561								1,561
Nursing Services	22-100-034-5120-070	7/1/21-6/30/22	2,912		2,912	2,912								2,912
Nonpublic Technology	22-100-034-5120-373	7/1/21-6/30/22	1,092		1,092	1,092								1,092
Nonpublic Security	22-100-034-5120-084	7/1/21-6/30/22	4,550		4,550	4,144						406		4,144
Total Special Revenue Fund				10,573	41,542	32,924		7,152			3,421		8,618	32,924

EDGEWATER BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2021	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Balance, June 30, 2022			Memo	
									(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Agriculture													
Food Service:													
National School Lunch Program													
(State Share)	22-100-010-3350-023	7/1/21-6/30/22	\$ 7,314		\$ 6,649	\$ 7,314	\$ -	-	\$ (665)	-	-	\$ (665)	\$ 7,314
(State Share)	21-100-010-3350-023	7/1/20-6/30/21	3,955	\$ (980)	980	-	-	-	-	-	-	-	-
Total Food Service Fund				(980)	7,629	7,314	-	-	(665)	-	-	(665)	7,314
Debt Service Fund													
Type II Debt Service Aid	2-495-034-5120-075	7/1/21-6/30/22	61,471	-	61,471	61,471	-	-	-	-	-	-	61,471
New Jersey Schools Development Authority													
Capital Projects Fund													
Eleanor Van Gelder School Generator	1270-050-14-1008-G04	N/A	176,500	(166,152)	163,727	-	2,425	-	-	-	-	-	166,152
Alyssa's Law School Security Grant	N/A	N/A	49,227	(20,930)	20,530	-	-	-	(28,697)	28,297	-	(400)	20,930
Total Capital Projects Fund				(187,082)	184,257	-	2,425	-	(28,697)	28,297	-	(400)	187,082
Total State Financial Assistance Subject to Single Audit Determination				\$ (756,759)	\$ 5,097,394	\$ 5,081,110	\$ 2,425	\$ 7,152	\$ (785,538)	\$ 31,718	\$ 8,618	\$ (68,228)	\$ 5,268,192
State Financial Assistance													
Not Subject to Major Program Determination													
General Fund													
On-Behalf TPAF Pension System													
Contributions-NCGI	22-100-034-5094-004	7/1/21-6/30/22			(27,224)	(27,224)							(27,224)
On-Behalf TPAF Pension System													
Contributions- Normal	22-100-034-5094-002	7/1/21-6/30/22			(1,929,590)	(1,929,590)							(1,929,590)
On-Behalf TPAF Post-Retirement Medical													
Contribution	22-100-034-5094-001	7/1/21-6/30/22			(457,191)	(457,191)							(457,191)
On-Behalf TPAF Long Term													
Disability Insurance	22-100-034-5094-004	7/1/21-6/30/22	-	-	(1,295)	(1,295)	-	-	-	-	-	-	(1,295)
Total State Financial Assistance Subject to Major Program Determination				\$ (756,759)	\$ 2,682,094	\$ 2,665,810	\$ 2,425	\$ 7,152	\$ (785,538)	\$ 31,718	\$ 8,618	\$ (68,228)	\$ 2,852,892

**EDGEWATER BOARD OF EDUCATION
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 Edgewater Board of Education. 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 \$166,557 for the general fund and an increase of \$62,831 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	52,809	\$ 4,812,844	\$ 4,865,653
Special Revenue Fund	\$ 741,737	32,163	773,900
Capital Projects Fund			-
Debt Service Fund		61,471	61,471
Food Service Fund	395,216	7,314	402,530
Total Awards and Financial Assistance	<u>\$ 1,189,762</u>	<u>\$ 4,913,792</u>	<u>\$ 6,103,554</u>

**EDGEWATER BOARD OF EDUCATION
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

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$357,182 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 \$1,956,814, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$457,191 and TPAF Long-Term Disability Insurance in the amount of \$1,295 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 as 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.

**EDGEWATER BOARD OF EDUCATION
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 auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

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

2) Significant deficiencies identified that are not considered to be material weaknesses? X yes

Noncompliance material to basic financial statements noted? X yes

Federal Awards Section

Internal Control over major programs:

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

2) Significant deficiencies identified not considered to be material weaknesses? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? yes X no

Identification of major federal programs:

<u>AL Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027/84.173</u>	H027A/X60100/ H173A/X160114	<u>IDEA Part B, Basic/Preschool Cluster</u>
<u>84.425D/84.425U</u>	S425D/U200027	<u>ESSER - Program Cluster</u>

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

Auditee qualified as low-risk auditee? yes X no

**EDGEWATER BOARD OF EDUCATION
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 reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraph 5.18 of *Government Auditing Standards*.

Finding 2022-001

Our audit of year end open purchase orders in the General and Special Revenue Funds revealed certain purchase orders were not reviewed at year end for validity and proper classification as accounts payable or reserve for encumbrance.

Criteria or specific requirement:

Internal controls over year end closing procedures of open purchase orders.

Condition

Certain open purchase orders classified as accounts payable and encumbrances at June 30, 2022 were determined not to be valid and should have been cancelled or reclassified prior to the financial statement close-out at year end.

Context

Open purchase orders recorded in the General and Special Revenue Funds at June 30, 2022 totaling \$1,052,937 were determined to be invalid in the amount of \$272,471 or were not properly classified (accounts payable vs. encumbrance) at year end in the amount of \$780,466.

Effect

Financial statements do not properly reflect expenditures, liabilities and fund balances at year end.

Cause

Unknown.

Recommendation

Continued efforts be made to ensure open purchase orders are reviewed at year end for validity and proper classification and they be adjusted accordingly.

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.

**EDGEWATER BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part 2 – Schedule of Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraph 5.18 of *Government Auditing Standards*.

Finding 2022-002

Our audit of the general ledger account balances of the various funds revealed numerous adjusting journal entries were required to reconcile the Board's accounts with bank reconciliation balances, subsidiary reports and other supporting documentation.

Criteria or Specific Requirement

The State Department of Education's GAAP Technical Systems Manual.

Condition

Numerous adjusting journal entries were required to adjust the District's general ledger control account balances to agree to supporting subsidiary reports and records of the District's governmental and enterprise funds.

Questioned Costs

None.

Context

General ledger control account balances for cash, intergovernmental receivables, accounts payable, reserve for encumbrances, realized revenues and actual expenditures were not in agreement with supporting subsidiary reports and records.

Effect

General ledger control account balances do not accurately reflect balances and transactions as reflected in subsidiary reports and supporting records.

Recommendation

Internal control procedures over financial accounting and reporting be reviewed and enhanced to ensure general ledger account balances are reconciled to and in agreement with subsidiary reports and supporting records.

Views of Responsible Officials and Planned Corrective Action Plan

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

EDGEWATER BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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.

**EDGEWATER BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
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 STATE AWARDS

Finding 2022-003

Our audit of purchases and contract awards in excess of the bid and quote thresholds revealed the following as it related to compliance with the Public School Contracts Law:

- We noted payments to a vendor for technology supplies and equipment which exceeded the bid threshold where no documentation was provided to support purchases were made through a public bid process, state contract or cooperative purchasing program.
- Our audit revealed two instances where purchases and contract awards in excess of the bid threshold from cooperative purchasing program vendors that were not approved in the minutes.
- We noted cooperative purchasing program contract award information was not on file in the District and not being reviewed to ensure amounts invoiced were goods or services and prices in the approved cooperative purchasing program award.
- We noted payments made for several goods and services which exceeded the quote threshold, however competitive quotations were not provided for audit.

State Program Information

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

Criteria or Specific Requirement

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

Condition

Purchase of various goods and services were made which were not procured in accordance with the procedures specified in the Public School Contracts Law.

Questioned Costs

Unknown.

**EDGEWATER BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
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 STATE AWARDS

Finding 2022-003 (Continued)

Context

- Purchases tested for technology supplies and equipment totaled \$90,309 in fiscal year 2022 where no documentation was available to support compliance with Public School Contracts Law.
- Two (2) vendors tested with purchases made through cooperative purchasing programs that exceed the bid threshold were not approved by Board resolution in the minutes. Vendor payments totaled \$334,180 for fiscal year 2022.
- Cooperative purchasing program contract award information was not on file in the District and therefore not reviewed to ensure goods or services purchased and prices paid were in agreement to the respective cooperative program approved contract award for four (4) vendors tested. Total vendor payment were \$419,771 for fiscal year 2022.
- In three (3) instances sampled competitive quotations do not appear to be sought for purchasing exceeded \$6,600.

Effect

Noncompliance with requirements of the Public School Contracts Law.

Cause

Purchases and contract awards were made that were not procured in accordance with the procedures required by State statute and regulation.

Recommendation

Continued efforts be made to ensure all contract awards and purchases that exceed the bid and quote thresholds are procured in accordance with the requirements of the Public School Contracts Law. In addition, cooperative purchasing program contract award documentation be maintained on file and verified to vendor invoices accordingly.

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.

**EDGEWATER BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT 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. OMB Circular A-133 (section .315(a)(b)) and New Jersey OMB's Circular 15-08.

Finding 2021-001

Condition

Certain open purchase orders classified as accounts payable and encumbrances at June 30, 2021 were determined not to be valid and should have been cancelled or reclassified prior to the financial statement close-out at year end.

Current Status

See Finding 2022-001.

Finding 2021-002

Condition

Original documentation to support quarterly IRS tax filings Form 941 for 2020 were not maintained on file. In addition, documentation to support quarterly IRS Form 941 submissions for 2020 did not agree to the annual W-3 Report with the IRS.

Current Status

Corrective action was taken.

Finding 2021-003

Condition

Student enrollment counts reported on the ASSA were not in agreement with District workpapers. In addition, documentation to support student count on District workpapers was not on file and available for audit.

Current Status

Corrective action was taken.