

CEDAR GROVE PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Cedar Grove, New Jersey

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

Cedar Grove Public Schools

Cedar Grove, New Jersey

For The Fiscal Year Ended June 30, 2023

Prepared by

Business Office

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INTRODUCTORY SECTION



Cedar Grove Public Schools

Anthony Grosso, Superintendent

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February 1, 2024

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Cedar Grove Public Schools (the "District") for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the district's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The district is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act (Uniform Guidance) as amended and the U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments and Non-Profit Organizations, and New Jersey OMB'S Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and Aid. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services to grade levels Pre-K through 12. These services include regular, vocational, special education, IDEA, and Non-Public School Programs in nursing services, auxiliary services and handicapped services. The district completed the 2022/2023 fiscal year with an enrollment of 1,563 students, which is 32 less students than the previous year's enrollment. The following chart details the changes in the average daily enrollment of the district over the last ten years.

1) REPORTING ENTITY AND ITS SERVICES: (Continued)

FISCAL YEAR	AVERAGE DAILY ENROLLMENT	CHANGE
2013/2014	1,650	.67%
2014/2015	1,651	.06%
2015/2016	1,614	-2.24%
2016/2017	1,599	-.93%
2017/2018	1,570	-1.81%
2018/2019	1,553	-1.08%
2019/2020	1,579	1.67%
2020/2021	1,568	-.69%
2021/2022	1,595	1.72%
2022/2023	1,563	-2%

2) ECONOMIC CONDITION AND OUTLOOK:

The financial condition of the Township of Cedar Grove has been strong in light of the weak economic condition of the northeast over the last seven years. The percentage of taxes collected each year has been consistently over 95% since 1988. The average assessed value of a home in Cedar Grove is \$473,000. In light of the 2% cap law put into place by the State of New Jersey upon school districts, the average property tax increase to a homeowner for education was \$111.20 in 2022/2023 which equates to an increase on average of approximately \$9.26 per month per household.

3) MAJOR INITIATIVES:

Several major initiatives captured our attention during the 2022/2023 school year:

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

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

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

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

Consistent with our 5-year curriculum plan, the district routinely reviews and revises all curricula. Thoughtful implementation of the Next Generation Science Standards (NGSS) remains a priority, as these standards call for further movement away from "sage on stage" instructional practices to more "guide on the side" learning. Covid-19 has forced the hand to engage in a long sought after 1:1 Chromebook initiative for

3) MAJOR INITIATIVES: (Continued)

our students in grades K-12, as not just a vision, but a necessity. The need to upgrade wireless services and device capacity through this crisis has allowed Cedar Grove School district to truly be a 1:1 device district. This technology upgrade will need sustainability for future impact on staff and students.

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

Recently, Cedar Grove developed a partnership with Universal Technical Institute in a Career and Technical Dual Enrollment program. This Dual Enrollment partnership between Cedar Grove Public Schools and Universal Technical Institute will allow interested and eligible students to acquire credit at Cedar Grove High School and Universal Technical Institute in the area and concentration in Automotive Education. This program will allow students to spend part of their school day on Cedar Grove High School's campus and Universal Technical Institute's campus in Bloomfield engaging in a hybrid program with hands-on technical experience.

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

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

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

3) MAJOR INITIATIVES: (Continued)

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

The state of mental health has become an increasingly important component to the success of our students; especially during COVID. The need to expand services to our students is predicated on the fact that the outcomes of the current crisis yields the needs for individualized support in each of our buildings. Therefore, the need of a counselor will be present at each of our individual school buildings focusing on the mental health practices for reentry and coping mechanisms for our students to successfully perform academically and acclimate socially and emotionally.

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

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

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

Our elementary staff has been entrenched in the process of providing our early childhood learners with the opportunities to develop fundamental skills in the area of reading. Therefore, this year, a phonics program that will help our K-3 students develop skills will be initiated and progress monitored. This investment in our children's education will yield academic opportunities in years to come and provide a more challenging repertoire for students as they move into the middle and high school years.

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

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

3) MAJOR INITIATIVES: (Continued)

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

4) INTERNAL ACCOUNTING CONTROLS:

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

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

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

5) BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reserves of fund balance at June 30, 2023.

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) DEBT ADMINISTRATION:

As of June 30, 2023, the District's outstanding debt consisted of \$18,281,000 in general obligation bonds to provide funds for capital improvements to the District's buildings and grounds. There are three bonds consisting of the total mentioned above, they are for bonds issued in 2012, 2016 and 2019.

8) CASH MANAGEMENT:

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

9) RISK MANAGEMENT:

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

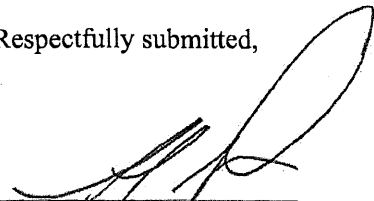
10) OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Bliss, LLP was appointed as auditor at the Board’s annual re-organizational meeting. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act (Uniform Guidance) as amended and related to OMB Circular A-133 and state Treasury Circular Letter 15-08 OMB. The auditor’s report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.


11) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Cedar Grove Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. Further, the preparation of this report could not have been accomplished without the efficient and dedicated services of the business office staff.

Respectfully submitted,

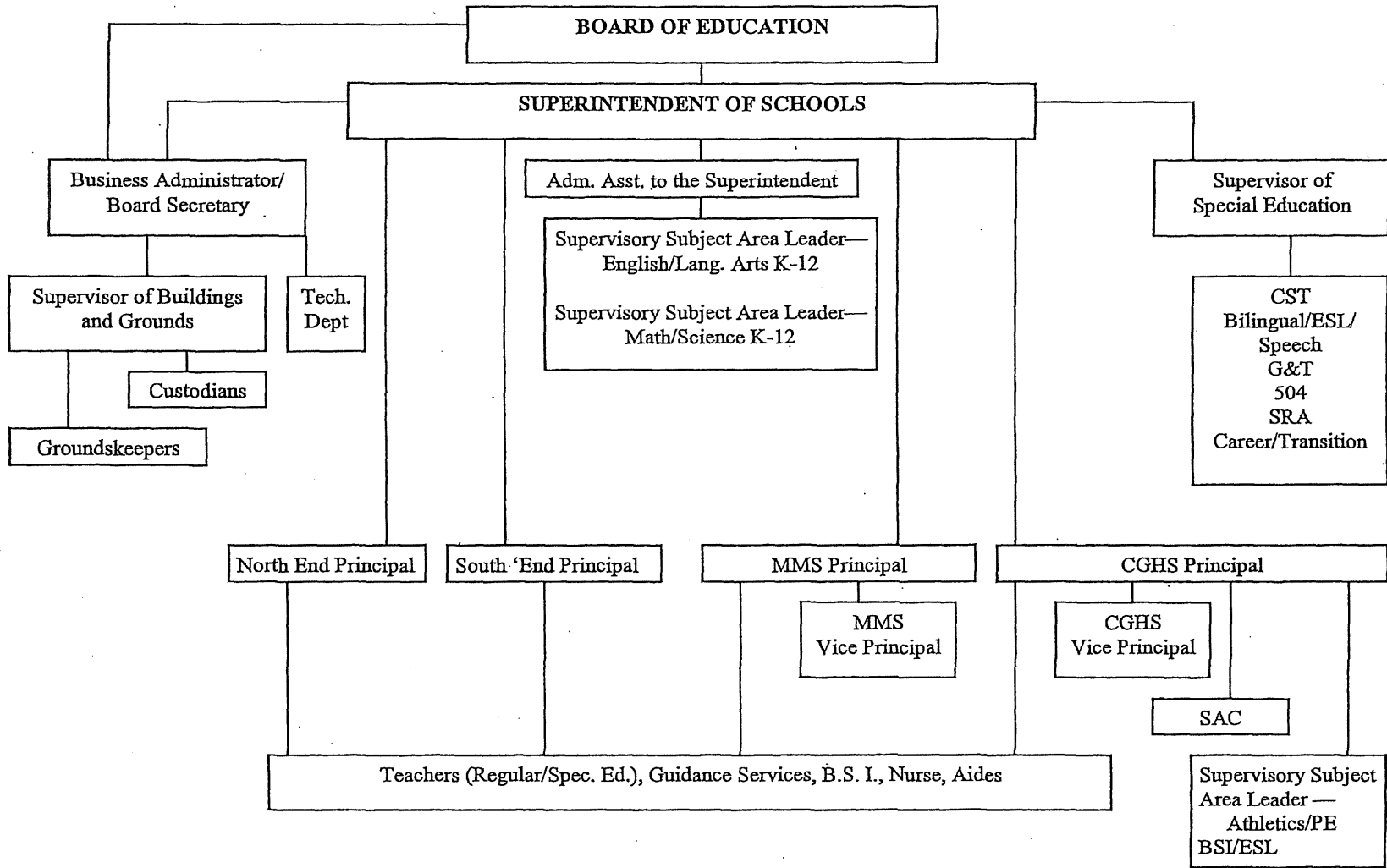


Anthony Grosso
Superintendent



Michael DeVita
Business Administrator/Board Secretary

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



CEDAR GROVE PUBLIC SCHOOLS

**ROSTER OF OFFICIALS
JUNE 30, 2023**

Members of the Board of Education	Term Expires
Mrs. Dawn Daura, Board President	2024
Mr. Lou Marzullo	2024
Mr. David Grande	2025
Mrs. Cienne Keegan	2025
Mr. Paul Palek, Jr.	2023

Other Officials

Mr. Anthony Grosso, Superintendent

Mr. Michael DeVita, Business Administrator/Board Secretary

Mrs. Lubna Muneer, Treasurer of School Monies

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

AUDIT FIRM

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

ATTORNEY

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

INSURANCE

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

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

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

ARCHITECT

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

RIGHT TO KNOW

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

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cedar Grove Public Schools, as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cedar Grove Public Schools as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

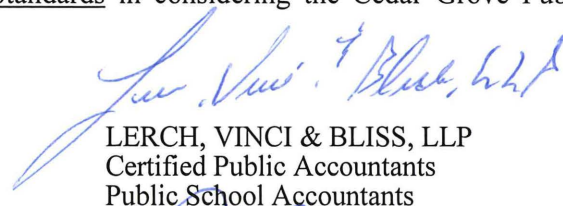
Other Information

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

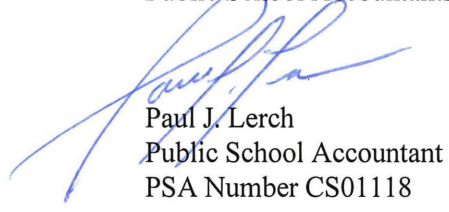
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If,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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 1, 2024 on our consideration of the Cedar Grove Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cedar Grove Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Cedar Grove Public Schools' internal control over financial reporting and compliance.



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
February 1, 2024

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

CEDAR GROVE PUBLIC SCHOOLS

Management's Discussion and Analysis

This section of Cedar Grove Public School's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 fiscal year include the following:

- The assets and deferred outflows of resources of the Cedar Grove Public Schools exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$16,660,062 (net position).
- Overall District revenues were \$44,141,375. General revenues accounted for \$33,982,150 or 77% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$10,159,225 of total revenues.
- The School District had \$40,333,862 in expenses for governmental activities; only \$9,376,514 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$33,978,175 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 \$8,220,507 an increase of \$1,050,543 when compared to the ending fund balance at June 30, 2022 of \$7,169,964.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$1,064,868 which represents a decrease of \$745,318 when compared to the ending unassigned fund balance at June 30, 2022 of \$1,810,186.

CEDAR GROVE PUBLIC SCHOOLS

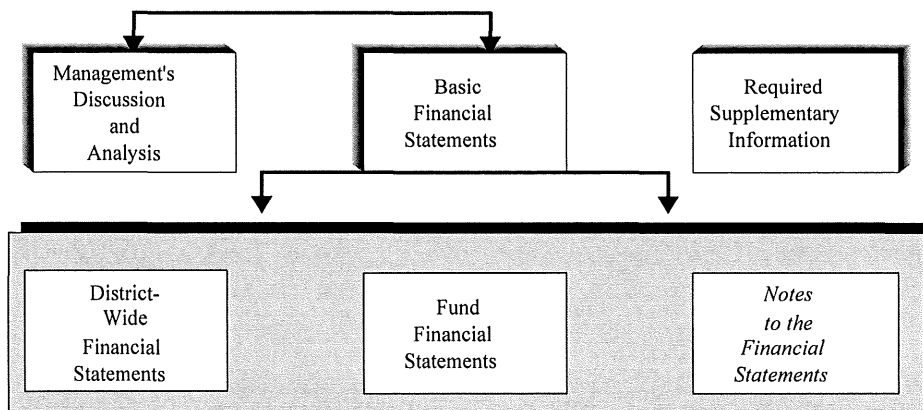
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



CEDAR GROVE PUBLIC SCHOOLS

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Major Features of the District-Wide and Fund Financial Statements

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

CEDAR GROVE PUBLIC SCHOOLS

Management's Discussion and Analysis

District-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

CEDAR GROVE PUBLIC SCHOOLS

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The District has two kinds of funds:

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

Notes to the Financial Statements

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

Other Information

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

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

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

CEDAR GROVE PUBLIC SCHOOLS

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$16,660,062 and \$13,464,681 as of June 30, 2023 and 2022, respectively, as shown below.

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

Net Position as of June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets						
Current and Other Assets	\$ 9,433,893	\$ 8,616,194	\$ 616,691	\$ 458,706	\$ 10,050,584	\$ 9,074,900
Capital Assets	<u>32,946,420</u>	<u>33,606,953</u>	<u>38,691</u>	<u>16,557</u>	<u>32,985,111</u>	<u>33,623,510</u>
Total Assets	<u>42,380,313</u>	<u>42,223,147</u>	<u>655,382</u>	<u>475,263</u>	<u>43,035,695</u>	<u>42,698,410</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	408,708	277,297			408,708	277,297
Deferred Amounts on Refunding of Debt	<u>-</u>	<u>3,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,519</u>
Total Deferred Outflows	<u>408,708</u>	<u>280,816</u>	<u>-</u>	<u>-</u>	<u>408,708</u>	<u>280,816</u>
Total Assets and Deferred Outflows	<u>42,789,021</u>	<u>42,503,963</u>	<u>655,382</u>	<u>475,263</u>	<u>43,444,403</u>	<u>42,979,226</u>
Liabilities						
Long-Term Liabilities	24,330,623	24,973,344			24,330,623	24,973,344
Other Liabilities	<u>1,359,508</u>	<u>1,611,290</u>	<u>83,956</u>	<u>78,391</u>	<u>1,443,464</u>	<u>1,689,681</u>
Total Liabilities	<u>25,690,131</u>	<u>26,584,634</u>	<u>83,956</u>	<u>78,391</u>	<u>25,774,087</u>	<u>26,663,025</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	<u>1,010,254</u>	<u>2,851,520</u>	<u>-</u>	<u>-</u>	<u>1,010,254</u>	<u>2,851,520</u>
Total Deferred Inflows	<u>1,010,254</u>	<u>2,851,520</u>	<u>-</u>	<u>-</u>	<u>1,010,254</u>	<u>2,851,520</u>
Total Liabilities and Deferred Inflows	<u>26,700,385</u>	<u>29,436,154</u>	<u>83,956</u>	<u>78,391</u>	<u>26,784,341</u>	<u>29,514,545</u>
Net Position						
Net Investment in Capital Assets	15,062,278	13,873,950	38,691	16,557	15,100,969	13,890,507
Restricted	4,775,355	3,591,317			4,775,355	3,591,317
Unrestricted	<u>(3,748,997)</u>	<u>(4,397,458)</u>	<u>532,735</u>	<u>380,315</u>	<u>(3,216,262)</u>	<u>(4,017,143)</u>
Total Net Position	<u>\$ 16,088,636</u>	<u>\$ 13,067,809</u>	<u>\$ 571,426</u>	<u>\$ 396,872</u>	<u>\$ 16,660,062</u>	<u>\$ 13,464,681</u>

CEDAR GROVE PUBLIC SCHOOLS

Management's Discussion and Analysis

The changes in net position for fiscal years ended 2023 and 2022 are as follows:

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues						
Charges for Services	\$ 606,501	\$ 478,409	\$ 611,525	\$ 238,663	\$ 1,218,026	\$ 717,072
Operating Grants and Contributions	8,738,650	9,845,118	171,186	738,934	8,909,836	10,584,052
Capital Grants and Contributions	31,363	-			31,363	-
General Revenues						
Property Taxes	31,936,138	31,319,723			31,936,138	31,319,723
State Aid	235,248	229,859			235,248	229,859
Miscellaneous	1,806,789	202,875	3,975	269	1,810,764	203,144
Total Revenues	<u>43,354,689</u>	<u>42,075,984</u>	<u>786,686</u>	<u>977,866</u>	<u>44,141,375</u>	<u>43,053,850</u>
Expenses						
Instruction						
Regular	15,919,415	15,469,064			15,919,415	15,469,064
Special Education	6,487,969	6,838,624			6,487,969	6,838,624
Other Instruction	213,846	293,539			213,846	293,539
School Sponsored Activities and Athletics	1,425,234	1,440,104			1,425,234	1,440,104
Support Services						
Student and Instruction Related Services	5,376,063	5,736,742			5,376,063	5,736,742
General Administration Services	1,048,747	1,166,613			1,048,747	1,166,613
School Administration Services	2,449,946	2,457,277			2,449,946	2,457,277
Plant Operation and Maintenance	4,034,317	3,629,179			4,034,317	3,629,179
Pupil Transportation	1,824,715	1,549,919			1,824,715	1,549,919
Business Services	1,165,698	938,001			1,165,698	938,001
Interest and Other Chgs on Long-Term Debt	387,912	432,079			387,912	432,079
Food Service/Other Business-Type Activities	-	-	612,132	695,230	612,132	695,230
Total Expenses	<u>40,333,862</u>	<u>39,951,141</u>	<u>612,132</u>	<u>695,230</u>	<u>40,945,994</u>	<u>40,646,371</u>
Change in Net Position	3,020,827	2,124,843	174,554	282,636	3,195,381	2,407,479
Net Position, Beginning of Year	<u>13,067,809</u>	<u>10,942,966</u>	<u>396,872</u>	<u>114,236</u>	<u>13,464,681</u>	<u>11,057,202</u>
Net Position, End of Year	<u>\$ 16,088,636</u>	<u>\$ 13,067,809</u>	<u>\$ 571,426</u>	<u>\$ 396,872</u>	<u>\$ 16,660,062</u>	<u>\$ 13,464,681</u>

CEDAR GROVE PUBLIC SCHOOLS

Management's Discussion and Analysis

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved significantly. However, maintaining existing programs with decreased enrollment, the provision of a multitude of special programs/services for disabled pupils, and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

Total and Net Cost of Governmental Activities. The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2023 and 2022.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction				
Regular	\$ 15,919,415	\$ 15,469,064	\$ 12,542,546	\$ 11,684,392
Special Education	6,487,969	6,838,624	3,186,727	3,798,735
Other Instruction	213,846	293,539	175,545	227,014
School Sponsored Activities and Athletics	1,425,234	1,440,104	999,637	948,969
Support Services				
Student and Instruction Related Services	5,376,063	5,736,742	4,330,046	4,261,692
General Administration	1,048,747	1,166,613	945,296	1,030,677
School Administration Services	2,449,946	2,457,277	2,158,269	2,018,910
Plant Operation and Maintenance	4,034,317	3,629,179	3,764,767	3,246,651
Pupil Transportation	1,824,715	1,549,919	1,473,437	1,207,978
Business Services	1,165,698	938,001	1,045,927	829,455
Interest and Other Charges on Long-Term Debt	387,912	432,079	335,151	373,141
Total	<u>\$ 40,333,862</u>	<u>\$ 39,951,141</u>	<u>\$ 30,957,348</u>	<u>\$ 29,627,614</u>

CEDAR GROVE PUBLIC SCHOOLS

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$8,220,507, an increase of \$1,050,543 from last year's fund balance of \$7,169,964.

Revenues for the District's governmental funds were \$45,587,417; total expenditures were \$44,655,678.

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

Revenues of the General Fund were \$41,826,030 for the fiscal year ended June 30, 2023. State sources amounts to \$9,712,394 and local sources were \$32,113,636.

Expenditures of the General Fund were \$40,889,166. Instructional expenditures were \$24,085,008 for support services were \$16,198,155, debt payments were \$22,750 and capital expenditures totaled \$583,253 for the fiscal year ended June 30, 2023.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal and State sources utilized in the operations of the district in providing educational services to students with special needs.

Revenues of the Special Revenue Fund were \$1,491,560 for the fiscal year ended June 30, 2023. State sources amounts to \$149,112, federal sources were \$1,013,064 and local sources were \$329,384.

Expenditures of the Special Revenue Fund were \$1,489,647. Instructional expenditures were \$1,064,394 for support services were \$393,890 and capital expenditures totaled \$31,363 for the fiscal year ended June 30, 2023.

Capital Projects - The capital projects expenditures and other financing uses exceeded revenues by \$11,952 decreasing the fund balance from \$408,810 at June 30, 2022 to \$396,858 at June 30, 2023.

Proprietary Funds

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

CEDAR GROVE PUBLIC SCHOOLS

Management's Discussion and Analysis

Enterprise Fund - The District uses Enterprise Funds to report activities related to the Food Services program, Summer Music Academy Program, 1:1 Initiative Chromebooks Program and the Summer Lego Program. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2022 encumbrances.
- Appropriation of Capital Reserve

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2023 and 2022 amounts to \$32,985,111 and \$33,623,510 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2022-2023 amounted to \$1,284,125 for governmental activities and \$2,065 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2023 and 2022.

	Governmental		Business- Type		Total	
	<u>Activities</u>		<u>Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 47,359	\$ 47,359			\$ 47,359	\$ 47,359
Construction in Progress	3,323,399	2,885,814			3,323,399	2,885,814
Site Improvements	112,350	131,996			112,350	131,996
Buildings	28,961,245	30,232,340			28,961,245	30,232,340
Machinery and Equipment	502,067	309,444	\$ 38,691	\$ 16,557	540,758	326,001
Total	<u>\$ 32,946,420</u>	<u>\$ 33,606,953</u>	<u>\$ 38,691</u>	<u>\$ 16,557</u>	<u>\$ 32,985,111</u>	<u>\$ 33,623,510</u>

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

CEDAR GROVE PUBLIC SCHOOLS

Management's Discussion and Analysis

LONG TERM LIABILITIES

At June 30, 2023, the District's long-term liabilities consisted of compensated absences payable of \$304,568, serial bonds of \$18,281,000, other financing agreements of \$163,804 and net pension liability of \$5,581,251 totaling \$24,330,623. This is in comparison to long-term liabilities at June 30, 2022 of \$24,973,344 or a decrease of \$642,721.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2022-2023 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Cedar Grove Public Schools, 520 Pompton Ave, Cedar Grove, NJ 07009.

BASIC FINANCIAL STATEMENTS

CEDAR GROVE PUBLIC SCHOOLS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 8,516,745	\$ 597,460	\$ 9,114,205
Receivables, net	915,541	6,490	922,031
Internal Balances	1,607	(1,607)	
Inventory		14,348	14,348
Capital Assets, net			
Not Being Depreciated	3,370,758		3,370,758
Being Depreciated	<u>29,575,662</u>	<u>38,691</u>	<u>29,614,353</u>
Total Assets	<u>42,380,313</u>	<u>655,382</u>	<u>43,035,695</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>408,708</u>	-	<u>408,708</u>
Total Deferred Outflows of Resources	<u>408,708</u>	-	<u>408,708</u>
Total Assets and Deferred Outflows of Resources	<u>42,789,021</u>	<u>655,382</u>	<u>43,444,403</u>
LIABILITIES			
Accounts Payable	729,710	83,956	813,666
Payroll Deductions Payable	38,603		38,603
Unearned Revenue	373,849		373,849
Accrued Interest Payable	146,122		146,122
Payable to Other Governments	71,224		71,224
Noncurrent Liabilities			
Due Within One Year	2,054,019		2,054,019
Due Beyond One Year	<u>22,276,604</u>	-	<u>22,276,604</u>
Total Liabilities	<u>25,690,131</u>	<u>83,956</u>	<u>25,774,087</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>1,010,254</u>	-	<u>1,010,254</u>
Total Deferred Inflows of Resources	<u>1,010,254</u>	-	<u>1,010,254</u>
Total Liabilities and Deferred Inflows of Resources	<u>26,700,385</u>	<u>83,956</u>	<u>26,784,341</u>
NET POSITION			
Net Investment in Capital Assets	15,062,278	38,691	15,100,969
Restricted for			
Maintenance	1,083,674		1,083,674
Capital Projects	3,257,353		3,257,353
Debt Service	777		777
Other Purposes	433,551		433,551
Unrestricted	<u>(3,748,997)</u>	<u>532,735</u>	<u>(3,216,262)</u>
Total Net Position	<u>\$ 16,088,636</u>	<u>\$ 571,426</u>	<u>\$ 16,660,062</u>

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

CEDAR GROVE PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 15,919,415	\$ 234,113	\$ 3,142,756		\$ (12,542,546)		\$ (12,542,546)
Special Education	6,487,969		3,301,242		(3,186,727)		(3,186,727)
Other Instruction	213,846		38,301		(175,545)		(175,545)
School Sponsored Activities and Athletics	1,425,234	253,974	171,623		(999,637)		(999,637)
Support Services							
Student and Instruction Related Services	5,376,063		1,046,017		(4,330,046)		(4,330,046)
General Administrative Services	1,048,747		103,451		(945,296)		(945,296)
School Administrative Services	2,449,946		291,677		(2,158,269)		(2,158,269)
Central Services	1,165,698		119,771		(1,045,927)		(1,045,927)
Plant Operations and Maintenance	4,034,317	102,614	135,573	\$ 31,363	(3,764,767)		(3,764,767)
Pupil Transportation	1,824,715	15,800	335,478		(1,473,437)		(1,473,437)
Interest and Other Charges on Long-Term Debt	387,912	-	52,761	-	(335,151)	-	(335,151)
Total Governmental Activities	40,333,862	606,501	8,738,650	31,363	(30,957,348)	-	(30,957,348)
Business-Type Activities							
Food Service	592,981	504,732	171,186			\$ 82,937	82,937
Other	19,151	106,793	-	-	-	87,642	87,642
Total Business-Type Activities	612,132	611,525	171,186	-	-	170,579	170,579
Total Primary Government	\$ 40,945,994	\$ 1,218,026	\$ 8,909,836	\$ 31,363	(30,957,348)	170,579	(30,786,769)
General Revenues							
Property Taxes, Levied for General Purposes, Net					29,959,455		29,959,455
Property Taxes Levied for Debt Service					1,976,683		1,976,683
State Aid Restricted for Debt Service Principal					235,248		235,248
Miscellaneous Income					1,806,789	3,975	1,810,764
Total General Revenues and Other Items					33,978,175	3,975	33,982,150
Change in Net Position					3,020,827	174,554	3,195,381
Net Position, Beginning of Year					13,067,809	396,872	13,464,681
Net Position, End of Year					\$ 16,088,636	\$ 571,426	\$ 16,660,062

FUND FINANCIAL STATEMENTS

**CEDAR GROVE PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 7,780,913	\$ 244,305	\$ 423,071	\$ 68,456	\$ 8,516,745
Receivables from Other Governments	143,958	471,583			615,541
Other Receivables	300,000				300,000
Due from Other Funds	93,509	-	-	-	93,509
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 8,318,380	\$ 715,888	\$ 423,071	\$ 68,456	\$ 9,525,795
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 595,061	\$ 132,659	\$ 1,990		\$ 729,710
Due to Other Funds	-	-	24,223	\$ 67,679	91,902
Payable to State Government	54,552	16,655			71,207
Payable to Federal Government		17			17
Payroll Deductions and Withholdings Payable	38,603				38,603
Unearned Revenue	5,000	368,849	-	-	373,849
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	693,216	518,180	26,213	67,679	1,305,288
Fund Balances					
Restricted Fund Balance					
Excess Surplus- Designated for Subsequent Year's Expenditures	801,882				801,882
Excess Surplus	1,186,121				1,186,121
Maintenance Reserve	883,674				883,674
Maintenance Reserve- Designated for Subsequent Year's Expenditures	200,000				200,000
Capital Reserve	3,257,353				3,257,353
Unemployment Compensation	235,843				235,843
Student Activities		123,159			123,159
Scholarships		74,549			74,549
Capital Projects			396,858		396,858
Debt Service				777	777
Assigned Fund Balance					
Year End Encumbrances Designated for Subsequent Year's Expenditures	548,533				548,533
	271,072				271,072
Unassigned Fund Balance	240,686	-	-	-	240,686
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	7,625,164	197,708	396,858	777	8,220,507
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 8,318,380	\$ 715,888	\$ 423,071	\$ 68,456	\$ 9,525,795

CEDAR GROVE PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023

Total Fund Balances (Exhibit B-1)	\$	8,220,507
<p>Amounts reported for governmental activities in the statement of net position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$54,012,655 and the accumulated depreciation is \$21,066,235.</p>		32,946,420
<p>Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and amortized over future years.</p>		
Deferred Outflows of Resources	\$	408,708
Deferred Inflows of Resources		<u>(1,010,254)</u>
		(601,546)
<p>The District has financed capital assets through the issuance of serial bonds, loans and long term-lease obligations. The interest accrual at year end is:</p>		
		(146,122)
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:</p>		
Bonds Payable, net of unamortized premium		(18,281,000)
Other Financing Agreements		(163,804)
Compensated Absences		(304,568)
Net Pension Liability		<u>(5,581,251)</u>
		<u>(24,330,623)</u>
Net Position of governmental activities (Exhibit A-1)	\$	<u>16,088,636</u>

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

CEDAR GROVE PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 29,959,455			\$ 1,976,683	\$ 31,936,138
Miscellaneous	<u>2,154,181</u>	<u>\$ 329,384</u>	<u>\$ 4,425</u>	<u>710</u>	<u>2,488,700</u>
Total - Local Sources	32,113,636	329,384	4,425	1,977,393	34,424,838
State Sources	9,712,394	149,112		288,009	10,149,515
Federal Sources	<u>-</u>	<u>1,013,064</u>	<u>-</u>	<u>-</u>	<u>1,013,064</u>
Total Revenues	<u>41,826,030</u>	<u>1,491,560</u>	<u>4,425</u>	<u>2,265,402</u>	<u>45,587,417</u>
EXPENDITURES					
Current					
Instruction					
Regular Instruction	16,320,407	394,140			16,714,547
Special Education Instruction	6,323,703	418,193			6,741,896
Other Instruction	221,545				221,545
School Sponsored Activities and Athletics	1,219,353	252,061			1,471,414
Support Services					
Student and Instructional Related Services	5,231,289	393,890			5,625,179
General Administrative Services	1,075,852		2,976		1,078,828
School Administrative Services	2,605,539				2,605,539
Central Services	1,226,196				1,226,196
Plant Operations and Maintenance	4,322,726				4,322,726
Pupil Transportation	1,736,553				1,736,553
Debt Service					
Principal	20,000			1,850,000	1,870,000
Interest and Other Charges	2,750			414,913	417,663
Capital Outlay	<u>583,253</u>	<u>31,363</u>	<u>8,976</u>	<u>-</u>	<u>623,592</u>
Total Expenditures	<u>40,889,166</u>	<u>1,489,647</u>	<u>11,952</u>	<u>2,264,913</u>	<u>44,655,678</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>936,864</u>	<u>1,913</u>	<u>(7,527)</u>	<u>489</u>	<u>931,739</u>
OTHER FINANCING SOURCES (USES)					
Other Financing Proceeds	118,804				118,804
Transfers In	71,855				71,855
Transfers Out	<u>-</u>	<u>(67,430)</u>	<u>(4,425)</u>	<u>-</u>	<u>(71,855)</u>
Total Other Financing Sources and (Uses)	<u>190,659</u>	<u>(67,430)</u>	<u>(4,425)</u>	<u>-</u>	<u>118,804</u>
Net Change in Fund Balances	1,127,523	(65,517)	(11,952)	489	1,050,543
Fund Balance, Beginning of Year	<u>6,497,641</u>	<u>263,225</u>	<u>408,810</u>	<u>288</u>	<u>7,169,964</u>
Fund Balance, End of Year	<u>\$ 7,625,164</u>	<u>\$ 197,708</u>	<u>\$ 396,858</u>	<u>\$ 777</u>	<u>\$ 8,220,507</u>

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

CEDAR GROVE PUBLIC SCHOOLS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total net change in fund balances - governmental funds (Exhibit B-2) **\$ 1,050,543**

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

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

Capital Outlay	\$ 623,592	
Depreciation Expense	<u>(1,284,125)</u>	
		(660,533)

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

Amortization of Bond Premium	(3,519)	
Amortization of Deferred Amounts on Debt Refunding	14,332	
Other Financing Agreements	(118,804)	
Principal Repayments		
Bond Principal	1,850,000	
Lease Purchase Agreement Principal	<u>20,000</u>	
		1,762,009

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

Decrease in Pension Expense		849,870
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

The details are as follows:

Decrease in Accrued Interest		<u>18,938</u>
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Change in net position of governmental activities (Exhibit A-2) **\$ 3,020,827**

**CEDAR GROVE PUBLIC SCHOOLS
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2023**

ASSETS	Business-Type Activities		Total
	Food Service	Non-Major Enterprise Funds	
Current Assets			
Cash and Cash Equivalents	\$ 392,466	\$ 204,994	\$ 597,460
Receivables from Other Governments	6,490		6,490
Inventory	14,348	-	14,348
Total Current Assets	413,304	204,994	618,298
Non-Current Assets			
Equipment	136,366		136,366
Less: Accumulated Depreciation	(97,675)	-	(97,675)
Total Non-Current Assets	38,691	-	38,691
Total Assets	451,995	204,994	656,989
 LIABILITIES			
Current Liabilities			
Accounts Payable	83,336	620	83,956
Due to Other Funds	1,607	-	1,607
Total Current Liabilities	84,943	620	85,563
 NET POSITION			
Investment in Capital Assets	38,691		38,691
Unrestricted	328,361	204,374	532,735
Total Net Position	\$ 367,052	\$ 204,374	\$ 571,426

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

**CEDAR GROVE PUBLIC SCHOOLS
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Business-Type Activities</u>		<u>Total</u>
	<u>Food Service</u>	<u>Non-Major Enterprise Funds</u>	
OPERATING REVENUES			
Charges for Services			
Daily Sales - Program	\$ 121,190		\$ 121,190
Daily Sales - Non-program	383,542		383,542
Program Fees	-	\$ 106,793	106,793
Total Operating Revenues	<u>504,732</u>	<u>106,793</u>	<u>611,525</u>
OPERATING EXPENSES			
Cost of Sales - Reimbursable	80,417		80,417
Cost of Sales - Non-Reimbursable	151,188		151,188
Salaries, Benefits and Payroll Taxes	233,764	7,035	240,799
Insurance	20,705		20,705
Purchased Services	16,748	5,068	21,816
Supplies and Materials	46,994	7,048	54,042
Miscellaneous Expenses	727		727
Management Fee	40,373		40,373
Depreciation Expense	2,065	-	2,065
Total Operating Expenses	<u>592,981</u>	<u>19,151</u>	<u>612,132</u>
Operating Income/(Loss)	<u>(88,249)</u>	<u>87,642</u>	<u>(607)</u>
NONOPERATING REVENUES			
State Sources			
School Lunch Program	4,070		4,070
Federal Sources			
National School Lunch Program	77,541		77,541
Supply Chain Assistance Grant	85,337		85,337
Food Distribution Program - Non Cash	1,715		1,715
Interest Income	3,975		3,975
PPP Reimbursement	2,523	-	2,523
Total Nonoperating Revenues	<u>175,161</u>	<u>-</u>	<u>172,638</u>
Change in Net Position	86,912	87,642	174,554
Net Position, Beginning of Year	<u>280,140</u>	<u>116,732</u>	<u>396,872</u>
Net Position, End of Year	<u>\$ 367,052</u>	<u>\$ 204,374</u>	<u>\$ 571,426</u>

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

**CEDAR GROVE PUBLIC SCHOOLS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Business-Type Activities</u>		<u>Total</u>
	<u>Food Service</u>	<u>Non-Major Enterprise Funds</u>	
Cash Flows From Operating Activities			
Receipts from Customers	\$ 504,732	\$ 106,793	\$ 611,525
Payments for Employees' Salaries and Benefits	(233,764)	(7,035)	(240,799)
Payments to Suppliers for Goods and Services	<u>(347,250)</u>	<u>(11,576)</u>	<u>(358,826)</u>
Net Cash Provided (Used) By Operating Activities	<u>(76,282)</u>	<u>88,182</u>	<u>11,900</u>
Cash Flows From Non-Capital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursements	<u>221,026</u>	<u>-</u>	<u>221,026</u>
Net Cash Provided By Non-Capital Financing Activities	<u>221,026</u>	<u>-</u>	<u>221,026</u>
Cash Flows From Capital and Related Financing Activities			
Acquisition of Capital Assets	<u>(24,199)</u>	<u>-</u>	<u>(24,199)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(24,199)</u>	<u>-</u>	<u>(24,199)</u>
Cash Flows From Investing Activities			
Interest on Investments	<u>3,975</u>	<u>-</u>	<u>3,975</u>
Net Cash Provided By Investing Activities	<u>3,975</u>	<u>-</u>	<u>3,975</u>
Net Increase in Cash and Cash Equivalents	124,520	88,182	212,702
Cash and Cash Equivalents, Beginning of Year	<u>267,946</u>	<u>116,812</u>	<u>384,758</u>
Cash and Cash Equivalents, End of Year	<u>\$ 392,466</u>	<u>\$ 204,994</u>	<u>\$ 597,460</u>
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities:			
Operating Income (Loss)	\$ (88,249)	\$ 87,642	\$ (607)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By Operating Activities			
Food Distribution Program - Non Cash Assistance	1,715		1,715
Depreciation	2,065		2,065
(Increase)/ Decrease in Inventory	1,555		1,555
Increase/ (Decrease) in Accounts Payable	5,025	540	5,565
Increase/ (Decrease) in Due to Other Funds	<u>1,607</u>	<u>-</u>	<u>1,607</u>
Total Adjustments	<u>11,967</u>	<u>540</u>	<u>10,792</u>
Net Cash Provided/(Used) By Operating Activities	<u>\$ (76,282)</u>	<u>\$ 88,182</u>	<u>\$ 10,185</u>
NON CASH INVESTING, INVESTING CAPITAL AND FINANCING ACTIVITIES VALUE RECEIVE - FOOD DISTRIBUTION PROGRAM	\$ 1,715		

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

NOTES TO THE FINANCIAL STATEMENTS

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2023, the District adopted the following GASB statements:

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*. 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 99, *Omnibus 2022*. 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.

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

- 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.

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 funds and the food service enterprise fund to be major funds.

The District reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

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

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

Reclassifications

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Inventories (Continued)

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 except for intangible right-to-use leased assets and intangible right-to-use IT subscription assets. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

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

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

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has one type of item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Compensated Absences*

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

7. *Pensions*

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

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

8. *Financing Agreements*

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

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

9. *Long-Term Obligations*

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

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

CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2023 audited excess surplus that is required to be appropriated in the 2024/2025 original budget certified for taxes.

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

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

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

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

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *Net Position/Fund Balance (Continued)*

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

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

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

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

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

11. *Fund Balance Policies*

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

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

CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. *Fund Balance Policies (Continued)*

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2021-2022 and 2022-2023 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2022/2023. Also, during 2022/2023 the Board increased the original budget of the general fund by \$910,840 and the special revenue fund by \$646,139. The increases were funded by the additional appropriation of unassigned fund balance, capital reserve, maintenance reserve, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of unassigned fund balance of \$271,072 and capital reserve of \$235,100 from the general fund.

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

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022	\$ 2,492,453
Increased by:	
Deposits by Board Resolution	<u>1,000,000</u>
	3,492,453
Decreased by:	
Withdrawals Approved by Board Resolution	<u>235,100</u>
Balance, June 30, 2023	<u>\$ 3,257,353</u>

The June 30, 2023 LRFP balance of total costs of uncompleted capital projects is \$12,400,000. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$0 of the capital reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

C. Maintenance Reserve

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

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022	\$ 583,674
Increased by:	
Deposits by Board Resolution	<u>500,000</u>
 Balance, June 30, 2023	 <u>\$ 1,083,674</u>

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

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,885,604. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. \$200,000 of the maintenance reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2023 is \$1,988,003. Of this amount, \$801,882 was designated and appropriated in the 2023/2024 original budget certified for taxes and the remaining amount of \$1,186,121 is required to be appropriated in the 2024/2025 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2023, the book value of the Board's deposits were \$9,114,205 and bank and brokerage firm balances of the Board's deposits amounted to \$9,344,389. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 9,284,862
Uninsured and Collateralized	<u>59,527</u>
	<u>\$ 9,344,389</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, 2023 the Board's bank balance of \$59,527 was exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 9,284,862
Uninsured and Collateral held by pledging financial institution's trust department but not in the Board's Name	<u>59,527</u>
	<u>\$ 9,344,389</u>

Investments

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

As of June 30, 2023, 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.

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

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, 2023 for the district’s individual major funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts	\$ 300,000			\$ 300,000
Intergovernmental				
Federal		\$ 471,583	\$ 6,153	477,736
State	<u>143,958</u>	<u>-</u>	<u>337</u>	<u>144,295</u>
Gross Receivables	443,958	471,583	6,490	922,031
Less:				
Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 443,958</u>	<u>\$ 471,583</u>	<u>\$ 6,490</u>	<u>\$ 922,031</u>

C. Unearned Revenue

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

	<u>Unearned</u>
General Fund	
Preschool Tuition	\$ 5,000
Special Revenue Fund	
Unencumbered Grant Draw Downs	314,832
Grant Draw Downs Reserve for Encumbrances	<u>54,017</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 373,849</u>

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Balance, July 1, 2022	Increases	Adjustments	Balance, June 30, 2023
Governmental activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 47,359			\$ 47,359
Construction In Process	2,885,814	\$ 355,885	\$ 81,700	3,323,399
Total Capital Assets, Not Being Depreciated	<u>2,933,173</u>	<u>355,885</u>	<u>81,700</u>	<u>3,370,758</u>
Capital Assets, Being Depreciated:				
Land Improvements	559,985			559,985
Building and Building Improvements	46,910,889			46,910,889
Machinery and Equipment	2,985,016	267,707	(81,700)	3,171,023
Total Capital Assets Being Depreciated	<u>50,455,890</u>	<u>267,707</u>	<u>(81,700)</u>	<u>50,641,897</u>
Less Accumulated Depreciation for:				
Land Improvements	(427,989)	(19,646)		(447,635)
Building and Building Improvements	(16,678,549)	(1,189,395)		(17,867,944)
Machinery and Equipment	(2,675,572)	(75,084)	-	(2,750,656)
Total Accumulated Depreciation	<u>(19,782,110)</u>	<u>(1,284,125)</u>	<u>-</u>	<u>(21,066,235)</u>
Total Capital Assets, Being Depreciated, Net	<u>30,673,780</u>	<u>(1,016,418)</u>	<u>(81,700)</u>	<u>29,575,662</u>
Governmental Activities Capital Assets, Net	<u>\$ 33,606,953</u>	<u>\$ (660,533)</u>	<u>\$ -</u>	<u>\$ 32,946,420</u>

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
Business-type activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 112,167	\$ 24,199	-	\$ 136,366
Total Capital Assets Being Depreciated	<u>112,167</u>	<u>24,199</u>	<u>-</u>	<u>136,366</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(95,610)	(2,065)	-	(97,675)
Total Accumulated Depreciation	<u>(95,610)</u>	<u>(2,065)</u>	<u>-</u>	<u>(97,675)</u>
Total Capital Assets, Being Depreciated, Net	<u>16,557</u>	<u>22,134</u>	<u>-</u>	<u>38,691</u>
Business-Type Activities Capital Assets, Net	<u>\$ 16,557</u>	<u>\$ 22,134</u>	<u>\$ -</u>	<u>\$ 38,691</u>

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

Governmental activities:	
Instruction	
Regular	\$ 626,526
Special Education	154,690
Other Instruction	12,111
School-Sponsored Activities and Athletics	<u>42,588</u>
Total Instruction	<u>835,915</u>
Support Services	
Student and Instructional Related Services	173,287
General Administrative Services	23,427
School Administrative Services	99,855
Central Services	40,472
Pupil Transportation	1,633
Plant Operations and Maintenance	<u>109,536</u>
Total Support Services	<u>448,210</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,284,125</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 2,065</u>

**CEDAR GROVE PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2023:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Referendum Security and Safety Upgrades	\$ 2,894,790	\$ 56,639
Building Upgrades to High School	14,751,932	-
Improvements to Schools and Admin Buildings	11,695,881	-
	<u>\$ 29,342,603</u>	<u>\$ 56,639</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects	\$ 24,223
General Fund	Debt Service Fund	67,679
General Fund	Food Service Fund	<u>1,607</u>
		<u>\$ 93,509</u>

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

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

Interfund Transfers

	<u>Transfer Out:</u>		
	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Total</u>
Transfer In:			
General Fund	\$ 4,425	\$ 67,430	\$ 71,855
Total	<u>\$ 4,425</u>	<u>\$ 67,430</u>	<u>\$ 71,855</u>

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements

Other Financing Agreements

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

Other financing agreements at June 30, 2023 are comprised of the following:

\$112,493, Fiscal year 2020 Agreement for the purchase of chromebooks for a term of 5 years due in annual principal installments of \$20,000 to \$23,000 through 2025 interest at 5%	\$ 45,000
\$118,804, Fiscal year 2023 Agreement for the purchase of chromebooks for a term of 4 years due in annual principal installments of \$27,183 to \$32,019 through 2026 interest at 6.29%	<u>118,804</u>
	<u>\$ 163,804</u>

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Other Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 54,019	\$ 2,323	\$ 56,342
2025	50,183	6,034	56,217
2026	28,892	3,749	32,641
2027	<u>30,710</u>	<u>1,932</u>	<u>32,642</u>
Total	<u>\$ 163,804</u>	<u>\$ 14,038</u>	<u>\$ 177,842</u>

G. Long-Term Debt

General Obligation Bonds

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Bonds payable at June 30, 2023 are comprised of the following issues:

\$7,582,000, 2012 School Bonds, due in annual installments of \$497,000 to \$500,000 through August 15, 2032, interest at 2.0%-2.5%	\$ 4,997,000
\$14,884,000, 2016 School Bonds, due in annual installments of \$1,215,000 to \$1,250,000 through August 15, 2032, interest at 2.0%-2.5%	11,134,000
\$2,964,000, 2019 School Bonds, due in annual installments of \$285,000 to \$325,000 through August 15, 2029, interest at 1.25%-2.0%	<u>2,150,000</u>
	<u>\$ 18,281,000</u>

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

Governmental Activities:

Fiscal Year Ended June 30,	Serial Bonds		Total
	Principal	Interest	
2024	\$ 2,000,000	\$ 369,663	\$ 2,369,663
2025	2,010,000	329,563	2,339,563
2026	2,025,000	289,213	2,314,213
2027	2,035,000	248,613	2,283,613
2028	2,065,000	207,300	2,272,300
2029-2033	<u>8,146,000</u>	<u>399,920</u>	<u>8,545,920</u>
	<u>\$ 18,281,000</u>	<u>\$ 1,844,272</u>	<u>\$ 20,125,272</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2023 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 101,144,474
Less: Net Debt Issued and Authorized but Not Issued	<u>18,282,535</u>
Remaining Borrowing Power	<u>\$ 82,861,939</u>

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

	Balance, <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2023</u>	Due Within <u>One Year</u>
Governmental activities:					
Bonds Payable	\$ 20,131,000		\$ 1,850,000	\$ 18,281,000	\$ 2,000,000
Deferred Amounts					
Add: Original Issue Premium	<u>14,332</u>	<u>-</u>	<u>14,332</u>	<u>-</u>	<u>-</u>
Total Bonds Payable	20,145,332	-	1,864,332	18,281,000	2,000,000
Other Financing Agreements	65,000	\$ 118,804	20,000	163,804	54,019
Compensated Absences	304,568	-	-	304,568	-
Net Pension Liability	<u>4,458,444</u>	<u>1,589,181</u>	<u>466,374</u>	<u>5,581,251</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 24,973,344</u>	<u>\$ 1,707,985</u>	<u>\$ 2,350,706</u>	<u>\$ 24,330,623</u>	<u>\$ 2,054,019</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	None	\$ 22,408	\$ 2,897	\$ 41,139	\$ 235,843
2022	None	31,093	261	-	251,677
2021	None	27,225	263	27,225	220,324

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, 2023, 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, 2023, the District has not estimated its arbitrage earnings due to the IRS, if any.

**CEDAR GROVE PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

The following represent the membership tiers for TPAF:

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

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

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

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

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

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

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

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

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

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

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of the total pension liability is 62.91%. The collective net pension liability of the State funded TPAF at June 30, 2022 is \$51.7 billion and the plan fiduciary net position as a percentage of total pension liability is 32.29%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2023.

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2023 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 2023, 2022 and 2021 were equal to the required contributions.

During the fiscal years ended June 30, 2023, 2022 and 2021 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>
2023	\$ 474,206	\$ 4,826,370	\$ 6,236
2022	440,751	4,863,538	4,018
2021	404,204	3,469,487	3,361

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$2,166, \$2,025 and \$2,252, 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 \$984,624 during the fiscal year ended June 30, 2023 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2021 through June 30, 2022. 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, 2022 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2022.

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$5,581,251 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the District’s proportionate share was 0.03698 percent, which was a decrease of 0.00066 percent from its proportionate share measured as of June 30, 2021 of 0.03764 percent.

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$375,664 for PERS. The pension contribution made by the District during the current 2022/2023 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, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. 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, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 40,283	\$ 35,524
Changes of Assumptions	17,292	835,734
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	231,003	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>120,130</u>	<u>138,996</u>
Total	<u>\$ 408,708</u>	<u>\$ 1,010,254</u>

At June 30, 2023, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2022	\$ (635,885)
2023	(315,268)
2024	(40,926)
2025	327,574
2026	62,959
Thereafter	<u>-</u>
	<u>\$ (601,546)</u>

**CEDAR GROVE PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022) 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, 2022 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%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2022. 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 percent, 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>7,170,273</u>	\$ <u>5,581,251</u>	\$ <u>4,228,930</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, 2022. A sensitivity analysis specific to the District’s net pension liability at June 30, 2022 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2021 through June 30, 2022. 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, 2022, the State's pension contribution was more than the actuarial determined amount.

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,617,650 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, 2023 the State's proportionate share of the net pension liability attributable to the District is \$60,107,116. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the District was .11650 percent, which was a decrease of .00062 percent from its proportionate share measured as of June 30, 2021 of .11712 percent.

**CEDAR GROVE PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75%-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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022) 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, 2022 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%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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>\$ 70,476,871</u>	<u>\$ 60,107,116</u>	<u>\$ 51,371,901</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, 2022. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2022 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

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

Plan Description and Benefits Provided

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

**CEDAR GROVE PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2021:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>151,669</u>
Total	<u>364,817</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.

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2022 is \$50.6 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2022 were determined based on actuarial valuations as of June 30, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the June 30, 2021 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 \$1.33 billion to the OPEB plan in fiscal year 2022.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2023, 2022 and 2021 were \$1,267,876, \$1,136,319 and \$1,087,283, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2021 through June 30, 2022. Nonemployer allocation percentages have been rounded for presentation purposes.

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

**CEDAR GROVE PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,177,824. 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, 2023 the State’s proportionate share of the OPEB liability attributable to the District is \$51,804,541. 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, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state’s share of the OPEB liability attributable to the District was 0.10000 percent, which was a decrease of .00012 percent from its proportionate share measured as of June 30, 2021 of .10012 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55% Based on Years of Service	2.75% to 4.25% Based on Years of Service

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

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

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023 , increasing to 15.19% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. 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, 2023 (measurement date June 30, 2022) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2021 Measurement Date	\$ <u>62,248,487</u>
Changes Recognized for the Fiscal Year:	
Service Cost	3,257,893
Interest on the Total OPEB Liability	1,372,877
Differences Between Expected and Actual Experience	138,568
Changes of Assumptions	(13,897,033)
Gross Benefit Payments	(1,359,876)
Contributions from the Member	43,625
Changes in Benefits	<u>-</u>
Net Changes	<u>(10,443,946)</u>
Balance, June 30, 2022 Measurement Date	\$ <u><u>51,804,541</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

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, 2022.

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 3.54%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54% percent) or 1-percentage-point higher (4.54% percent) than the current rate:

	1% Decrease <u>(2.54%)</u>	Current Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 60,890,789</u>	<u>\$ 51,804,541</u>	<u>\$ 44,522,368</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>\$ 42,819,620</u>	<u>\$ 51,804,541</u>	<u>\$ 63,606,781</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022 were not provided by the pension system.

F. Tax Abatements

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

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

F. Tax Abatements (Continued)

For the year ended December 31, 2022, the Borough provided property tax abatements through the Long Term Tax Exemption Law (the "LTTE Law").

- The Long Term Tax Exemption Law (NJSA 40A:20 et. seq.) is focused on broad areas of redevelopment. It allows for a longer abatement term to carry out a larger development plan through declaring an area as being "in need of redevelopment". These long-term property abatements may last up to 30 years from completion of a project or 35 years from execution of the financial agreement. The process is initiated when the municipality passes a resolution calling for the municipal planning board to study the need for designating an area "in need of redevelopment". Upon adopting the planning board's recommendations and formalizing the redevelopment area designation, a municipality adopts a redevelopment plan, engages redevelopment entities to carry out the plan, and may authorize long-term tax abatements in the process. Developers submit abatement applications to the governing body for review. The financial agreement is approved through adoption of a local ordinance. The agreement exempts a project from taxation, but requires a payment in lieu of taxes (PILOTs) to the District in an amount based generally on the cost of sending students to the Cedar Grove Public Schools. For the year ended December 31, 2022 the Borough abated property taxes totaling \$1,200,000 under the LTTE program of which all is the District's share.

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS

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

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

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

The Board has been awarded a total of \$2,291,268 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

CEDAR GROVE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 29,959,455		\$ 29,959,455	\$ 29,959,455	
Other Revenue from Local Governments	1,200,000		1,200,000	1,200,000	
Tuition from Individuals	71,500		71,500	59,301	\$ (12,199)
Tuition from Other LEA'S within the State	218,936		218,936	174,812	(44,124)
Transportation Fees from Individuals	10,000		10,000	15,800	5,800
Rents and Royalties	80,000		80,000	102,614	22,614
Unrestricted Miscellaneous Revenues	76,375	-	76,375	601,654	525,279
Total Revenues - Local Sources	31,616,266	-	31,616,266	32,113,636	497,370
State Sources					
Transportation Aid	284,386		284,386	284,386	-
Special Education Aid	1,476,147		1,476,147	1,476,147	-
Security Aid	57,017		57,017	57,017	-
Extraordinary Aid	300,000		300,000	645,529	345,529
Non-Public Transportation				45,552	45,552
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				984,624	984,624
On Behalf TPAF Pension System Contributions- (Non-Budgeted)- Pension Cost				4,760,326	4,760,326
(Non-Budgeted)- NCGI Premium				66,044	66,044
(Non-Budgeted)- LT Disability				2,166	2,166
(Non-Budgeted)- Pension Cost - Post Medical Cont.	-	-	-	1,267,876	1,267,876
Total State Sources	2,117,550	-	2,117,550	9,589,667	7,472,117
Federal Sources					
Medicaid	13,282	-	13,282	-	(13,282)
Total Federal Sources	13,282	-	13,282	-	(13,282)
Total Revenues	33,747,098	-	33,747,098	41,703,303	7,956,205
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers:					
Kindergarten	589,543	\$ 31,615	621,158	618,037	3,121
Grades 1 - 5	3,142,492	20,000	3,162,492	3,152,324	10,168
Grades 6 - 8	2,184,310	73,000	2,257,310	2,241,779	15,531
Grades 9 - 12	3,150,100	(69,000)	3,081,100	3,050,992	30,108
Home Instruction:					
Salaries of Teachers	20,000	-	20,000		20,000
Purchased Professional - Educational Services	6,000	3,105	9,105	4,844	4,261
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	1,840	-	1,840	390	1,450
Travel	274,043	(10,400)	263,643	211,416	52,227
General Supplies	217,077	(12,577)	204,500	135,163	69,337
Textbooks	32,450	7,545	39,995	29,585	10,410
Other Objects	1,900	-	1,900	71	1,829
(Non-Budgeted) - Other Financing Agreement	-	-	-	118,804	(118,804)
Total Instruction Regular Programs	9,619,756	43,287	9,663,043	9,563,405	99,638
Special Education					
Learning/Language Disabilities					
Salaries of Teachers	66,634	(6,000)	60,634	60,113	521
Other Salaries for Instruction	56,000	-	56,000	44,295	11,705
General Supplies	2,500	(1,907)	593	442	151
Total Learning/Language Disabilities	125,134	(7,907)	117,227	104,850	12,377

CEDAR GROVE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 55,934	\$ 3,500	\$ 59,434	\$ 55,934	\$ 3,500
Other Salaries for Instruction	214,387	(32,000)	182,387	175,633	6,754
Total Multiple Disabilities	270,321	(28,500)	241,821	231,567	10,254
Resource Room/Resource Center					
Salaries of Teachers	1,773,205	(35,710)	1,737,495	1,729,050	8,445
Other Salaries for Instruction	134,292	(30,575)	103,717	94,985	8,732
General Supplies	3,200	240	3,440	2,501	939
Total Resource Room/Resource Center	1,910,697	(66,045)	1,844,652	1,826,536	18,116
Preschool Disabilities - Full Time					
Salaries of Teachers	175,502	2,933	178,435	178,205	230
Other Salaries for Instruction	140,542	67,245	207,787	207,267	520
General Supplies	1,000	-	1,000	990	10
Total Preschool Disabilities - Full Time	317,044	70,178	387,222	386,462	760
Total Special Education	2,623,196	(32,274)	2,590,922	2,549,415	41,507
Basic Skills/Remedial					
Salaries of Teachers	65,609	125	65,734	65,734	-
General Supplies	3,500	(125)	3,375	484	2,891
Total Basic Skills/Remedial	69,109	-	69,109	66,218	2,891
Bilingual Education					
Salaries of Teachers	108,172	-	108,172	60,556	47,616
General Supplies	575	-	575	562	13
Total Bilingual Education	108,747	-	108,747	61,118	47,629
School Sponsored Co/Extra Curricular Activities					
Salaries	154,311	-	154,311	136,810	17,501
Supplies and Materials	27,930	3,219	31,149	30,382	767
Other Objects	2,000	200	2,200	1,991	209
Total School-Sponsored Co/Extra Curricular Activities	184,241	3,419	187,660	169,183	18,477
School Sponsored Athletics					
Salaries	428,883	1,136	430,019	429,089	930
Purchased Services	69,193	(6,286)	62,907	54,421	8,486
Supplies and Materials	70,980	8,932	79,912	73,995	5,917
Other Objects	18,068	-	18,068	12,369	5,699
Transfers to Cover Deficit (Agency Funds)	86,554	-	86,554	60,000	26,554
Total School Sponsored Athletics	673,678	3,782	677,460	629,874	47,586
Total Instruction	13,278,727	18,214	13,296,941	13,039,213	257,728

CEDAR GROVE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs - Within State - Regular	\$ 4,000	\$ 3,007	\$ 7,007	\$ 7,007	
Tuition to Other LEAs - Within State - Special	276,424	(129,967)	146,457	58,134	\$ 88,323
Tuition to County Voc. School District-Regular	9,126	2,791	11,917	11,917	-
Tuition to County Voc. School District-Special	41,689	(11,425)	30,264	22,178	8,086
Tuition to Priv. Sch. For the Disabled - Within State	2,056,996	(138,089)	1,918,907	1,913,722	5,185
	<u>2,388,235</u>	<u>(273,683)</u>	<u>2,114,552</u>	<u>2,012,958</u>	<u>101,594</u>
Attendance and Social Work					
Salaries	48,965	-	48,965	48,279	686
Residency Investigator	3,000	-	3,000		3,000
Purchased Professional/Technical Services	6,167	-	6,167	5,764	403
	<u>58,132</u>	<u>-</u>	<u>58,132</u>	<u>54,043</u>	<u>4,089</u>
Health Services					
Salaries	348,470	20,406	368,876	365,251	3,625
Purchased Professional and Technical Services	22,200	-	22,200	19,202	2,998
Other Purchased Services	100		100		100
Supplies and Materials	7,000	6,164	13,164	11,496	1,668
Other Objects	1,000	-	1,000	611	389
	<u>378,770</u>	<u>26,570</u>	<u>405,340</u>	<u>396,560</u>	<u>8,780</u>
Speech/Occupational Therapy/Physical Therapy and Related Services					
Salaries	455,960	(107,999)	347,961	328,753	19,208
Purchased Professional/Educational Services	191,000	236,006	427,006	425,546	1,460
Supplies and Materials	8,500	994	9,494	9,261	233
	<u>655,460</u>	<u>129,001</u>	<u>784,461</u>	<u>763,560</u>	<u>20,901</u>
Undistributed Expend.-Other Supp. Svcs.-Extraord. Serv.					
Salaries	682,710	(17,245)	665,465	622,971	42,494
Purchased Professional-Educational Services	124,700	43,608	168,308	138,614	29,694
Supplies and Materials	5,000	61	5,061	5,061	-
	<u>812,410</u>	<u>26,424</u>	<u>838,834</u>	<u>766,646</u>	<u>72,188</u>
Guidance Services					
Salaries of Other Professional Staff	556,609	(14,906)	541,703	494,319	47,384
Salaries of Secretarial and Clerical Assistants	58,163	-	58,163	56,833	1,330
Purchased Professional - Educational Services	19,500	(4,000)	15,500	12,925	2,575
Other Purchased Professional/Technical Services	27,918	-	27,918	23,443	4,475
Supplies and Materials	10,150	-	10,150	8,593	1,557
Other Objects	5,025	-	5,025	3,970	1,055
	<u>677,365</u>	<u>(18,906)</u>	<u>658,459</u>	<u>600,083</u>	<u>58,376</u>

CEDAR GROVE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Child Study Team					
Salaries of Other Professional Staff	\$ 467,592	\$ 8,980	\$ 476,572	\$ 476,572	
Salaries of Secretarial and Clerical Assistants	68,145	576	68,721	68,721	
Purchased Professional Educational Services	11,819	-	11,819	6,716	\$ 5,103
Other Purchased Services	2,500	-	2,500	1,968	532
Supplies and Materials	4,000	1,907	5,907	5,768	139
Other Objects	2,000	-	2,000	1,908	92
Total Other Support Services/Special	<u>556,056</u>	<u>11,463</u>	<u>567,519</u>	<u>561,653</u>	<u>5,866</u>
Improvement of Instruction					
Salaries of Other Professional Staff	12,600	-	12,600	10,640	1,960
Salaries of Secretarial and Clerical Assist.	20,246	-	20,246	19,677	569
Purchased Professional-Educational Services	500	-	500	-	500
Other Purchased Services	2,000	-	2,000	1,532	468
Supplies and Materials	6,825	15,805	22,630	22,630	-
Other Objects	13,000	(7,714)	5,286	5,286	-
Total Improvement of Instruction	<u>55,171</u>	<u>8,091</u>	<u>63,262</u>	<u>59,765</u>	<u>3,497</u>
Educational Media Services/ School Library					
Salaries	-	10,689	10,689	10,214	475
Purchased Professional/Technical Services	3,500	-	3,500	1,805	1,695
Supplies and Materials	15,250	-	15,250	9,433	5,817
Total Educational Media Services/ School Library	<u>18,750</u>	<u>10,689</u>	<u>29,439</u>	<u>21,452</u>	<u>7,987</u>
Instructional Staff Training Services					
Salaries of Supervisors of Instruction	121,668	-	121,668	118,365	3,303
Salaries of Secretarial and Clerical Assist.	7,954	-	7,954	7,730	224
Purchased Professional Educational Services	70,960	2,588	73,548	52,972	20,576
Other Purchased Professional/Technical Services	7,185	-	7,185	5,053	2,132
Other Purchased Services	-	-	-	-	-
Total Instructional Staff Training Services	<u>207,767</u>	<u>2,588</u>	<u>210,355</u>	<u>184,120</u>	<u>26,235</u>
Support Services General Administration					
Salaries	343,701	-	343,701	341,114	2,587
Legal Services	150,000	44,553	194,553	188,283	6,270
Audit Fees	48,350	2,059	50,409	50,409	-
Architectural/Engineering Services	30,000	22,058	52,058	20,970	31,088
Other Purchased Professional Services	32,000	9,675	41,675	40,748	927
Purchased Technical Services	2,000	-	2,000	789	1,211
Communications/Telephone	161,494	(18,000)	143,494	129,663	13,831
Miscellaneous Purchased Services	31,600	13,089	44,689	19,781	24,908
BOE Other Purchased Services	7,700	-	7,700	3,200	4,500
General Supplies	3,100	-	3,100	2,589	511
Miscellaneous Expenditures	9,000	-	9,000	6,739	2,261
BOE Membership Dues and Fees	22,450	(2,000)	20,450	18,220	2,230
Total Support Services General Administration	<u>841,395</u>	<u>71,434</u>	<u>912,829</u>	<u>822,505</u>	<u>90,324</u>

CEDAR GROVE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Support Services School Administration					
Salaries of Principals and Assistant Principals	\$ 861,987	\$ (2,725)	\$ 859,262	\$ 853,062	\$ 6,200
Salaries of Other Professional Staff	391,166	(10,000)	381,166	377,782	3,384
Salaries of Secretarial and Clerical Assist.	322,278	390	322,668	318,365	4,303
Purchased Professional and Technical Services	4,750	34,750	39,500	34,750	4,750
Other Purchased Services	10,000	(1,690)	8,310	-	8,310
Supplies and Materials	21,706	4,991	26,697	17,984	8,713
Other Objects	9,359	4,691	14,050	11,101	2,949
	<u>1,621,245</u>	<u>30,408</u>	<u>1,651,653</u>	<u>1,613,044</u>	<u>38,609</u>
Total Support Services School Administration					
Undistributed Expenditures - Central Services					
Salaries	378,062	(21,714)	356,348	354,366	1,982
Purchased Professional Services	21,476	41,943	63,419	63,419	-
Miscellaneous Purchased Services	500	-	500	-	500
Supplies and Materials	5,700	(1,515)	4,185	2,522	1,663
Miscellaneous Expenditures	6,690	12,585	19,275	17,364	1,911
	<u>412,428</u>	<u>31,299</u>	<u>443,727</u>	<u>437,671</u>	<u>6,056</u>
Total Undistributed Expenditures - Central Services					
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	248,775	12,133	260,908	259,744	1,164
Purchased Technical Services	40,050	20,214	60,264	60,264	-
Other Purchased Services	35,815	(8,910)	26,905	25,995	910
Supplies and Materials	35,000	20,634	55,634	45,413	10,221
Other Objects	850	-	850	-	850
	<u>360,490</u>	<u>44,071</u>	<u>404,561</u>	<u>391,416</u>	<u>13,145</u>
Total Undistributed Expenditures - Admin. Info. Technology					
Required Maintenance for School Facilities					
Salaries	96,608	12,164	108,772	108,772	-
Cleaning, Repair and Maintenance Services	231,522	90,686	322,208	280,292	41,916
General Supplies	39,700	(3,075)	36,625	34,321	2,304
	<u>367,830</u>	<u>99,775</u>	<u>467,605</u>	<u>423,385</u>	<u>44,220</u>
Total Required Maint for School Facilities					
Custodial Services					
Salaries	1,236,426	(55,443)	1,180,983	1,180,983	-
Salaries Non-Instructional Aides	115,076	32,024	147,100	147,100	-
Purchased Professional and Technical Services	64,705	143,775	208,480	124,097	84,383
Cleaning, Repair and Maintenance Services	24,600	(12,791)	11,809	7,032	4,777
Other Purchased Property Services	30,000	(8,878)	21,122	21,122	-
Insurance	266,970	735	267,705	267,705	-
Miscellaneous Purchased Services	1,000	-	1,000	292	708
General Supplies	93,915	17,133	111,048	96,627	14,421
Energy (Natural Gas)	171,000	48,159	219,159	201,798	17,361
Energy (Electricity)	320,000	(8,113)	311,887	309,102	2,785
Energy (Gasoline)	12,000	10,000	22,000	21,407	593
Other Objects	3,800	(300)	3,500	2,820	680
	<u>2,339,492</u>	<u>166,301</u>	<u>2,505,793</u>	<u>2,380,085</u>	<u>125,708</u>
Total Other Operations and Maint. of Plant					

CEDAR GROVE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Care and Upkeep of Grounds					
Salaries	\$ 230,797	\$ (7,674)	\$ 223,123	\$ 223,123	
Cleaning, Repair and Maintenance Services	115,050	79,405	194,455	163,310	\$ 31,145
General Supplies	16,500	11,194	27,694	16,704	10,990
Total Care and Upkeep of Grounds	<u>362,347</u>	<u>82,925</u>	<u>445,272</u>	<u>403,137</u>	<u>42,135</u>
Security					
Salaries		183,000	183,000	182,128	872
Purchased Professional/Technical Services	3,000	7,242	10,242	10,242	-
Cleaning, Repair and Maintenance Services	20,000	(5,980)	14,020	12,827	1,193
General Supplies	7,000	18,320	25,320	24,050	1,270
Other Objects	3,000	(3,000)	-	-	-
Total Security	<u>33,000</u>	<u>199,582</u>	<u>232,582</u>	<u>229,247</u>	<u>3,335</u>
Student Transportation Services					
Salaries of Non-instructional Aides	42,160	-	42,160	23,505	18,655
Salaries for Pupil Trans (Bet Home & Sch) - Reg.	19,107	(6,813)	12,294	1,263	11,031
Salaries for Pupil Trans (Bet Home & Sch) - Special	108,900	-	108,900	97,558	11,342
Other Purchased Professional and Technical Services	13,500	-	13,500	8,034	5,466
Transportation Supplies	9,750	6,000	15,750	13,304	2,446
Contr Serv-Aid in Lieu of Pymts-Non-Public Schools	144,000	(19,340)	124,660	117,678	6,982
Contr Serv(Bet Home &Sch)-Vend	284,144	63,732	347,876	347,876	-
Contr Serv(Oth. Than Bet Home &Sch)-Vend	150,119	(4,908)	145,211	140,071	5,140
Contr Serv(Special Education)-ESC & CTSA's	1,064,735	(124,988)	939,747	924,195	15,552
Total Student Transportation Services	<u>1,836,415</u>	<u>(86,317)</u>	<u>1,750,098</u>	<u>1,673,484</u>	<u>76,614</u>
Unallocated Employee Benefits					
Social Security Contribution	368,735	136,156	504,891	425,331	79,560
Other Retirement Contributions - PERS	472,489	(6,115)	466,374	466,374	-
Other Retirement Contributions - Regular	8,000	-	8,000	6,236	1,764
Workmen's Compensation	140,779	(9,340)	131,439	129,280	2,159
Health Benefits	5,837,090	(354,401)	5,482,689	5,279,886	202,803
Tuition Reimbursements	96,500	-	96,500	38,310	58,190
Other Employee Benefits	37,948	(1,638)	36,310	14,414	21,896
Total Unallocated Employee Benefits	<u>6,961,541</u>	<u>(235,338)</u>	<u>6,726,203</u>	<u>6,359,831</u>	<u>366,372</u>
Reimbursed TPAF Social Security Contributions- (Non-Budgeted)				984,624	(984,624)
On Behalf TPAF Pension System Contributions- (Non-Budgeted)- Pension Cost				4,760,326	(4,760,326)
(Non-Budgeted)- NCGI Premium				66,044	(66,044)
(Non-Budgeted)- LT Disability				2,166	(2,166)
(Non-Budgeted)- Pension Cost - Post Medical Cont.	-	-	-	1,267,876	(1,267,876)
Total TPAF Pension and Social Security Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,081,036</u>	<u>(7,081,036)</u>
Total Undistributed Expenditures	<u>20,944,299</u>	<u>326,377</u>	<u>21,270,676</u>	<u>27,235,681</u>	<u>(5,965,005)</u>
Total Current Expenditures	<u>34,223,026</u>	<u>344,591</u>	<u>34,567,617</u>	<u>40,274,894</u>	<u>(5,707,277)</u>

CEDAR GROVE PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures					
Special Education		\$ 2,999	\$ 2,999	\$ 2,999	-
Admin Info Technology	\$ 10,000	(10,000)	-	-	-
Plant Operations & Maintenance		19,688	19,688	19,688	-
School Buses - Regular	301,998	(98,406)	203,592	203,592	-
Grade 6-8 Equipment	-	10,065	10,065	10,065	-
Total Equipment	311,998	(75,654)	236,344	236,344	-
Facilities Acquisition and Construction Services					
Construction Services		641,900	641,900	346,909	\$ 294,991
Assessment for Debt Service on SDA Funding	31,019	-	31,019	31,019	-
Total Facilities Acquis. And Construction Services	31,019	641,900	672,919	377,928	294,991
Total Expenditures - Capital Outlay	343,017	566,246	909,263	614,272	294,991
Total Expenditures - General Fund	34,566,042	910,838	35,476,880	40,889,166	(5,412,286)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(818,944)	(910,838)	(1,729,782)	814,137	2,543,919
Other Financing Sources (Uses)					
Other Financing Agreements		-		118,804	118,804
Transfers In	-	-	-	71,855	71,855
Total Other Financing Sources (Uses)	-	-	-	190,659	190,659
Changes in Fund Balance	(818,944)	(910,838)	(1,729,782)	1,004,796	2,734,578
Fund Balance, Beginning of Year	7,444,550	-	7,444,550	7,444,550	-
Fund Balance, End of Year	\$ 6,625,606	\$ (910,838)	\$ 5,714,768	\$ 8,449,346	\$ 2,734,578
Recapitulation of Fund Balance					
Restricted Fund Balance:					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 801,882	
Excess Surplus				1,186,121	
Unemployment Reserve				235,843	
Maintenance Reserve				883,674	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				200,000	
Capital Reserve				3,257,353	
Assigned Fund Balance:					
Year-End Encumbrances				548,533	
Designated for Subsequent Year's Expenditures				271,072	
Unassigned Fund Balance:					
				1,064,868	
Budgetary Fund Balance				8,449,346	
Reconciliation to Governmental Fund Statements (GAAP)					
2022/2023 State Aid Payment Not Recognized on a GAAP Basis				178,653	
2022/2023 Extraordinary Aid Payments Not Recognized on a GAAP Basis				645,529	
Fund Balance per Governmental Funds (GAAP Basis)				\$ 7,625,164	

**CEDAR GROVE PUBLIC SCHOOLS
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local	\$ 79,153		\$ 79,153	\$ 334,649	\$ 255,496
State Sources	134,530		134,530	149,112	14,582
Federal Sources	<u>1,823,648</u>	<u>\$ 646,139</u>	<u>2,469,787</u>	<u>877,300</u>	<u>(1,592,487)</u>
Total Revenues	<u>2,037,331</u>	<u>646,139</u>	<u>2,683,470</u>	<u>1,361,061</u>	<u>(1,322,409)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	100,340	52,243	152,583	83,688	68,895
Purchased Professional/Educational Services	85,741	8,734	94,475	73,035	21,440
Purchased Professional/Technical Services	26,049	3,673	29,722	28,588	1,134
Tuition	438,121	41,574	479,695	479,695	-
General Supplies	69,601	296,435	366,036	140,961	225,075
Textbooks	10,152	2,586	12,738	11,631	1,107
Student Activities and Athletics (Non-Budget)	<u>79,153</u>	<u>-</u>	<u>79,153</u>	<u>247,511</u>	<u>(168,358)</u>
Total Instruction	<u>809,157</u>	<u>405,245</u>	<u>1,214,402</u>	<u>1,065,109</u>	<u>149,293</u>
Support Services					
Salaries of Other Professionals		4,555	4,555	4,480	75
Benefits		43,109	43,109	38,076	5,033
Purchased Professional/Educational Services	214,390	280,872	495,262	198,393	296,869
General Supplies		122,961	122,961	17,177	105,784
Scholarship Awards (Non-Budget)	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,550</u>	<u>(4,550)</u>
Total Support Services	<u>214,390</u>	<u>451,497</u>	<u>665,887</u>	<u>262,676</u>	<u>403,211</u>
Facilities Acquisition and Constructions Services					
Non-Instructional Equipment	<u>1,013,784</u>	<u>(210,603)</u>	<u>803,181</u>	<u>31,363</u>	<u>771,818</u>
Total Facilities & Acq. Services	<u>1,013,784</u>	<u>(210,603)</u>	<u>803,181</u>	<u>31,363</u>	<u>771,818</u>
Total Expenditures	<u>2,037,331</u>	<u>646,139</u>	<u>2,683,470</u>	<u>1,359,148</u>	<u>1,324,322</u>
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(67,430)</u>	<u>(67,430)</u>
Changes in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>(65,517)</u>	<u>(65,517)</u>
Fund Balances, Beginning of Year	<u>263,225</u>	<u>-</u>	<u>263,225</u>	<u>263,225</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 263,225</u>	<u>\$ -</u>	<u>\$ 263,225</u>	<u>\$ 197,708</u>	<u>\$ (65,517)</u>
Recapitulation of Fund Balance					
Scholarship				\$ 74,549	
Student Activities				<u>123,159</u>	
				<u>\$ 197,708</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**CEDAR GROVE PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

		General Fund <u>C-1</u>		Special Revenue Fund <u>C-2</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	\$ 41,703,303	(C-2)	\$ 1,361,061
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized, net of cancellations				
Encumbrances - June 30, 2022				184,516
Encumbrances - June 30, 2023				(54,017)
State Aid an Extraordinary Aid payment (2021/2022) recognized for GAAP purposes not recognized for budgetary statements		946,909		-
State Aid and Extraordinary Aid payments and (2022/2023) recognized for budgetary purposes, not recognized for GAAP statements		<u>(824,182)</u>		<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	(B-2)	<u>\$ 41,826,030</u>	(B-2)	<u>\$ 1,491,560</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	\$ 40,889,166	(C-2)	\$ 1,359,148
Difference- budget to GAAP				
Encumbrances for goods and services ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the goods and/or services are received for financial reporting purposes.				
June 30, 2022				184,516
June 30, 2023		<u>-</u>		<u>(54,017)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	(B-2)	<u>\$ 40,889,166</u>	(B-2)	<u>\$ 1,489,647</u>

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

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

Public Employees Retirement System

Last Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03698 %	0.03764 %	0.03694 %	0.03736 %	0.03700 %	0.03663 %	0.03644 %	0.03757 %	0.03630 %	0.03337 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,581,251	\$ 4,458,444	\$ 6,025,424	\$ 6,733,321	\$ 7,284,433	\$ 8,526,933	\$ 10,793,024	\$ 8,432,949	\$ 6,796,762	\$ 6,377,438
District's Covered Payroll	\$ 3,091,331	\$ 2,640,281	\$ 2,746,857	\$ 2,600,139	\$ 2,792,439	\$ 2,544,291	\$ 2,462,901	\$ 2,516,785	\$ 2,472,090	\$ 2,417,024
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	180.55% %	168.86% %	219.36 %	258.96 %	260.86 %	335.14 %	438.22 %	335.07 %	274.93 %	263.85 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.11%	40.14%	47.93%	52.08%	48.72%

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

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

Public Employees Retirement System

Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 474,206	\$ 440,752	\$ 404,204	\$ 363,492	\$ 368,947	\$ 339,340	\$ 325,655	\$ 322,972	\$ 303,826	\$ 253,448
Contributions in Relation to the Contractually Required Contribution	<u>474,206</u>	<u>440,752</u>	<u>404,204</u>	<u>363,492</u>	<u>368,947</u>	<u>339,340</u>	<u>325,655</u>	<u>322,972</u>	<u>303,826</u>	<u>253,448</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 3,188,887	\$ 3,091,331	\$ 2,640,281	\$ 2,746,857	\$ 2,600,139	\$ 2,792,439	\$ 2,544,291	\$ 2,462,901	\$ 2,516,785	\$ 2,472,090
Contributions as a Percentage of Covered Payroll	14.87% %	14.26% %	15.31% %	13.23% %	14.19% %	12.15% %	12.80% %	13.11% %	12.07% %	10.25% %

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

Teachers Pension and Annuity Fund

Last Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	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%	0%
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 60,107,116</u>	<u>\$ 56,308,502</u>	<u>\$ 74,185,330</u>	<u>\$ 67,249,047</u>	<u>\$ 70,296,467</u>	<u>\$ 71,077,199</u>	<u>\$ 84,172,007</u>	<u>\$ 65,033,212</u>	<u>\$ 55,282,496</u>	<u>\$ 52,042,007</u>
Total	<u>\$ 60,107,116</u>	<u>\$ 56,308,502</u>	<u>\$ 74,185,330</u>	<u>\$ 67,249,047</u>	<u>\$ 70,296,467</u>	<u>\$ 71,077,199</u>	<u>\$ 84,172,007</u>	<u>\$ 65,033,212</u>	<u>\$ 55,282,496</u>	<u>\$ 52,042,007</u>
District's Covered Payroll	\$ 13,320,952	\$ 12,822,977	\$ 12,742,493	\$ 12,683,739	\$ 14,121,163	\$ 11,542,690	\$ 11,300,735	\$ 10,675,322	\$ 10,558,001	\$ 10,269,239
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%	36.44%	22.33%	28.71%	33.64%	33.76%

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

**CEDAR GROVE PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Change of Benefit Terms: None.

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

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

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Six Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost	\$ 3,257,893	\$ 3,708,427	\$ 2,047,820	\$ 1,826,414	\$ 2,085,520	\$ 2,515,423
Interest on Total OPEB Liability	1,372,877	1,614,791	1,513,519	1,784,846	1,981,418	1,706,885
Changes of Benefit Terms	-	(66,256)	-	-	-	-
Differences Between Expected and Actual Experience	138,568	(11,784,245)	13,007,061	(6,118,788)	(6,679,852)	-
Changes of Assumptions	(13,897,033)	61,413	12,776,562	622,957	(5,153,647)	(7,112,505)
Gross Benefit Payments	(1,359,876)	(1,272,003)	(1,217,686)	(1,282,549)	(1,200,877)	(1,410,913)
Contribution from the Member	<u>43,625</u>	<u>41,282</u>	<u>36,908</u>	<u>38,018</u>	<u>41,504</u>	<u>51,953</u>
Net Change in Total OPEB Liability	(10,443,946)	(7,696,591)	28,164,184	(3,129,102)	(8,925,934)	(4,249,157)
Total OPEB Liability - Beginning	<u>62,248,487</u>	<u>69,945,078</u>	<u>41,780,894</u>	<u>44,909,996</u>	<u>53,835,930</u>	<u>58,085,087</u>
Total OPEB Liability - Ending	<u>\$ 51,804,541</u>	<u>\$ 62,248,487</u>	<u>\$ 69,945,078</u>	<u>\$ 41,780,894</u>	<u>\$ 44,909,996</u>	<u>\$ 53,835,930</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>51,804,541</u>	<u>62,248,487</u>	<u>69,945,078</u>	<u>41,780,894</u>	<u>44,909,996</u>	<u>53,835,930</u>
Total OPEB Liability - Ending	<u>\$ 51,804,541</u>	<u>\$ 62,248,487</u>	<u>\$ 69,945,078</u>	<u>\$ 41,780,894</u>	<u>\$ 44,909,996</u>	<u>\$ 53,835,930</u>
District's Covered Payroll	<u>\$ 16,412,283</u>	<u>\$ 15,463,258</u>	<u>\$ 15,489,350</u>	<u>\$ 15,283,878</u>	<u>\$ 16,913,602</u>	<u>\$ 14,086,981</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%

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

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

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

**CEDAR GROVE PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

**CEDAR GROVE PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ESEA			IDEA				ACSERS	ESSER II			ESSER III				Totals Page 2	Grand Totals
	Title I	Title IIA	Title IV	Basic	ARP Basic	Preschool	ARP Preschool		CRRSA ESSER II	Learning Acceleration	Mental Health	ARP ESSER III	Accelerated Learning	Evidence Based Summer	NJTSS Mental Health		
REVENUES																	
Miscellaneous - Local																	\$334,649
State Sources																	149,112
Federal Sources	\$ 25,560	\$ 5,653	\$ 3,707	\$ 436,053	\$ 2,163	\$ 17,888	\$ 158	\$ 88,323	\$ 11,790	\$ 18,282	\$ 45,000	\$ 143,473	\$ 63,882	\$ 118	\$ 15,250	-	877,300
Total Revenues	\$ 25,560	\$ 5,653	\$ 3,707	\$ 436,053	\$ 2,163	\$ 17,888	\$ 158	\$ 88,323	\$ 11,790	\$ 18,282	\$ 45,000	\$ 143,473	\$ 63,882	\$ 118	\$ 15,250	\$483,761	\$ 1,361,061
EXPENDITURES																	
Instruction:																	
Salaries of Teachers	\$ 14,263										\$ 29,425	\$ 40,000					\$ 83,688
Purchased Prof. Educational Services	-		\$ 3,707													\$ 69,328	73,035
Purchased Professional & Technical Services																28,588	28,588
Tuition				\$ 389,209	\$ 2,163			\$ 88,323									479,695
General Supplies	6,863			26,663			\$ 158			\$ 18,282			\$ 118				88,877
Textbooks																	11,631
Student Activities and Athletics	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	247,511
Total Instruction	21,126	-	3,707	415,872	2,163	-	158	88,323	-	18,282	29,425	40,000	-	118	-	445,935	1,065,109
Support Services																	
Salaries of Other Professionals	3,105	\$ 1,375															4,480
Employee Benefits	1,329										15,575	21,172					38,076
Purchased Professional Educational Services	-	4,278		20,181		\$ 17,888						81,250	\$ 59,546		\$ 15,250		198,393
General Supplies								\$ -	\$ 11,790			1,051	4,336				17,177
Scholarship Awards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,550	4,550
Total Support Services	4,434	5,653	-	20,181	-	17,888	-	-	11,790	-	15,575	103,473	63,882	-	15,250	4,550	262,676
Facilities Acquisition and Construction Services																	
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,363
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,363	31,363
Total Expenditures	25,560	5,653	3,707	436,053	2,163	17,888	158	88,323	11,790	18,282	45,000	143,473	63,882	118	15,250	481,848	1,359,148
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(67,430)
Change in Fund Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(65,517)
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	263,225
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 197,708

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CEDAR GROVE PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Ch. 192/193	Ch. 192/193 Handicapped Services				Non-Public Security	Non-Public Textbooks	Non-Public Nursing	Non-Public Technology	Student Activities/ Athletics	Scholarships	Filming	Local	Page 2 Totals
	Auxiliary Compensatory Education	Examination/ Classification	Supplemental Instruction	Corrective Speech										
REVENUES														
Miscellaneous - Local									\$ 252,462	\$ 1,512	\$ 26,889	\$ 53,786	\$ 334,649	
State Sources	\$ 38,247	\$ 16,302	\$ 9,664	\$ 5,115	\$ 39,565	\$ 11,631	\$ 21,611	\$ 6,977	-	-	-	-	149,112	
Total Revenues	<u>\$ 38,247</u>	<u>\$ 16,302</u>	<u>\$ 9,664</u>	<u>\$ 5,115</u>	<u>\$ 39,565</u>	<u>\$ 11,631</u>	<u>\$ 21,611</u>	<u>\$ 6,977</u>	<u>\$ 252,462</u>	<u>\$ 1,512</u>	<u>\$ 26,889</u>	<u>\$ 53,786</u>	<u>\$ 483,761</u>	
EXPENDITURES														
Instruction:														
Purchased Prof. Educational Services	\$ 38,247	\$ 16,302	\$ 9,664	\$ 5,115									\$ 69,328	
Purchased Prof. Technical Services							\$ 21,611	\$ 6,977					28,588	
General Supplies					\$ 39,565						\$ 26,889	\$ 22,423	88,877	
Textbooks						\$ 11,631							11,631	
Student Activities and Athletics	-	-	-	-	-	-	-	-	\$ 247,511	-	-	-	247,511	
Total Instruction	<u>38,247</u>	<u>16,302</u>	<u>9,664</u>	<u>5,115</u>	<u>39,565</u>	<u>11,631</u>	<u>21,611</u>	<u>6,977</u>	<u>247,511</u>	<u>-</u>	<u>26,889</u>	<u>22,423</u>	<u>445,935</u>	
Support Services														
Scholarship Awards	-	-	-	-	-	-	-	-	-	4,550	-	-	4,550	
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,550</u>	<u>-</u>	<u>-</u>	<u>4,550</u>	
Facilities Acquisition and Constructions Services														
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-	31,363	31,363	
Total Facilities & Acq. Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,363</u>	<u>31,363</u>	
Total Expenditures	<u>38,247</u>	<u>16,302</u>	<u>9,664</u>	<u>5,115</u>	<u>39,565</u>	<u>11,631</u>	<u>21,611</u>	<u>6,977</u>	<u>247,511</u>	<u>4,550</u>	<u>26,889</u>	<u>53,786</u>	<u>481,848</u>	
Transfers Out - Move Lease Account	-	-	-	-	-	-	-	-	-	(67,430)	-	-	(67,430)	
Change in Fund Balance - After Transfer	-	-	-	-	-	-	-	-	4,951	(70,468)	-	-	(65,517)	
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	118,208	145,017	-	-	263,225	
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,159</u>	<u>\$ 74,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 197,708</u>	

**CEDAR GROVE PUBLIC SCHOOLS
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOT APPLICABLE

**SPECIAL REVENUE FUND
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Balance July 1, 2022</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2023</u>
ELEMENTARY SCHOOLS				
Cedar Grove North End School	\$ 8,123	\$ 255	\$ 140	\$ 8,238
Cedar Grove South End School	<u>2,520</u>	<u>9,381</u>	<u>9,393</u>	<u>2,508</u>
Total Elementary Schools	<u>10,643</u>	<u>9,636</u>	<u>9,533</u>	<u>10,746</u>
MIDDLE SCHOOLS				
Cedar Grove Memorial School	<u>47,664</u>	<u>58,304</u>	<u>57,888</u>	<u>48,080</u>
SENIOR HIGH SCHOOL				
Cedar Grove High School Student Activities	<u>56,740</u>	<u>101,879</u>	<u>102,832</u>	<u>55,787</u>
OTHER				
Athletic Fund	<u>3,161</u>	<u>82,643</u>	<u>77,258</u>	<u>8,546</u>
TOTAL ALL SCHOOLS	<u>\$ 118,208</u>	<u>\$ 252,462</u>	<u>\$ 247,511</u>	<u>\$ 123,159</u>

CAPITAL PROJECTS FUND

**CEDAR GROVE PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2023</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Security and Safety Improvements to the Cedar Grove High School, North End and South End Elementary Schools and the Memorial Middle School - 2018/2019	\$ 2,964,816	\$ 2,885,814	\$ 8,976	\$ 70,026
Building Upgrades to the Cedar Grove High School North End and South End Elementary Schools and Upgrades to the Cedar Grove Athletic Facilities - 2014/2015	14,884,719	14,748,956	2,976	132,787
Improvements to the Elementary, High School, Middle School & Administration Building - 2010/2011	<u>11,891,461</u>	<u>11,695,881</u>	<u>-</u>	<u>195,580</u>
	<u>\$ 29,740,996</u>	<u>\$ 29,330,651</u>	<u>\$ 11,952</u>	<u>\$ 398,393</u>
Recapitulation:				
				\$ 398,393
				Less: Debt Authorized but not Issued- 2014 Project (719)
				Less: Debt Authorized but not Issued- 2018 Project <u>(816)</u>
				<u>\$ 396,858</u>
				Fund Balance, GAAP

**CEDAR GROVE PUBLIC SCHOOLS
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Revenues and Other Financing Sources

Interest Earned on Investments	\$ 4,425
Total Revenues and Other Financing Sources	4,425

Expenditures and Other Financing Uses

General Administration	
Legal Services	2,976
Capital Outlay	
Other Purchased Professional and Technical Services	6,986
Supplies	1,990
Transfer to General Fund	4,425
Total Expenditures and Other Financing Uses	16,377

Change in Fund Balance	(11,952)
Fund Balance, Beginning of Year - Budgetary Basis	408,810
Fund Balance, End of Year - Budgetary Basis	\$ 396,858
Fund Balance, End of Year - GAAP Basis	\$ 396,858

Recapitulation

Restricted for Capital Projects:

Year End Encumbrances	\$ 56,639
Available for Capital Projects	340,219
	\$ 396,858

**CEDAR GROVE PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
SECURITY AND SAFETY IMPROVEMENTS TO THE CEDAR GROVE HIGH SCHOOL, NORTH END
AND SOUTH END ELEMENTARY SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 2,964,000	-	\$ 2,964,000	\$ 2,964,816
Total Revenues and Other Financing Sources	<u>2,964,000</u>	<u>-</u>	<u>2,964,000</u>	<u>2,964,816</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	1,691,031	\$ 6,986	1,698,017	1,768,816
Facilities Acquisition and Construction Services	1,180,000	-	1,180,000	1,180,000
Supplies and Equipment	<u>14,783</u>	<u>1,990</u>	<u>16,773</u>	<u>16,000</u>
Total Expenditures and Other Financing Uses	<u>2,885,814</u>	<u>8,976</u>	<u>2,894,790</u>	<u>2,964,816</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 78,186</u>	<u>\$ (8,976)</u>	\$ 69,210	<u>\$ -</u>
		Authorized but not Issued	<u>816</u>	
			<u>\$ 70,026</u>	

Additional Project Information:

Bonds Authorization Date	10/2/2018
Bonds Authorized	\$ 2,964,816
Bonds Issued	2,964,000
Original Authorized Cost	\$ 2,964,816
Cancellation	-
Revised Authorized Cost	\$ 2,964,816
Change Order Percentage	
Percentage Completion	97%
Original Target Completion Date	6/30/2020
Revised Target Completion Date	6/30/2024

**CEDAR GROVE PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
BUILDING UPGRADES TO THE CEDAR GROVE HIGH SCHOOL, NORTH END AND SOUTH END
ELEMENTARY SCHOOLS AND UPGRADES TO THE CEDAR GROVE ATHELETIC FACILTHIES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 14,884,000	-	\$ 14,884,000	\$ 14,884,719
Total Revenues and Other Financing Sources	<u>14,884,000</u>	<u>-</u>	<u>14,884,000</u>	<u>14,884,719</u>
 Expenditures and Other Financing Uses				
Purchased Professional and Technical services	1,228,288	\$ 2,976	1,231,264	1,180,000
Facilities Acquisition and Construction Services	13,428,425		13,428,425	13,494,719
Cost of Bond Issuance	56,112		56,112	60,000
Supplies/Equipment	36,131	-	36,131	150,000
Total Expenditures and Other Financing Uses	<u>14,748,956</u>	<u>2,976</u>	<u>14,751,932</u>	<u>14,884,719</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 135,044</u>	<u>\$ (2,976)</u>	<u>\$ 132,068</u>	<u>\$ -</u>
		Authorized but not Issued	<u>719</u>	
		Project Balance	<u>\$ 132,787</u>	

Additional Project Information:

Bonds Authorization Date	12/9/2014
Bonds Authorized	\$ 14,884,719
Bonds Issued	\$ 14,884,000
Original Authorized Cost	\$ 14,884,719
Cancelled	-
Revised Authorized Cost	\$ 14,884,719
Change Order Percentage	N/A
Percentage Completion	99%
Original Target Completion Date	9/1/2016
Revised Target Completion Date	6/30/2024

**CEDAR GROVE PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
IMPROVEMENTS TO THE CEDAR GROVE HIGH SCHOOL, NORTH END AND SOUTH END
ELEMENTARY SCHOOLS AND LEONARD PARKS SCHOOL / ADMINISTRATION BUILDING
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Additional Project Information:

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

PROPRIETARY FUND

**CEDAR GROVE PUBLIC SCHOOLS
ENTERPRISE FUND - NON-MAJOR
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

	<u>Summer Music Academy</u>	<u>1:1 Initiative Chromebooks</u>	<u>Summer Lego</u>	<u>Total Non-Major Enterprise Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 3,554	\$ 130,305	\$ 71,135	\$ 204,994
Total Assets	<u>3,554</u>	<u>130,305</u>	<u>71,135</u>	<u>204,994</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	<u>-</u>	<u>400</u>	<u>220</u>	<u>620</u>
Total Current Liabilities	<u>-</u>	<u>400</u>	<u>220</u>	<u>620</u>
NET POSITION				
Unrestricted	<u>3,554</u>	<u>129,905</u>	<u>70,915</u>	<u>204,374</u>
Total Net Position	<u>\$ 3,554</u>	<u>\$ 129,905</u>	<u>\$ 70,915</u>	<u>\$ 204,374</u>

**CEDAR GROVE PUBLIC SCHOOLS
ENTERPRISE FUND - NON-MAJOR
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Summer</u> <u>Music Academy</u>	<u>1:1 Initiative</u> <u>Chromebooks</u>	<u>Summer</u> <u>Lego</u>	<u>Total</u> <u>Non-Major</u> <u>Enterprise Funds</u>
OPERATING REVENUES				
Charges for Services				
Program Fees	-	\$ 37,368	\$ 69,425	\$ 106,793
Total Operating Revenues	<u>-</u>	<u>37,368</u>	<u>69,425</u>	<u>106,793</u>
OPERATING EXPENSES				
Salaries			7,035	7,035
Purchased Services		4,393	675	5,068
General Supplies	-	4,153	2,895	7,048
Total Operating Expenses	<u>-</u>	<u>8,546</u>	<u>10,605</u>	<u>19,151</u>
Operating Income	<u>-</u>	<u>28,822</u>	<u>58,820</u>	<u>87,642</u>
Change in Net Position	-	28,822	58,820	87,642
Transfers	<u>-</u>	<u>(5,125)</u>	<u>5,125</u>	<u>-</u>
Change in Net Position after Transfer	-	23,697	63,945	87,642
Total Net Position, Beginning of Year	<u>\$ 3,554</u>	<u>106,208</u>	<u>6,970</u>	<u>116,732</u>
Total Net Position, End of Year	<u>\$ 3,554</u>	<u>\$ 129,905</u>	<u>\$ 70,915</u>	<u>\$ 204,374</u>

**CEDAR GROVE PUBLIC SCHOOLS
ENTERPRISE FUND - NON-MAJOR
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Summer</u>	<u>1:1 Initiative</u>	<u>Summer</u>	<u>Total</u>
	<u>Music Academy</u>	<u>Chromebooks</u>	<u>Lego</u>	<u>Non-Major</u>
				<u>Enterprise Funds</u>
Cash Flows from Operating Activities				
Cash Received from Customers		\$ 37,368	\$ 69,425	\$ 106,793
Cash Payments for Suppliers for Goods and Services	-	(8,146)	(10,465)	(18,611)
Net Cash Provided by (Used for) Operating Activities	-	29,222	58,960	88,182
Cash Flows from Other Financing Sources				
Transfers to Other Funds	-	(5,125)	5,125	-
Net Cash Provided by Investing Activities	-	(5,125)	5,125	-
Net Increase (Decrease) in Cash and Cash Equivalents	-	24,097	64,085	88,182
Cash and Cash Equivalents, Beginning of Year	\$ 3,554	106,208	7,050	116,812
Cash and Cash Equivalents, End of Year	<u>\$ 3,554</u>	<u>\$ 130,305</u>	<u>\$ 71,135</u>	<u>\$ 204,994</u>
Reconciliation of Operating Income (Loss) to				
Net Cash Provided by (Used for) Operating Activities				
Operating Income	\$ -	\$ 28,822	\$ 58,820	\$ 87,642
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities				
Changes in Assets and Liabilities				
Increase/(Decrease) in Accounts Payable	-	400	140	540
Total Adjustments	-	400	140	540
Net Cash Provided by (Used for) Operating Activities	<u>\$ -</u>	<u>\$ 29,222</u>	<u>\$ 58,960</u>	<u>\$ 88,182</u>

FIDUCIARY FUNDS
(Not Applicable)

LONG-TERM DEBT

**CEDAR GROVE PUBLIC SCHOOLS
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Annual Date</u>	<u>Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance June 30, 2023</u>
Refunding Bonds	5/24/2012	\$ 5,790,000				\$ 675,000		\$ 675,000	
Various Improvements	8/15/2012	\$ 7,582,000	8/15/2023-2031 8/15/2032	500,000 497,000	2%-2.5% 2.50%	5,272,000		275,000	\$ 4,997,000
Various Improvements	8/15/2016	\$ 14,884,000	8/15/2023 8/15/2024 8/15/2025-26 8/15/2027-30 8/15/2031	1,215,000 1,220,000 1,225,000 1,250,000 1,249,000	2.00% 2.00% 2.00% 2%-2.25% 2.50%	11,759,000		625,000	11,134,000
2019 School Bonds	8/15/2019	\$ 2,964,000	8/15/2023 8/15/2024 8/15/2025 8/15/2026 8/15/2027 8/15/2028-29	285,000 290,000 300,000 310,000 315,000 325,000	2.00% 2.00% 2.00% 2.00% 2.00% 2.00%	2,425,000	-	275,000	2,150,000
						<u>\$ 20,131,000</u>	<u>\$ -</u>	<u>\$ 1,850,000</u>	<u>\$ 18,281,000</u>

**CEDAR GROVE PUBLIC SCHOOLS
LONG-TERM DEBT
STATEMENT OF OBLIGATIONS UNDER OTHER FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2022</u>	<u>Issued</u>	<u>Payments</u>	<u>Balance, June 30, 2023</u>
Chromebooks - 2020	\$ 112,493	4.00%-5.00%	\$ 65,000		\$ 20,000	\$ 45,000
Chromebooks - 2023	\$ 118,804	6.29%	<u>-</u>	<u>\$ 118,804</u>	<u>-</u>	<u>118,804</u>
Total Other Financing Agreements			<u>\$ 65,000</u>	<u>\$ 118,804</u>	<u>\$ 20,000</u>	<u>\$ 163,804</u>

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 1,976,683		\$ 1,976,683	\$ 1,976,683	
Interest Income				710	\$ 710
State Sources					
State Aid	<u>288,009</u>	<u>-</u>	<u>288,009</u>	<u>288,009</u>	<u>-</u>
 Total Revenues	 <u>2,264,692</u>	 <u>-</u>	 <u>2,264,692</u>	 <u>2,265,402</u>	 <u>710</u>
EXPENDITURES					
Regular Debt Service					
Redemption of Principal	1,850,000		1,850,000	1,850,000	
Interest	<u>414,913</u>	<u>-</u>	<u>414,913</u>	<u>414,913</u>	<u>-</u>
 Total Expenditures	 <u>2,264,913</u>	 <u>-</u>	 <u>2,264,913</u>	 <u>2,264,913</u>	 <u>-</u>
 Change in Fund Balance	 (221)	 -	 (221)	 489	 710
 Fund Balance, Beginning of Year	 <u>288</u>	 <u>-</u>	 <u>288</u>	 <u>288</u>	 <u>-</u>
 Fund Balance, End of Year	 <u>\$ 67</u>	 <u>\$ -</u>	 <u>\$ 67</u>	 <u>\$ 777</u>	 <u>\$ 710</u>
Reserve for Future Debt Service				<u>\$ 777</u>	

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

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

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

	2014 (1)	2015	2016	2017	Fiscal Year Ended June 30,		2020	2021	2022	2023
	(Restated)				2018	2019	(Restated)			
Governmental Activities										
Net Investment in Capital Assets	\$ 10,674,082	\$ 10,928,501	\$ 13,251,792	\$ 11,390,785	\$ 11,757,662	\$ 12,169,821	\$ 10,465,825	\$ 11,976,547	\$ 13,873,950	\$ 15,062,278
Restricted	1,868,122	1,841,258	200,342	570,167	1,320,494	1,894,227	3,205,163	3,785,661	3,591,317	4,775,355
Unrestricted	<u>(4,482,439)</u>	<u>(4,690,435)</u>	<u>(5,606,658)</u>	<u>(6,170,503)</u>	<u>(6,651,388)</u>	<u>(6,619,841)</u>	<u>(4,721,880)</u>	<u>(4,819,242)</u>	<u>(4,397,458)</u>	<u>(3,748,997)</u>
Total Governmental Activities Net Position	<u>\$ 8,059,765</u>	<u>\$ 8,079,324</u>	<u>\$ 7,845,476</u>	<u>\$ 5,790,449</u>	<u>\$ 6,426,768</u>	<u>\$ 7,444,207</u>	<u>\$ 8,949,108</u>	<u>\$ 10,942,966</u>	<u>\$ 13,067,809</u>	<u>\$ 16,088,636</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 40						\$ 8,057	\$ 8,057	\$ 16,557	\$ 38,691
Unrestricted	<u>31,945</u>	<u>\$ 27,071</u>	<u>\$ 15,837</u>	<u>\$ 23,155</u>	<u>\$ 30,614</u>	<u>\$ 30,950</u>	<u>64,273</u>	<u>106,179</u>	<u>380,315</u>	<u>532,735</u>
Total Business-Type Activities Net Position	<u>\$ 31,985</u>	<u>\$ 27,071</u>	<u>\$ 15,837</u>	<u>\$ 23,155</u>	<u>\$ 30,614</u>	<u>\$ 30,950</u>	<u>\$ 72,330</u>	<u>\$ 114,236</u>	<u>\$ 396,872</u>	<u>\$ 571,426</u>
District-Wide										
Net Investment in Capital Assets	\$ 10,674,122	\$ 10,928,501	\$ 13,251,792	\$ 11,390,785	\$ 11,757,662	\$ 12,169,821	\$ 10,473,882	\$ 11,984,604	\$ 13,890,507	\$ 15,100,969
Restricted	1,868,122	1,841,258	200,342	570,167	1,320,494	1,894,227	3,205,163	3,785,661	3,591,317	4,775,355
Unrestricted	<u>(4,450,494)</u>	<u>(4,663,364)</u>	<u>(5,590,821)</u>	<u>(6,147,348)</u>	<u>(6,620,774)</u>	<u>(6,588,891)</u>	<u>(4,657,607)</u>	<u>(4,713,063)</u>	<u>(4,017,143)</u>	<u>(3,216,262)</u>
Total District Net Position	<u>\$ 8,091,750</u>	<u>\$ 8,106,395</u>	<u>\$ 7,861,313</u>	<u>\$ 5,813,604</u>	<u>\$ 6,457,382</u>	<u>\$ 7,475,157</u>	<u>\$ 9,021,438</u>	<u>\$ 11,057,202</u>	<u>\$ 13,464,681</u>	<u>\$ 16,660,062</u>

Source: District Financial Records

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

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

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-Type Activities:										
Charges For Services										
Food Service	\$ 308,247	\$ 338,146	\$ 304,705	\$ 309,993	\$ 302,603	\$ 298,488	\$ 209,929	\$ 1,668	\$ 185,683	\$ 504,732
Non-Major	-	-	12,887	20,052	17,600	13,120	46,735	41,267	52,980	106,793
Operating Grants And Contributions	31,707	1,070	-	-	-	-	-	-	738,934	171,186
Total Business Type Activities Program Revenues	339,954	339,216	317,592	330,045	320,203	311,608	256,664	42,935	977,597	782,711
Total District Program Revenues	\$ 3,947,399	\$ 6,868,060	\$ 8,462,241	\$ 10,865,301	\$ 12,315,618	\$ 10,306,972	\$ 9,474,961	\$ 12,708,662	\$ 20,039,774	\$ 10,159,225
Net (Expense)/Revenue										
Governmental Activities	\$ (25,032,351)	\$ (26,433,625)	\$ (26,875,627)	\$ (29,070,429)	\$ (28,170,678)	\$ (28,414,867)	\$ (29,208,162)	\$ (29,117,233)	\$ (20,888,964)	\$ (30,957,348)
Business-Type Activities	(7,131)	(5,065)	(13,560)	(3,884)	(2,033)	(519)	14,829	33,879	282,367	170,579
Total District-Wide Net Expense	\$ (25,039,482)	\$ (26,438,690)	\$ (26,889,187)	\$ (29,074,313)	\$ (28,172,711)	\$ (28,415,386)	\$ (29,193,333)	\$ (29,083,354)	\$ (20,606,597)	\$ (30,786,769)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, N	\$ 24,129,217	\$ 24,611,801	\$ 25,229,014	\$ 25,859,739	\$ 26,532,424	\$ 27,295,448	\$ 28,112,945	\$ 28,796,093	\$ 29,372,015	\$ 29,959,455
Taxes Levied For Debt Service	1,064,747	1,081,425	1,045,441	1,010,225	1,761,964	1,776,034	1,858,658	1,993,540	1,947,708	1,976,683
Unrestricted Grants And Contributions	-	31,114	34,020	48,937	50,075	4,914	-	-	-	-
Debt Service State Aid	-	-	-	-	244,432	189,263	137,519	237,955	229,859	235,248
Miscellaneous Income	629,218	728,744	335,484	107,492	227,099	166,647	91,106	91,503	202,875	1,806,789
Transfers and Other Items	-	-	(2,180)	(10,991)	(8,997)	-	(17,507)	(8,000)	-	-
Total Governmental Activities	25,823,182	26,453,084	26,641,779	27,015,402	28,806,997	29,432,306	30,182,721	31,111,091	31,752,457	33,978,175
Business-Type Activities:										
Investment Earnings	162	151	146	211	495	855	551	27	269	3,975
Transfers	-	-	2,180	10,991	8,997	-	26,000	8,000	-	-
Total Business-Type Activities	162	151	2,326	11,202	9,492	855	26,551	8,027	269	3,975
Total District-Wide	\$ 25,823,344	\$ 26,453,235	\$ 26,644,105	\$ 27,026,604	\$ 28,816,489	\$ 29,433,161	\$ 30,209,272	\$ 31,119,118	\$ 31,752,726	\$ 33,982,150
Change in Net Position										
Governmental Activities	\$ 790,831	\$ 19,459	\$ (233,848)	\$ (2,055,027)	\$ 636,319	\$ 1,017,439	\$ 974,559	\$ 1,993,858	\$ 10,863,493	\$ 3,020,827
Business-Type Activities	(6,969)	(4,914)	(11,234)	7,318	7,459	336	41,380	41,906	282,636	174,554
Total District	\$ 783,862	\$ 14,545	\$ (245,082)	\$ (2,047,709)	\$ 643,778	\$ 1,017,775	\$ 1,015,939	\$ 2,035,764	\$ 11,146,129	\$ 3,195,381

Source: District Financial Records

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020 (Restated)	2021	2022	2023
General Fund										
Restricted	\$ 3,406,879	\$ 3,359,468	\$ 3,436,866	\$ 2,221,032	\$ 2,785,886	\$ 3,508,242	\$ 4,475,161	\$ 5,141,779	\$ 4,958,630	\$ 6,564,873
Committed								51,670	-	-
Assigned	384,408	551,071	453,450	83,455	251,878	312,579	475,187	353,133	675,734	819,605
Unassigned	<u>461,658</u>	<u>203,868</u>	<u>345,330</u>	<u>335,248</u>	<u>221,796</u>	<u>225,250</u>	<u>183,371</u>	<u>810,717</u>	<u>863,277</u>	<u>240,686</u>
Total General Fund	<u>\$ 4,252,945</u>	<u>\$ 4,114,407</u>	<u>\$ 4,235,646</u>	<u>\$ 2,639,735</u>	<u>\$ 3,259,560</u>	<u>\$ 4,046,071</u>	<u>\$ 5,133,719</u>	<u>\$ 6,357,299</u>	<u>\$ 6,497,641</u>	<u>\$ 7,625,164</u>
All Other Governmental Funds										
Restricted	\$ 243,812	\$ 401,217	\$ (1,837,263)	\$ 1,055,044	\$ 954,622	\$ 300,943	\$ 1,284,760	\$ 1,284,760	\$ 672,323	\$ 595,343
Assigned	<u>-</u>	<u>35,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 243,812</u>	<u>\$ 437,000</u>	<u>\$ (1,837,263)</u>	<u>\$ 1,055,044</u>	<u>\$ 954,622</u>	<u>\$ 300,943</u>	<u>\$ 1,284,760</u>	<u>\$ 1,284,760</u>	<u>\$ 672,323</u>	<u>\$ 595,343</u>

Source: District Financial Records

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

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 25,193,964	\$ 25,693,226	\$ 26,274,455	\$ 26,869,964	\$ 28,294,388	\$ 29,071,482	\$ 29,971,603	\$ 30,789,633	\$ 31,319,723	\$ 31,936,138
Miscellaneous	668,117	751,782	844,712	743,049	1,045,432	1,018,375	1,057,469	687,292	719,805	2,488,700
State Sources	3,113,233	3,664,154	3,954,602	4,274,677	5,240,478	5,847,840	6,260,259	7,595,079	9,408,866	10,149,515
Federal Sources	415,701	446,418	540,094	535,358	573,725	554,643	516,663	827,782	1,193,524	1,013,064
Total Revenue	29,391,015	30,555,580	31,613,863	32,423,048	35,154,023	36,492,340	37,805,994	39,899,786	42,641,918	45,587,417
Expenditures										
Instruction										
Regular Instruction	11,024,038	11,303,323	11,870,318	12,221,779	12,755,135	13,457,563	14,187,834	14,679,564	15,474,640	16,714,547
Special Education Instruction	4,516,309	5,548,605	5,391,513	5,583,871	5,881,879	6,006,390	6,114,642	6,597,035	6,892,357	6,741,896
Other Instruction	369,664	403,958	476,295	517,030	517,446	503,308	275,316	209,428	293,826	221,545
School Sponsored Activities and Athletics	809,922	770,193	928,145	975,156	1,037,534	1,093,372	1,108,543	1,208,671	1,438,203	1,471,414
Support Services:										
Student and Inst. Related Services	2,763,604	2,770,647	2,941,027	3,255,674	3,304,294	3,441,126	4,599,442	4,956,633	5,791,998	5,625,179
Health Services	443,725	480,200	541,490	551,612	551,962	579,208				
Educational Media/School Library	399,598	334,645	335,564	437,958	425,292	440,214				
General Administration	898,092	786,644	751,258	914,600	791,709	871,150	921,388	980,902	1,168,517	1,078,828
School Administrative Services	1,858,116	1,747,085	1,934,579	1,991,977	2,066,510	2,121,061	2,245,478	2,421,227	2,507,524	2,605,539
Central Services	609,484	3,019,933	2,926,345	3,311,141	3,062,452	3,177,230	963,944	1,072,347	942,106	1,226,196
Plant Operations And Maintenance	2,953,886	1,037,686	1,164,180	1,230,684	1,336,793	1,268,146	3,439,959	3,308,961	3,827,089	4,322,726
Pupil Transportation	949,947	677,619	714,722	754,019	704,602	742,611	1,075,790	950,929	1,446,154	1,736,553
Capital Outlay	209,835	479,180	2,705,860	12,840,101	152,258	684,490	2,355,417	482,666	471,100	623,592
Debt Service:										
Principal	745,000	760,000	775,000	790,000	1,435,000	1,473,477	1,495,738	1,824,415	1,847,415	1,870,000
Cost of Bond Issuance				56,112	-	-	-	-	-	-
Interest and Other Charges	404,174	389,124	367,491	567,947	602,757	568,207	531,873	519,601	468,911	417,663
Total Expenditures	28,955,394	30,508,842	33,823,787	45,999,661	34,625,623	36,427,553	39,315,364	39,212,379	42,569,840	44,655,678
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	435,621	46,738	(2,209,924)	(13,576,613)	528,400	64,787	(1,509,370)	687,407	72,078	931,739
Other Financing Sources (Uses)										
Sale of Bonds				14,884,000			2,964,000	-	-	-
Premium on Note	9,612	7,912	59,080	-						
Lease Agreements						68,045	112,493	-	-	118,804
Transfers In	46,812	13,126	67,586	1,313,802	11,395	8,404	18,445	887	465	71,855
Transfers Out	(46,812)	(13,126)	(69,766)	(1,324,793)	(20,392)	(8,404)	(44,445)	(8,887)	(465)	(71,855)
Total Other Financing Sources (Uses)	9,612	7,912	56,900	14,873,009	(8,997)	68,045	3,050,493	(8,000)	-	118,804
Net Change in Fund Balances	\$ 445,233	\$ 54,650	\$ (2,153,024)	\$ 1,296,396	\$ 519,403	\$ 132,832	\$ 1,541,123	\$ 679,407	\$ 72,078	\$ 1,050,543
Debt Service as a Percentage of										
Noncapital Expenditures	4.00%	3.83%	3.67%	4.10%	5.91%	5.71%	5.49%	6.05%	5.50%	5.20%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District Financial Records

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

Fiscal Year Ended June 30,	Interest Earned	Building Rentals	E-Rate	Prior Year Refunds	Tuition	Transportation Fees	PILOT	Miscellaneous	Total
2014	\$ 11,141	\$ 523,744	\$ 37,689	\$ 33,665				\$ 11,898	\$ 618,137
2015	20,289	570,823	52,284		\$ 22,500			49,869	715,765
2016	70,383	522,664	51,717	11,068	14,000			120,537	790,369
2017	14,196	581,110	41,572	7,950	18,500	\$ 13,860		26,719	703,907
2018	46,921	662,548	26,468	127,423	73,775	9,509		14,223	960,867
2019	78,665	690,008	20,928	25,900	106,400	7,807		32,126	961,834
2020	55,933	778,687		6,503	119,440	11,882		9,507	981,952
2021	8,169	378,431			103,714	6,350		82,226	578,890
2022	7,691	79,593		71,636	118,053	7,950		123,016	407,939
2023	69,733	102,614	20,642		234,113	15,800	\$ 1,200,000	511,279	2,154,181

Source: District Financial Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2014	\$ 45,898,300	\$ 1,814,980,000	\$ 1,256,500	\$ 3,200	\$ 200,699,400	\$ 99,528,300	\$ 47,345,000	\$ 2,209,710,700	\$ 1,524,200	\$ 2,211,234,900	\$ 2,211,234,900	\$ 1.162
2015	47,228,100	1,812,915,000	1,256,500	3,200	196,140,700	97,524,000	47,345,000	2,202,412,500	1,545,700	2,203,958,200	2,203,758,200	1.192
2016	63,709,300	1,813,293,900	2,100,000	5,100	191,728,300	97,324,000	47,085,000	2,215,245,600	1,476,000	2,216,721,600	2,330,420,358	1.212
2017	60,513,100	1,818,783,800	2,100,000	5,100	189,695,100	97,221,100	47,697,000	2,160,155,200	1,503,700	2,161,658,900	2,297,797,503	1.276
2018	59,401,200	1,829,464,900	2,100,000	5,100	191,506,500	95,531,100	47,937,000	2,225,945,800	1,517,400	2,227,463,200	2,310,079,883	1.305
2019	37,088,000	1,835,488,500	2,100,000	5,100	194,009,500	95,236,100	54,387,800	2,218,315,000	1,517,300	2,219,832,300	2,317,629,210	1.350
2020	29,038,400	1,839,389,000	2,100,000	5,100	193,887,900	95,266,500	56,742,000	2,216,428,900	1,505,800	2,217,934,700	2,371,884,101	1.388
2021	28,401,900	1,845,843,400	2,100,000	5,100	192,637,500	95,291,500	56,742,000	2,221,021,400	1,540,200	2,222,561,600	2,429,451,987	1.409
2022	27,243,800	1,854,446,800	2,100,000	5,100	191,788,400	95,291,500	56,742,000	2,227,617,600	1,496,669	2,229,114,269	2,529,209,135	1.433
2023	48,040,700	1,863,100,900	2,158,900	5,100	191,634,100	95,304,000	56,742,000	2,256,985,700	1,501,500	2,258,487,200	2,701,846,183	1.468

Source: County Abstract of Ratables

a Tax rates are per \$100

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

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

Calendar Year	<u>Overlapping Rates</u>				Total Direct and Overlapping Tax Rate
	<u>Total Direct School Tax Rate</u>	<u>Township</u>	<u>County</u>	<u>Garbage District</u>	
2014	\$ 1.162	\$ 0.445	\$ 0.523	\$ 0.068	\$ 2.198
2015	1.192	0.456	0.526	0.070	2.244
2016	1.212	0.466	0.548	0.071	2.297
2017	1.276	0.484	0.538	0.072	2.370
2018	1.305	0.496	0.522	0.073	2.396
2019	1.350	0.507	0.508	0.073	2.438
2020	1.388	0.516	0.520	0.073	2.497
2021	1.409	0.526	0.525	0.073	2.533
2022	1.433	0.535	0.523	0.073	2.564
2023	1.468	0.548	0.514	0.080	2.610

Source: County Abstract of Ratables

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

Taxpayer	2023		2014	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Bradford Arms C/O S. Geltman & Co.	\$ 17,715,000	0.78%		
Grove Associates	16,320,000	0.72%		
Cedar Hill Realty Associates LLC	15,170,000	0.67%		
691 Pompton Avenue Realty LLC	14,541,100	0.64%		
Waterview Center Realty, LLC	11,875,000	0.53%		
Canterbury At Cedar Grove LLC	11,250,000	0.50%		
Cliffside Drive Holding LLC	11,345,000	0.50%		
2-48 Grove Avenue LLC	9,657,000	0.43%		
Contract Filling Inc.	9,235,400	0.41%		
May 36 Cliffside Drive Urban Renewal	27,805,200	1.23%		
	<u>\$ 144,913,700</u>	<u>6.42%</u>		
Bradford Farms			\$ 17,715,000	0.80%
Grove Associates			16,835,000	0.76%
Cedar Hill Realty Associates LLC			15,170,000	0.68%
691 Pompton Avenue Realty LLC			13,780,700	0.62%
Health Resources of Cedar Grove LLC			12,215,000	0.55%
Canterbury At Cedar Grove LLC			12,023,400	0.54%
Contract Filling Inc			10,415,000	0.47%
11 Cliffside Drive LLC			9,960,000	0.45%
Cedar Grove Properties Inc			8,385,000	0.38%
Pompton Associates C/O Healthcare			7,930,000	0.36%
			<u>\$ 124,429,100</u>	<u>5.59%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 25,193,964	\$ 25,193,964	100.00%	-
2015	25,693,226	25,693,226	100.00%	-
2016	26,274,455	26,274,455	100.00%	-
2017	26,869,964	26,869,964	100.00%	-
2018	28,294,388	28,294,388	100.00%	-
2019	29,071,482	29,071,482	100.00%	-
2020	29,971,603	29,971,603	100.00%	-
2021	30,789,633	30,789,633	100.00%	-
2022	31,319,723	31,319,723	100.00%	-
2023	31,936,138	31,936,138	100.00%	-

Source: District Financial Records

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population Estimates	Per Capita
	General Obligation Bonds	Leases	Grant Anticipation Notes			
2014	\$ 12,577,000		\$ 3,668,000	\$ 16,245,000	12,514	\$ 1,298
2015	11,817,000		3,500,000	15,317,000	12,526	1,223
2016	11,042,000		14,000,000	25,042,000	12,543	1,996
2017	25,136,000		-	25,136,000	12,537	2,005
2018	23,701,000			23,701,000	12,551	1,888
2019	22,246,000			22,246,000	12,537	1,774
2020	23,730,000			23,730,000	12,796	1,854
2021	21,941,000			21,941,000	13,430	1,634
2022	20,131,000	\$ 65,000		20,196,000	13,314	1,517
2023	18,281,000	163,804		18,444,804	13,314 (Est.)	1,385

Source: District financial records and NJ Department of Education

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2014	\$ 12,577,000	\$ 35,634	\$ 12,541,366	0.57%	\$ 1,002
2015	11,817,000	35,783	11,781,217	0.53%	941
2016	11,042,000	342	11,041,658	0.50%	880
2017	25,136,000	-	25,136,000	1.16%	2,005
2018	23,701,000	27,560	23,673,440	1.06%	1,886
2019	22,246,000	1,293	22,244,707	1.00%	1,774
2020	23,730,000		23,730,000	1.07%	1,854
2021	21,941,000		21,941,000	0.99%	1,634
2022	20,131,000		20,131,000	0.90%	1,512
2023	18,281,000		18,281,000	0.81%	1,373

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

CEDAR GROVE PUBLIC SCHOOLS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022
(Unaudited)

	<u>Total Debt</u>
Debt:	
Cedar Grove Township	\$ 30,244,000
Cedar Grove Public Schools	<u>20,402,182</u>
	<u>50,646,182</u>
Overlapping Debt Apportioned to the Municipality:	
Essex County (A):	
County of Essex - Township's Share	24,700,916
Passaic County:	
North Jersey District Water Supply Co	<u>815,494</u>
Total Direct and Overlapping Debt	<u>\$ 76,162,592</u>

Source:

(1) Cedar Grove's 2022 Annual Debt Statement

(A) The debt for this entity was apportioned to Cedar Grove by dividing the municipality's 2022 equalized value by the total 2022 equalized value for Essex County.

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

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized Valuation Basis
	2022 \$ 2,657,620,616
	2021 2,512,751,895
	2020 2,415,463,056
	<u>\$ 7,585,835,567</u>
Average Equalized Valuation of Taxable Property	\$ 2,528,611,856
Debt Limit (4 % of Average Equalization Value)	101,144,474 ^a
Total Net Debt Applicable to Limit	<u>18,282,535</u>
Legal Debt Margin	<u>\$ 82,861,939</u>

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 90,473,270	\$ 89,098,854	\$ 90,134,806	\$ 91,014,579	\$ 91,814,748	\$ 94,827,016	\$ 95,859,146	\$ 94,625,683	\$ 97,242,084	\$ 101,144,474
Total Net Debt Applicable to Limit	<u>16,245,385</u>	<u>26,702,104</u>	<u>25,926,719</u>	<u>25,136,719</u>	<u>23,701,719</u>	<u>25,211,535</u>	<u>23,731,535</u>	<u>21,942,525</u>	<u>20,132,535</u>	<u>18,282,535</u>
Legal Debt Margin	<u>\$ 74,227,885</u>	<u>\$ 62,396,750</u>	<u>\$ 64,208,087</u>	<u>\$ 65,877,860</u>	<u>\$ 68,113,029</u>	<u>\$ 69,615,481</u>	<u>\$ 72,127,611</u>	<u>\$ 72,683,158</u>	<u>\$ 77,109,549</u>	<u>\$ 82,861,939</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	17.96%	29.97%	28.76%	27.62%	25.81%	26.59%	24.76%	23.19%	20.70%	18.08%

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

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

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2014	12,514	\$ 58,487	5.30%
2015	12,526	60,840	5.30%
2016	12,543	62,334	4.10%
2017	12,537	64,232	3.50%
2018	12,551	65,214	3.30%
2019	12,537	67,657	2.60%
2020	12,796	70,497	8.70%
2021	13,430	74,310	5.70%
2022	13,314	Not Available	3.20%
2023	13,314 (Est.)	Not Available	Not Available

Source: New Jersey State Department of Education

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

<u>Employer</u>	<u>2023</u>		<u>2014</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

NOT AVAILABLE

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

<u>Function/Program</u>	<u>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>2023</u>
Instruction										
Regular	129	136	129	120	116	119	114	117	112	112
Special Education	18	21	28	40	37	38	38	41	40	39
Other Instruction	1	-	-	31	27	35	35	34	43	44
Support Services:										
Student and Instruction Related Services	28	19	22	21	21	21	21	23	20	22
General Administration	3	3	3	3	3	3	3	3	3	3
School Administrative Services	9	9	9	6	6	6	6	6	6	6
Other Administrative Services	3	3	3	3	2	3	3	3	3	3
Central Services	4	4	4	4	5	5	5	6	5	9
Administrative Information Technology	3	3	3	3	3	3	3	3	3	3
Plant Operations And Maintenance	<u>20</u>	<u>21</u>	<u>20</u>	<u>21</u>	<u>20</u>	<u>21</u>	<u>19</u>	<u>20</u>	<u>20</u>	<u>27</u>
Total	<u>218</u>	<u>219</u>	<u>221</u>	<u>252</u>	<u>240</u>	<u>254</u>	<u>247</u>	<u>256</u>	<u>255</u>	<u>268</u>

Source: District Personnel Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	1,670	\$ 27,257,892	\$ 16,322	-0.72%	1,670	11.40	10.90	10.25	1,650	1,571	0.67%	95.21%
2015	1,637	28,880,538	17,642	8.09%	1,637	10.73	10.60	9.95	1,651	1,585	0.06%	96.00%
2016	1,618	29,975,436	18,526	5.01%	1,618	10.00	10.00	9.00	1,614	1,549	-2.24%	95.97%
2017	1,637	31,745,501	19,392	4.68%	147	11.09	10.11	11.02	1,599	1,526	-0.93%	95.43%
2018	1,594	32,435,608	20,349	4.93%	141	9.44	12.89	12.09	1,570	1,504	-1.81%	95.80%
2019	1,564	33,701,379	21,548	5.90%	146	9.34	12.27	11.15	1,553	1,487	-1.08%	95.75%
2020	1,593	34,932,336	21,929	1.77%	141	10.13	11.90	11.42	1,579	1,520	1.67%	96.26%
2021	1,586	36,385,697	22,942	4.62%	145	9.57	12.05	11.63	1,568	1,529	-0.70%	97.51%
2022	1,592	39,782,414	24,989	8.92%	138	10.51	13.04	11.85	1,587	1,505	1.21%	94.83%
2023	1,573	41,744,423	26,538	6.20%	138	10.94	12.23	11.32	1,563	1,468	-1.51%	93.92%

Sources: District records

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Building</u>										
<u>Elementary</u>										
North End										
Square Feet	35,625	35,625	35,625	35,625	35,625	35,625	35,625	35,625	35,625	35,625
Capacity (students)	303	303	303	303	303	303	303	303	303	303
Enrollment	320	309	285	279	253	255	268	279	292	305
South End										
Square Feet	39,080	39,080	39,080	39,080	39,080	39,080	39,080	39,080	39,080	39,080
Capacity (students)	319	319	319	319	319	319	319	319	319	319
Enrollment	335	305	302	294	310	312	319	329	342	355
<u>Middle School</u>										
Square Feet	70,221	70,221	70,221	70,221	70,221	70,221	70,221	70,221	70,221	70,221
Capacity (students)	628	628	628	628	628	628	628	628	628	628
Enrollment	570	553	526	523	499	489	454	460	471	442
<u>High School</u>										
Square Feet	140,725	140,725	140,725	140,725	140,725	140,725	140,725	140,725	140,725	140,725
Capacity (students)	908	908	908	908	908	908	908	908	908	908
Enrollment	440	456	505	517	515	508	509	507	490	468
<u>Other</u>										
Leonard R Parks										
Square Feet	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000

Number of Schools at June 30, 2021

 Elementary = 2

 Middle School = 1

 Senior High School = 1

 Other = 1

Source: District Records

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

	<u>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>2023</u>
School Facilities										
High School	\$ 91,055	\$ 136,500	\$ 126,086	\$ 117,222	\$ 122,866	\$ 119,125	\$ 103,426	\$ 136,248	\$ 154,962	\$ 147,297
North End School	38,385	31,623	29,863	65,499	41,801	57,099	84,597	76,130	66,908	63,599
South End School	38,385	47,985	43,135	57,672	51,044	74,478	83,927	67,032	95,569	90,842
Middle School	62,006	105,536	96,224	72,617	91,846	97,595	84,903	84,403	86,468	82,191
Leonard R. Parks	<u>13,897</u>	<u>37,309</u>	<u>36,498</u>	<u>47,855</u>	<u>55,416</u>	<u>97,115</u>	<u>57,795</u>	<u>55,623</u>	<u>41,509</u>	<u>39,456</u>
Total School Facilities	<u>\$ 243,728</u>	<u>\$ 358,953</u>	<u>\$ 331,806</u>	<u>\$ 360,865</u>	<u>\$ 362,973</u>	<u>\$ 445,412</u>	<u>\$ 414,648</u>	<u>\$ 419,436</u>	<u>\$ 445,416</u>	<u>\$ 423,385</u>

Source: District Records

**CEDAR GROVE PUBLIC SCHOOLS
INSURANCE SCHEDULE
JUNE 30, 2023
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy/Zurich		
Building and Contents (All Locations)	\$ 76,897,692	\$ 5,000
Comprehensive General Liability	1,000,000 / 3,000,000	
Comprehensive Auto Liability	1,000,000	
Comprehensive Crime Liability	500,000	5,000
Computers and Schedule Equipment		
Data Processing Equipment	2,500,000	5,000
Musical Instruments	250,000	1,000
Boiler and Machinery		
Property Damage	25,000,000	5,000
Umbrella Liability		
Zurich	10,000,000	10,000 Retention
Fireman's Fund Cap	50,000,000	
School Boards Legal Liability/Darwin		
Educators E&O	1,000,000	5,000
Employment Practices Liability	Incl. in above limit	15,000
Public Employees' Faithful Performance Bond		
Business Administrator/Board Secretary	230,000	
Treasurer of School Monies	285,000	
Workers' Compensation and Employers Liability	1,000,000	
Cyber/Indian Harbor	2,000,000/4,000,000	25,000
Environmental/ACE	1,000,000/10,000,000	25,000
		50,000

Source: District records

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cedar Grove Public Schools as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Cedar Grove Public Schools' basic financial statements and have issued our report thereon dated February 1, 2024.

Report on Internal Control Over Financial Reporting

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

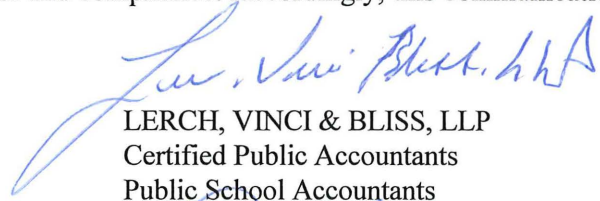
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

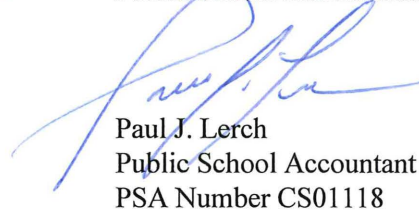
As part of obtaining reasonable assurance about whether the Cedar Grove Public Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 no 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.

Purpose of this Report

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



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
February 1, 2024



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K -2

DIETER P. LERCH, CPA, RMA, PSA
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JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR’S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Cedar Grove Public Schools’ compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Cedar Grove Public Schools’ major federal and state programs for the fiscal year ended June 30, 2023. The Cedar Grove Public Schools’ major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Cedar Grove Public Schools complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

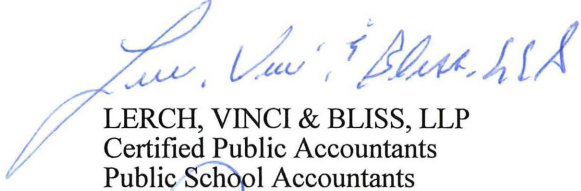
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

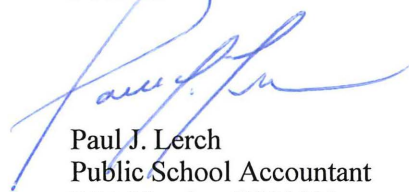
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cedar Grove Public Schools, as of and for the fiscal year ended June 30, 2023, 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 February 1, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
February 1, 2024

CEDAR GROVE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Table with columns: Federal Grantor/Pass-Through Grantor Program Title, Federal AL Number, Federal FAIN Number, Grant Period, Award Amount, (Accounts Receivable), Balance June 30, 2022 (Unearned Revenue, Due to Grantor), Carryover Amount (Unearned Revenue, Accounts Receivable), Cash Received, Budgetary Expenditures, Balance June 30, 2023 (Accounts Receivable, Unearned Revenue, Due to Grantor), Memo GAAP Receivable. Rows include U.S. Department of Agriculture, IDEA, ESEA, Coronavirus Relief Fund, ESSER I, II, III, and ACSERS Grant.

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CEDAR GROVE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Grant or State Project Number	Grant	Award Amount	Balance June 30, 2022	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balance	Balance June 30, 2023			Memorandum		
									(Accts. Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Budgetary Expenditures	
State Department of Education														
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 1,476,147			\$ 1,331,051	\$ 1,476,147		\$ (145,096)				\$	1,476,147
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	1,153,621	(112,372)		112,372								
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	57,017			51,413	57,017		(5,604)					57,017
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	57,017	(5,554)	-	5,554	-	-	-	-	-	-	-	-
<i>Total State Aid Public- Cluster</i>				(117,926)	-	1,500,390	1,533,164	-	(150,700)	-	-	-	-	1,533,164
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	284,386			256,433	284,386		(27,953)					284,386
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	284,386	(27,701)		27,701								-
Non-Public Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	45,552			45,552			(45,552)	-		\$	(45,552)	45,552
Non-Public Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	42,630	(42,630)	-	42,630	-	-	-	-	-	-	-	-
<i>Total Transportation Aid - Cluster</i>				(70,331)	-	326,764	329,938	-	(73,505)	-	-	-	(45,552)	329,938
Extraordinary Aid	23-100-034-5120-473	7/1/22-6/30/23	645,529				645,529		(645,529)					645,529
Extraordinary Aid	22-100-034-5120-473	7/1/21-6/30/22	801,282	(801,282)		801,282								-
On-Behalf TPAF Pension System Contr.														
Pension Cost	23-495-034-5094-002	7/1/22-6/30/23	4,760,326			4,760,326	4,760,326							4,760,326
Non-contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	66,044			66,044	66,044							66,044
Long-Term Disability	23-495-034-5094-004	7/1/22-6/30/23	2,166			2,166	2,166							2,166
Post Retirement Medical Contribution	23-495-034-5094-001	7/1/22-6/30/23	1,267,876			1,267,876	1,267,876							1,267,876
Reimbursed TPAF Social Security														
Contributions	23-495-034-5094-003	7/1/22-6/30/23	984,624			886,218	984,624		(98,406)				(98,406)	984,624
Reimbursed TPAF Social Security														
Contributions	22-495-034-5094-003	7/1/21-6/30/22	987,290	(48,087)	-	48,087	-	-	-	-	-	-	-	-
Total General Fund				(1,037,626)	-	9,659,153	9,589,667	-	(968,140)	-	-	-	(143,958)	9,589,667
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	4,070			3,733	4,070		(337)				(337)	4,070
State School Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	16,958	(1,306)	-	1,306	-	-	-	-	-	-	-	-
Total Enterprise Fund				(1,306)	-	5,039	4,070	-	(337)	-	-	-	(337)	4,070
State Department of Education														
New Jersey Non-Public Aid:														
Auxiliary Services (Chapter 192):														
Compensatory Education	23-100-034-5120-068	7/1/22-6/30/23	38,346			38,346	38,247		-		\$	99		38,247
Compensatory Education	22-100-034-5120-068	7/1/21-6/30/22	34,935	1,790	-	-	-	1,790	-	-	-	-	-	-
<i>Total Auxiliary Services (Chapter 192) -Cluster</i>				1,790	-	38,346	38,247	1,790	-	-	-	-	99	38,247
Handicapped Services (Chapter 193):														
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	16,682			16,682	16,302		-					16,302
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	14,417	3,040				3,040						
Supplemental Instruction	23-100-034-5120-066	7/1/22-6/30/23	15,694			15,694	9,664		-				6,030	9,664
Supplemental Instruction	22-100-034-5120-066	7/1/21-6/30/22	15,694	826				826						
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	13,020			13,020	5,115		-				7,905	5,115
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	15,810	5,487				5,487						
<i>Total Handicapped Services (Chapter 193)- Cluster</i>				9,353	-	45,396	31,081	9,353	-	-	-	-	14,315	31,081
Textbook	23-100-034-5120-064	7/1/22-6/30/23	12,738			12,738	11,631						1,107	11,631
Textbook	22-100-034-5120-064	7/1/21-6/30/22	11,944	1,513				1,513						
Technology		7/1/22-6/30/23	8,106			8,106	6,977						1,129	6,977
Technology		7/1/21-6/30/22	8,358	1,525				1,525						
Nursing	23-100-034-5120-070	7/1/22-6/30/23	21,616			21,616	21,611						5	21,611
Nursing	22-100-034-5120-070	7/1/21-6/30/22	22,288	1,457				1,457						
Security	23-100-034-5120-509	7/1/22-6/30/23	39,565			39,565	39,565							39,565
Security	22-100-034-5120-509	7/1/21-6/30/22	34,825	28,518				28,518						
Total Special Revenue Fund				44,156	-	165,767	149,112	44,156	-	-	-	-	16,655	149,112
Debt Service Fund														
Debt Service Aid	23-495-034-5120-075	7/1/22-6/30/23	288,009			288,009	288,009							288,009
Total Debt Service Fund						288,009	288,009							288,009
Total State Financial Assistance- Determination for Single Audit				\$ (994,776)	\$ -	\$ 10,117,968	\$ 10,030,858	\$ 44,156	\$ (968,477)	\$ -	\$ 16,655	\$ (144,295)	\$ 10,030,858	
Less: On-Behalf Pension Contributions Not Subject to Major Program Determination														
							(4,760,326)							
Pension Cost							(4,760,326)							
Non-contributory Insurance							(66,044)							
Long-Term Disability							(2,166)							
Post Retirement Medical Contribution							(1,267,876)							
Total State Financial Assistance Subject to Major Program Determination							\$ 3,934,446							

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 REPORTING ENTITY

The Cedar Grove Public Schools (the “Board” or the “District”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board’s financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$122,727 for the general fund and an increase of \$130,499 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 9,712,394	\$ 9,712,394
Special Revenue Fund	\$ 1,013,064	149,112	1,162,176
Debt Service Fund	-	288,009	288,009
Food Service Fund	<u>167,116</u>	<u>4,070</u>	<u>171,186</u>
Total Financial Assistance	<u>\$ 1,180,180</u>	<u>\$ 10,153,585</u>	<u>\$ 11,333,765</u>

**CEDAR GROVE PUBLIC SCHOOLS
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$984,624 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, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$4,826,370, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,166 and TPAF Long-Term Disability Insurance in the amount of \$1,267,876 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

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

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

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

**CEDAR GROVE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

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

Federal Awards Section

Internal Control over compliance:

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

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

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

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

Identification of major programs:

<u>AL Number(s):</u>	<u>FAIN Number:</u>	<u>Name of Federal Program or Cluster:</u>
84.027A	H027A210100	Individuals with Disabilities Education Act - (IDEA)
84.027X	H027X210100	Part B and IDEA Preschool;
84.173A	H173A210114	American Rescue Plan - Individuals with Disabilities
84.173X	H173X210114	Education Act - (IDEA) - Part B and IDEA Preschool

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

Auditee qualified as low-risk auditee? X yes no

**CEDAR GROVE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Part I – Summary of Auditor’s Results

State Awards Section

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

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over compliance:

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

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

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

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
<u>23-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>23-495-034-5120-084</u>	<u>Security Aid</u>
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**CEDAR GROVE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**CEDAR GROVE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.

**CEDAR GROVE PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

STATUS OF PRIOR YEAR FINDINGS

Finding 2022-001

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

Current Status

Corrective action has been taken.