

**EDGEWATER BOARD OF EDUCATION**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Edgewater, New Jersey**

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## **INTRODUCTORY SECTION**

# Edgewater School District

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

Wally A. Lindsley  
Business Administrator  
Wlindsley@edgewaterschools.org

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November 30, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Borough of Edgewater School District (the "District") for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to fairly present the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

2) EDUCATIONAL PROGRAM: The Edgewater Public School System comprises two elementary schools (Special Education Pre-K to Grade 6), serving approximately 679 students. The public schools are accredited by the New Jersey State Department of Education. The District is served by 66 (FTE) teachers and 6 (FTE) administrators. Approximately 57% of the faculty has earned Masters' degrees.

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

The District completed the 2022-2023 fiscal year with Pre-K through Grade 6 enrollment of 679 students and Grade 7-12 enrollment of 502 students in Leonia Public Schools, for an overall total of 1,181 students.

The following table details the changes in the District's average daily enrollment for grade levels Pre-K through 6 as of June 30, 2023, over the last six years:

<u>Average Daily Enrollment</u>		
<u>Fiscal Year</u>	<u>Pre K-6 Enrollment</u>	<u>Percent Change</u>
2022-2023	679	1.6%
2021-2022	668	0.99%
2020-2021	667	<31.0%>
2019-2020	874	<12.4%>
2018-2019	982	0.61%
2017-2018	976	8.08%

3) ECONOMIC CONDITIONS AND OUTLOOK: The District's primary funding source is property tax revenue. Overall tax revenue for the General Fund was increased for the 2022-2023 school year statutory allowance of 2%. Prudent fiscal management have all contributed to stabilizing the financial condition of the district. In fact, Standard and Poor's has upgraded its credit rating of the district from negative to neutral. The generation of surplus funds allowed the district to strengthen capital, tuition, emergency and maintenance reserves.

4) MAJOR INITIATIVES: Specific initiatives for the 2022-2023 school year include the following accomplishments:

- Continuation of collaboration between Edgewater and Leonia.
- Updates to the door entry system to increase security.
- Continuation of after-school opportunities for students.



- Continue Social Emotional Learning professional development.
- Committed to a major upgrade of HVAC systems at Eleanor Van Gelder School.
- Continued professional development in mathematics and language arts.

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

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants. In January 2020, it was discovered that the district would incur a deficit of \$1.8 million. The Department of Education (DOE) provided the district with a state aid advance of \$1.8 million to cover the deficit. Additionally, the DOE appointed a state fiscal monitor to assist the district in strengthening internal controls and to develop a budget that would allow the district to recover from the deficit. The state aid advance was paid back in full in 2022-2023. Due to the repayment, the financial position of the District, and recommendations from the state fiscal monitor, the District was removed from the state monitor program beginning with the 2023-2024 school year.

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

An encumbrance accounting system records outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year.

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

8) DEBT ADMINISTRATION: On June 30, 2023, the District had \$24,465,000 in outstanding statutory debt, comprised entirely of school bonds to improve District facilities.

9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in the "Notes to Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA" or the "Act"). GUDPA was enacted in 1970 to

protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

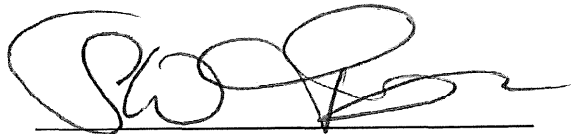
10) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

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

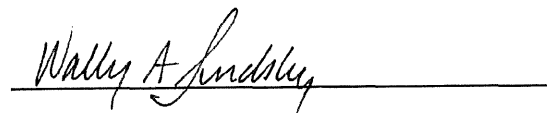
11) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, Bliss was selected by the Board of Education. In addition to meeting the requirements set forth in state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

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

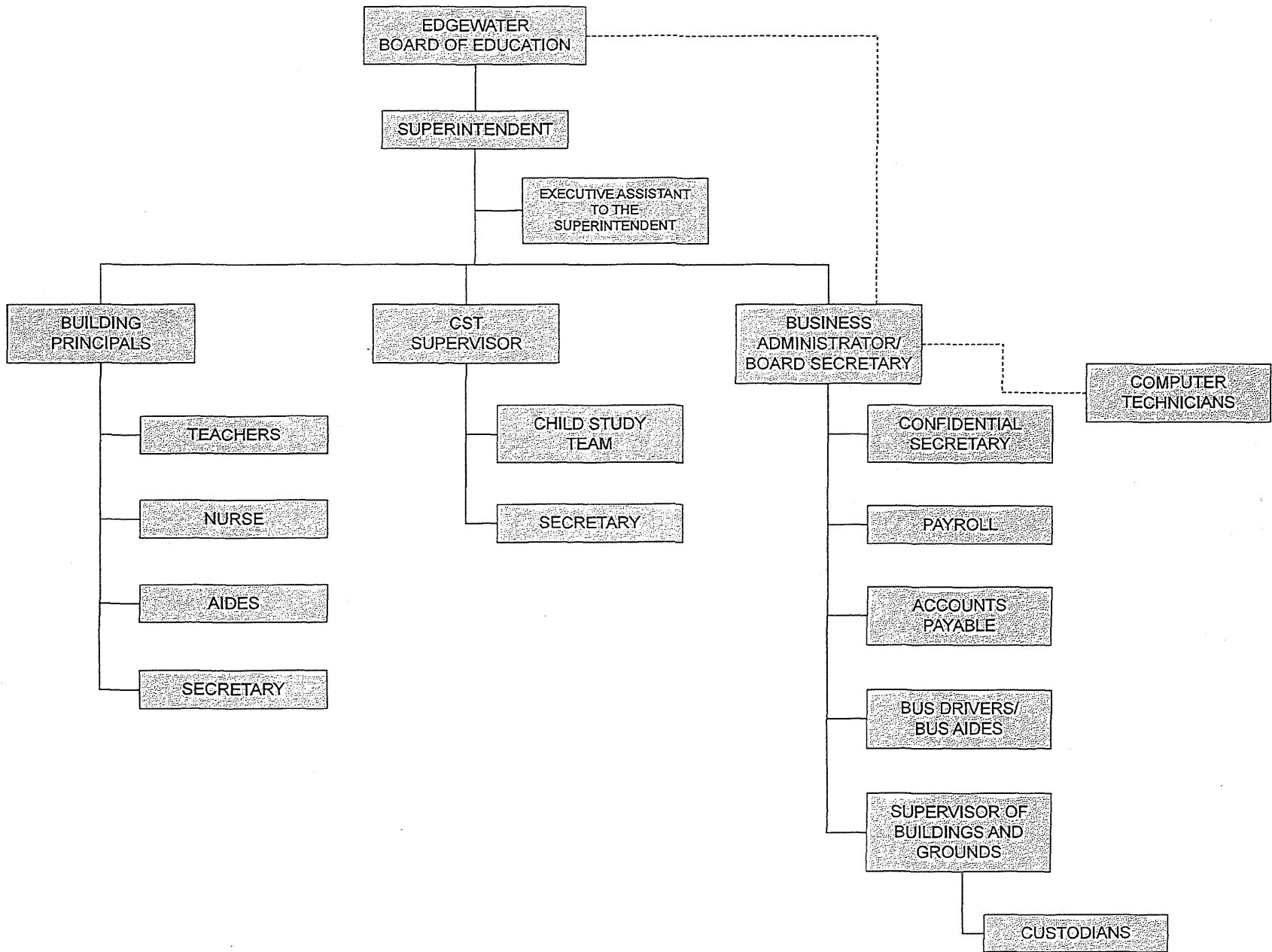
Respectfully submitted,



Superintendent of Schools



Business Administrator/Board Secretary



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**BOROUGH OF EDGEWATER SCHOOL DISTRICT  
 ROSTER OF OFFICIALS  
 JUNE 30, 2023**

Members of the Board of Education

Term  
 Expires

Sandy Klein, Co-President	12/31/2024
Cristina Stefani-Rackow, Co-President	12/31/2024
Dr. Tamara Cella – Vice President	12/31/2023
Nicolette D’Anna	12/31/2025
Khali Harris	12/31/2023
Laurie Molina	12/31/2025
Thomas M. Quinton	12/31/2025

Other Officials

Title

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

**BOROUGH OF EDGEWATER SCHOOL DISTRICT**  
**Consultants and Advisors**

**Attorney**

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

**Audit Firm**

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

**Official Depositories**

TD Bank  
1400 Palisade Avenue  
Fort Lee, NJ 07024

**FINANCIAL SECTION**



# 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  
Edgewater Board of Education  
Edgewater, New Jersey

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Edgewater Board of Education, 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 and each major fund of the Edgewater Board of Education 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 Edgewater Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibilities for the Audit of Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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



**Supplementary Information**

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

**Other Information**

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2023 on our consideration of the Edgewater Board of Education’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Edgewater Board of Education’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Edgewater Board of Education’s internal control over financial reporting and compliance.

*LERCH, VINCI & BLISS, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
November 30, 2023

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# EDGEWATER BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

As management of the Edgewater Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Edgewater Board of Education for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the letter of transmittal, which can be found in the introductory section of this report and the District's financial statements and related notes to the financial statement which immediately follows this section.

### FINANCIAL HIGHLIGHTS

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

- The assets and deferred outflows of resources of the Edgewater Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$18,798,033. (Net Position)
- The District's total net position increased by \$7,505,226, or 66%.
- Overall District revenues were \$37,248,515. General revenues accounted for \$31,064,311, or 83%, of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6,184,204 or 17% of total revenues.
- The school district had \$29,200,640 in expenses for governmental activities; only \$5,630,733 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$31,059,220 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 \$20,582,165. Of this amount, \$13,318,332 is restricted for capital projects, \$1,014,482 is restricted for required maintenance of District facilities, \$2,025,000 is restricted for future tuition adjustments, \$693,968 is restricted for excess surplus, \$422,251 is restricted for other purposes, \$1,241,699 is assigned for year end encumbrances and \$1,413,920 is designated for the subsequent year's budget expenditures and the remaining amount is the unassigned fund balance of \$452,513.
- The General Fund fund balance at June 30, 2023 was \$20,452,913, an increase of \$4,338,334 compared to the ending fund balance at June 30, 2022 of \$16,114,579.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$1,141,703, which represents an increase of \$157,443 when compared to the ending unassigned budgetary fund balance at June 30, 2022 of \$984,260.

# EDGEWATER BOARD OF EDUCATION

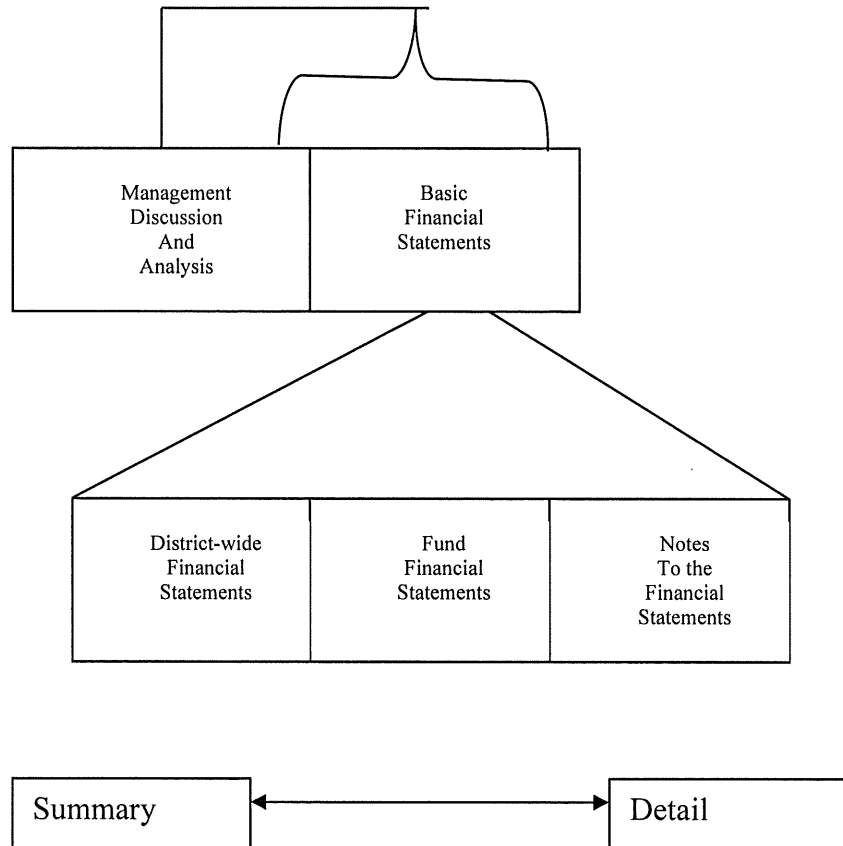
## Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



# EDGEWATER BOARD OF EDUCATION

## Management’s Discussion and Analysis Fiscal Year Ended June 30, 2023

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

Major Features of the District-Wide and Fund Financial Statements

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

### District-Wide Statements

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

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

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

# EDGEWATER BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

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

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

### Fund Financial Statements

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

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

The District has two kinds of funds:

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

### 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.

# **EDGEWATER BOARD OF EDUCATION**

## **Management's Discussion and Analysis Fiscal Year Ended June 30, 2023**

### **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 the general and special revenue 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 and individual financial schedules are presented immediately following the major budgetary comparisons if required.

# EDGEWATER BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net Position.** The District's *combined* net position was \$18,798,033 and \$11,292,807 on June 30, 2023 and 2022, respectively as follows:

#### Net Position As of June 30, 2023 and 2022

	<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>
<b>Assets</b>						
Current and Other Assets	\$ 22,323,374	\$ 17,763,064	\$ 179,611	\$ 169,392	\$ 22,502,985	\$ 17,932,456
Capital Assets	<u>24,734,429</u>	<u>24,253,484</u>	<u>84,337</u>	<u>67,267</u>	<u>24,818,766</u>	<u>24,320,751</u>
<b>Total Assets</b>	<u>47,057,803</u>	<u>42,016,548</u>	<u>263,948</u>	<u>236,659</u>	<u>47,321,751</u>	<u>42,253,207</u>
<b>Total Deferred Outflows of Resources</b>	<u>1,789,555</u>	<u>1,896,912</u>	<u>-</u>	<u>-</u>	<u>1,789,555</u>	<u>1,896,912</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>48,847,358</u>	<u>43,913,460</u>	<u>263,948</u>	<u>236,659</u>	<u>49,111,306</u>	<u>44,150,119</u>
<b>Liabilities</b>						
Long-Term Liabilities	27,716,519	29,813,701	-		27,716,519	29,813,701
Other Liabilities	<u>1,807,531</u>	<u>1,846,940</u>	<u>29,697</u>	<u>23,369</u>	<u>1,837,228</u>	<u>1,870,309</u>
<b>Total Liabilities</b>	<u>29,524,050</u>	<u>31,660,641</u>	<u>29,697</u>	<u>23,369</u>	<u>29,553,747</u>	<u>31,684,010</u>
<b>Deferred Inflows of Resources</b>	<u>753,780</u>	<u>1,172,604</u>	<u>5,746</u>	<u>698</u>	<u>759,526</u>	<u>1,173,302</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>30,277,830</u>	<u>32,833,245</u>	<u>35,443</u>	<u>24,067</u>	<u>30,313,273</u>	<u>32,857,312</u>
<b>Net Position</b>						
Net Investment in Capital Assets	490,947	(952,002)	84,337	67,267	575,284	(884,735)
Restricted	16,364,341	9,271,877	-		16,364,341	9,271,877
Unrestricted	<u>1,714,240</u>	<u>2,760,340</u>	<u>144,168</u>	<u>145,325</u>	<u>1,858,408</u>	<u>2,905,665</u>
<b>Total Net Position</b>	<u>\$ 18,569,528</u>	<u>\$ 11,080,215</u>	<u>\$ 228,505</u>	<u>\$ 212,592</u>	<u>\$ 18,798,033</u>	<u>\$ 11,292,807</u>

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. Restricted net position represents amounts reserved for specific purposes by outside parties or state laws and regulations. Unrestricted net position represents amounts available to the government that are neither restricted nor invested in capital assets.



# EDGEWATER BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

The District's total net position of \$18,798,033 at June 30, 2023 represents a \$7,505,226, or 66%, increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2023 and 2022.

### Changes in Net Position For the Fiscal Years Ended June 30, 2023 and 2022

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services and Sales	\$ 102,629	\$ 38,561	\$ 363,301	\$ 98,448	\$ 465,930	\$ 137,009
Operating Grants and Contributions	5,164,210	5,836,733	190,170	402,530	5,354,380	6,239,263
Capital Grants and Contributions	363,894	95,609			363,894	95,609
General Revenues						
Property Taxes, Levied	30,616,476	30,054,368			30,616,476	30,054,368
State Aid - Unrestricted	30,665	29,245			30,665	29,245
Miscellaneous Income	412,079	153,727	5,091	211	417,170	153,938
<b>Total Revenues</b>	<b><u>36,689,953</u></b>	<b><u>36,208,243</u></b>	<b><u>558,562</u></b>	<b><u>501,189</u></b>	<b><u>37,248,515</u></b>	<b><u>36,709,432</u></b>
<b>Expenses</b>						
Instruction						
Regular	12,481,156	13,456,338			12,481,156	13,456,338
Special	6,143,943	5,896,663			6,143,943	5,896,663
Other Instruction	439,608	473,631			439,608	473,631
School Sponsored Activities and Athletics	57,698	35,316			57,698	35,316
Support Services						
Student and Instruction Related Services	2,988,767	2,831,454			2,988,767	2,831,454
General Administrative Services	831,699	747,404			831,699	747,404
School Administrative Services	627,066	644,972			627,066	644,972
Central Administrative Services	609,920	600,184			609,920	600,184
Plant Operations and Maintenance	1,654,557	1,695,600			1,654,557	1,695,600
Pupil Transportation	2,386,941	2,098,704			2,386,941	2,098,704
Interest on Long-Term Debt	979,285	1,018,479			979,285	1,018,479
Food Services			331,157	328,018	331,157	328,018
Preschool Program	-	-	211,492	117,126	211,492	117,126
<b>Total Expenses</b>	<b><u>29,200,640</u></b>	<b><u>29,498,745</u></b>	<b><u>542,649</u></b>	<b><u>445,144</u></b>	<b><u>29,743,289</u></b>	<b><u>29,943,889</u></b>
<b>Increase (Decrease) in Net Position</b>	<b>7,489,313</b>	<b>6,709,498</b>	<b>15,913</b>	<b>56,045</b>	<b>7,505,226</b>	<b>6,765,543</b>
<b>Net Position, Beginning of Year</b>	<b><u>11,080,215</u></b>	<b><u>4,370,717</u></b>	<b><u>212,592</u></b>	<b><u>156,547</u></b>	<b><u>11,292,807</u></b>	<b><u>4,527,264</u></b>
<b>Net Position, End of Year</b>	<b><u>\$ 18,569,528</u></b>	<b><u>\$ 11,080,215</u></b>	<b><u>\$ 228,505</u></b>	<b><u>\$ 212,592</u></b>	<b><u>\$ 18,798,033</u></b>	<b><u>\$ 11,292,807</u></b>

# EDGEWATER BOARD OF EDUCATION

## Management’s Discussion and Analysis Fiscal Year Ended June 30, 2023

**Governmental Activities.** The District’s total governmental activities’ revenues, which includes State and Federal grants, were \$36,689,953 for the fiscal year ended June 30, 2023, property taxes of \$30,616,476 represented 83% of revenues. Another significant portion of revenues came from grants and contributions and unrestricted state aid which totaled \$5,558,769 and represented 15% of revenues for the fiscal year ended June 30, 2023.

The total cost of all governmental activities programs and services was \$29,200,640 for the fiscal year ended June 30, 2023. The District’s expenses are predominantly related to educating and caring for students. Instruction costs were \$19,122,405 (65%) of total expenses and support services costs were \$9,098,950 (31%) of total expenses for the fiscal year ended June 30, 2023.

For fiscal year 2023, total governmental activities revenues exceeded expenses increasing net position for governmental activities by \$7,489,313 from the previous year.

**Total and Net Cost of Governmental Activities.** The District’s total cost of services was \$29,200,640. After applying program revenues, derived from operating and capital grants and contributions of \$5,528,104 and charges for services of \$102,629 the net cost of services of the District is \$23,569,907 for the fiscal year ended June 30, 2023.

### Total and Net Cost of Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost (Revenue) of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction:				
Regular	\$ 12,481,156	\$ 13,456,338	\$ 11,129,450	\$ 11,475,945
Special Education	6,143,943	5,896,663	3,972,439	4,021,344
Other Instruction	439,608	473,631	350,453	332,820
School Sponsored Activities and Athletics	57,698	35,316	22,278	(4,460)
Support Services:				
Student & Instruction Related Services	2,988,767	2,831,454	2,464,012	2,212,038
General Administrative Services	831,699	747,404	762,390	620,742
School Administrative Services	627,066	644,972	532,308	492,263
Central Administrative Services	609,920	600,184	546,790	517,520
Plant Operations and Maintenance	1,654,557	1,695,600	1,133,240	1,465,668
Pupil Transportation	2,386,941	2,098,704	1,708,621	1,407,709
Interest on Long Term Debt	<u>979,285</u>	<u>1,018,479</u>	<u>947,926</u>	<u>986,253</u>
<b>Total</b>	<b><u>\$ 29,200,640</u></b>	<b><u>\$ 29,498,745</u></b>	<b><u>\$ 23,569,907</u></b>	<b><u>\$ 23,527,842</u></b>

**Business-Type Activities** – The District’s total business-type activities revenues were \$558,562 for the fiscal year ended June 30, 2023. Operating grants and contributions accounted for 34% of total revenues and 65% of revenues were from charges for services and sales.

Total cost of all business-type activities programs and services was \$542,649 for the fiscal year ended June 30, 2023. Food service expenses represented 61% all of the total expenses and the summer session program expenses represented 39% of the total expenses.

For fiscal year 2023, total business-type activities revenues exceeded expenses increasing net position by \$15,913, or 7% from the previous year.

# EDGEWATER BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$20,582,165 at June 30, 2023, an increase of \$4,340,786 from last year's fund balance of \$16,241,379. 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.

Revenues for the District's governmental funds were \$36,898,134 while total expenditures were \$32,557,348 for the fiscal year ended June 30, 2023.

### GENERAL FUND

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

The following schedule presents a summary of General Fund Revenues.

	<u>Year Ended</u> <u>June 30, 2023</u>	<u>Year Ended</u> <u>June 30, 2022</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Local Sources:				
Property Tax Levy	\$ 28,767,112	\$ 28,203,051	564,061	2%
Miscellaneous	478,141	153,587	324,554	211%
State Sources	4,711,156	4,812,844	(101,688)	-2%
Federal Sources	<u>-</u>	<u>52,809</u>	<u>(52,809)</u>	-100%
Total General Fund Revenues	<u>\$ 33,956,409</u>	<u>\$ 33,222,291</u>	<u>\$ 734,118</u>	2%

For fiscal year 2023, total General Fund revenues increased \$734,118, or 2% from the previous year.

The following schedule presents a summary of General Fund expenditures.

	<u>Year Ended</u> <u>June 30, 2023</u>	<u>Year Ended</u> <u>June 30, 2022</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Instruction	\$ 18,290,925	\$ 18,829,495	\$ (538,570)	-3%
Support Services	8,595,708	8,107,250	488,458	6%
Debt Service	1,483,127	257,056	1,226,071	100%
Capital Outlay	<u>1,154,489</u>	<u>20,825</u>	<u>1,133,664</u>	5444%
Total Expenditures	<u>\$ 29,524,249</u>	<u>\$ 27,214,626</u>	<u>\$ 2,309,623</u>	8%

For fiscal year 2023, total General Fund expenditures increased \$2,309,623, or 8% from the previous year.

In fiscal year 2023, General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$4,338,334. Therefore, the total fund balance at June 30, 2022 of \$16,114,579 increased to a fund balance of \$20,452,913 at June 30, 2023.

**EDGEWATER BOARD OF EDUCATION**

**Management’s Discussion and Analysis  
Fiscal Year Ended June 30, 2023**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

At the end of fiscal year 2023, the District had \$24,734,429 invested in land, buildings, furniture, equipment and vehicles for governmental activities and \$84,337 for business type activity. The following is a comparison of the June 30, 2023 and 2022 balances:

**Capital Assets at June 30, 2023 and 2022  
(Net of Accumulated Depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 179,988	\$ 179,988			\$ 179,988	\$ 179,988
Construction in Progress	335,213	116,434			335,213	116,434
Land Improvements	256,421	274,958			256,421	274,958
Buildings and Improvements	23,605,507	23,504,005	16,263	\$ 17,425	23,621,770	23,521,430
Furniture, Equipment and Vehicles	<u>357,300</u>	<u>178,099</u>	<u>68,074</u>	<u>49,842</u>	<u>425,374</u>	<u>227,941</u>
<b>Total Capital Assets, Net</b>	<u>\$ 24,734,429</u>	<u>\$ 24,253,484</u>	<u>\$ 84,337</u>	<u>\$ 67,267</u>	<u>\$ 24,818,766</u>	<u>\$ 24,320,751</u>

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

**LONG TERM LIABILITIES**

At June 30, 2023 the District had \$27,716,519 of total outstanding long-term liabilities. For fiscal year 2022/2023 total outstanding long-term liabilities decreased by \$2,097,182. The following is a comparison of the June 30, 2023 and 2022 balances:

**Outstanding Long-Term Liabilities  
as of June 30, 2023 and 2022**

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Serial Bonds (including unamortized premium)	\$ 25,647,953	\$ 26,714,452
State Aid Advance Loan Payable	-	1,440,000
Capital Financing Agreements	48,937	88,320
Compensated Absences	231,985	249,442
Net Pension Liability	<u>1,787,644</u>	<u>1,321,487</u>
<b>Total</b>	<u>\$ 27,716,519</u>	<u>\$ 29,813,701</u>

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

# **EDGEWATER BOARD OF EDUCATION**

## **Management's Discussion and Analysis Fiscal Year Ended June 30, 2023**

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

For fiscal year 2023 General Fund budgetary revenues and other financing sources exceeded budgetary expenditures and other financing uses increasing budgetary fund balance \$4,338,511. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance increased \$157,443 from an unassigned fund balance of \$984,260 at June 30, 2022 to \$1,141,703 at June 30, 2023. In addition at June 30, 2023 the District had balances in its capital reserve of \$13,248,171, maintenance reserve of \$1,014,482, emergency reserve of \$363,160, tuition reserve of \$2,025,000 and reserved excess surplus of \$693,968.

### **FACTORS BEARING ON THE DISTRICT'S FUTURE**

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

Many factors were considered by the District's administration during the process of developing the fiscal year 2023-2024 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2023-2024. Budgeted expenditures in the General Fund increased approximately 3% to \$37,396,810 for fiscal year 2024-2025. Budgeted instruction program costs and tuition costs were the main factors for the increase for fiscal year 2024-2025.

### **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, Edgewater Board of Education, 251, Undercliff Avenue, Edgewater, NJ.

**FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**EDGEWATER BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2023**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 15,540,382	\$ 493,287	\$ 16,033,669
Investments	6,000,000		6,000,000
Receivables, Net	200,747	11,180	211,927
Leases Receivable	245,707		245,707
Internal Balances	336,538	(336,538)	-
Inventory		11,682	11,682
Capital Assets, Not Being Depreciated	515,201		515,201
Capital Assets, Being Depreciated, Net	24,219,228	84,337	24,303,565
Total Assets	47,057,803	263,948	47,321,751
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding of Debt	1,400,844		1,400,844
Deferred Amounts on Net Pension Liability	388,711	-	388,711
Total Deferred Outflows of Resources	1,789,555	-	1,789,555
Total Assets and Deferred Outflows of Resources	48,847,358	263,948	49,111,306
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	1,418,111	-	1,418,111
Payable to Other Governments	7,707		7,707
Accrued Interest Payable	312,029		312,029
Unearned Revenue	69,684	29,697	99,381
Noncurrent Liabilities			
Due Within One Year	1,069,537		1,069,537
Due Beyond One Year	26,646,982	-	26,646,982
Total Liabilities	29,524,050	29,697	29,553,747
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Lease Related Revenue	245,707		245,707
Deferred Amounts on Net Pension Liability	508,073	-	508,073
Deferred Commodities Revenue	-	5,746	5,746
Total Deferred Inflows of Resources	753,780	5,746	759,526
Total Liabilities and Deferred Inflows of Resources	30,277,830	35,443	30,313,273
<b>NET POSITION</b>			
Net Investment in Capital Assets	490,947	84,337	575,284
Restricted for:			
Capital Projects	13,265,768		13,265,768
Plant Maintenance	1,014,482		1,014,482
Tuition Adjustments	693,968		693,968
Student Activities	59,091		59,091
Unrestricted	3,045,272	144,168	3,189,440
Total Net Position	\$ 18,569,528	\$ 228,505	\$ 18,798,033

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



**EDGEWATER BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Governmental Activities:							
Instruction:							
Regular	\$ 12,481,156		\$ 1,351,706	\$ -	\$ (11,129,450)		\$ (11,129,450)
Special Education	6,143,943		2,171,504		(3,972,439)		(3,972,439)
Other Instruction	439,608		89,155		(350,453)		(350,453)
School Sponsored Activities and Athletics	57,698	\$ 34,190	1,230		(22,278)		(22,278)
Support Services:							
Student & Instruction Related Services	2,988,767		524,755		(2,464,012)		(2,464,012)
General Administrative Services	831,699		69,309		(762,390)		(762,390)
School Administrative Services	627,066		94,758		(532,308)		(532,308)
Central Administrative Services	609,920		63,130		(546,790)		(546,790)
Plant Operations and Maintenance	1,654,557	68,439	88,984	\$ 363,894	(1,133,240)		(1,133,240)
Pupil Transportation	2,386,941		678,320		(1,708,621)		(1,708,621)
Interest on Long Term Debt	979,285	-	31,359	-	(947,926)	-	(947,926)
Total Governmental Activities	<u>29,200,640</u>	<u>102,629</u>	<u>5,164,210</u>	<u>363,894</u>	<u>(23,569,907)</u>	<u>-</u>	<u>(23,569,907)</u>
Business-Type Activities:							
Food Service	331,157	\$ 193,634	190,170			\$ 52,647	52,647
Preschool Program	<u>211,492</u>	<u>169,667</u>	-	-	-	<u>(41,825)</u>	<u>(41,825)</u>
Total Business-Type Activities	<u>542,649</u>	<u>363,301</u>	<u>190,170</u>	<u>-</u>	<u>-</u>	<u>10,822</u>	<u>10,822</u>
Total Primary Government	<u>\$ 29,743,289</u>	<u>\$ 465,930</u>	<u>\$ 5,354,380</u>	<u>\$ 363,894</u>	<u>(23,569,907)</u>	<u>10,822</u>	<u>(23,559,085)</u>

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

(Continued)

**EDGEWATER BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
General Revenues:			
Property Taxes:			
Levied for General Purposes	\$ 28,767,112		\$ 28,767,112
Levied for Debt Service	1,849,364		1,849,364
State Aid for Debt Service Principal	30,665		30,665
Interest Earnings	291,555	\$ 5,091	296,646
Miscellaneous Income	120,524	-	120,524
Total General Revenues and Transfers	31,059,220	5,091	31,064,311
Change in Net Position	7,489,313	15,913	7,505,226
Net Position, Beginning of Year	11,080,215	212,592	11,292,807
Net Position, End of Year	\$ 18,569,528	\$ 228,505	\$ 18,798,033

**FUND FINANCIAL STATEMENTS**

**EDGEWATER BOARD OF EDUCATION  
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>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 15,267,535	\$ 59,091	\$ 213,756		\$ 15,540,382
Investments	6,000,000				6,000,000
Receivables From Other Governments	83,731	117,016	-		200,747
Leases Receivable	245,707				245,707
Due from Other Funds	<u>480,133</u>	<u>4,485</u>	<u>-</u>	<u>-</u>	<u>484,618</u>
Total Assets	<u>\$ 22,077,106</u>	<u>\$ 180,592</u>	<u>\$ 213,756</u>	<u>\$ -</u>	<u>\$ 22,471,454</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 851,248	\$ 44,110			\$ 895,358
Accrued Salaries and Wages	24,508				24,508
Payroll Deductions and Withdrawals Payable	215,316				215,316
Employee Deposits Payable	282,929				282,929
Payable to Federal Government		4,299			4,299
Payable to State Government		3,408			3,408
Due to Other Funds	4,485		\$ 143,595		148,080
Unearned Revenue	<u>-</u>	<u>69,684</u>	<u>-</u>	<u>-</u>	<u>69,684</u>
Total Liabilities	<u>1,378,486</u>	<u>121,501</u>	<u>143,595</u>	<u>-</u>	<u>1,643,582</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Lease Related Revenue	<u>245,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>245,707</u>
Total Deferred Inflows of Resources	<u>245,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>245,707</u>
Fund Balances:					
Restricted					
Capital Reserve	9,277,057				9,277,057
Capital Reserve - Designated for Subsequent Year's Expenditures	3,971,114				3,971,114
Maintenance Reserve	1,014,482				1,014,482
Emergency Reserve	363,160				363,160
Tuition Adjustment Reserve	922,000				922,000
Tuition Adjustment Reserve - Designated for Subsequent Year's Expenditures	1,103,000				1,103,000
Excess Surplus	693,968				693,968
Student Activities		59,091			59,091
Capital Projects			70,161		70,161
Assigned					
Year End Encumbrances	1,241,699				1,241,699
Designated for Subsequent Year's Expenditures	1,413,920				1,413,920
Unassigned	<u>452,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>452,513</u>
Total Fund Balances	<u>20,452,913</u>	<u>59,091</u>	<u>70,161</u>	<u>-</u>	<u>20,582,165</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 22,077,106</u>	<u>\$ 180,592</u>	<u>\$ 213,756</u>	<u>\$ -</u>	<u>\$ 22,471,454</u>

**EDGEWATER BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2023**

**Total Fund Balances (Exhibit B-1)** \$ 20,582,165

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$38,272,429 and the accumulated depreciation is \$13,544,000.

24,734,429

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.

1,400,844

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and amortized over future years.

Deferred Outflows of Resources  
Deferred Inflows of Resources

\$ 388,711  
(508,073)

(119,362)

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

(312,029)

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

Serial Bonds (including unamortized premium)  
Capital Financing Agreements  
Compensated Absences  
Net Pension Liability

25,647,953  
48,937  
231,985  
1,787,644

(27,716,519)

**Total Net Assets of Governmental Activities (Exhibit A-1)** **\$ 18,569,528**

**EDGEWATER BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED 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>
<b>REVENUES</b>					
Local Sources:					
Property Tax Levy	\$ 28,767,112			\$ 1,849,364	\$ 30,616,476
Interest Earnings	289,178		\$ -		289,178
Miscellaneous	188,963	\$ 45,801	2,377	-	237,141
Total - Local Sources	29,245,253	45,801	2,377	1,849,364	31,142,795
State Sources	4,711,156	7,081	28,297	62,024	4,808,558
Federal Sources	-	946,781	-	-	946,781
Total Revenues	<u>33,956,409</u>	<u>999,663</u>	<u>30,674</u>	<u>1,911,388</u>	<u>36,898,134</u>
<b>EXPENDITURES</b>					
Current Expenditures					
Instruction					
Regular	11,937,862	248,271			12,186,133
Special Education	5,927,981	152,214			6,080,195
Other Instruction	401,433	11,112			412,545
School Sponsored Activities and Athletics	23,649	31,738			55,387
Support Services					
Student and Instruction Related Services	2,703,180	218,279			2,921,459
General Administrative Services	709,991	96,203			806,194
School Administrative Services	598,897				598,897
Central Administrative Services	586,230				586,230
Plant Operations and Maintenance	1,613,269				1,613,269
Pupil Transportation	2,384,141				2,384,141
Debt Service					
Principal	1,479,383			945,000	2,424,383
Interest	3,744			966,388	970,132
Capital Outlay	1,154,489	335,597	28,297	-	1,518,383
Total Expenditures	<u>29,524,249</u>	<u>1,093,414</u>	<u>28,297</u>	<u>1,911,388</u>	<u>32,557,348</u>
Excess (Deficiencies) of Revenues					
Over/(Under) Expenditures	<u>4,432,160</u>	<u>(93,751)</u>	<u>2,377</u>	<u>-</u>	<u>4,340,786</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	2,377	96,203			98,580
Transfers Out	(96,203)	-	(2,377)	-	(98,580)
Total Other Financing Sources (Uses)	<u>(93,826)</u>	<u>96,203</u>	<u>(2,377)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	4,338,334	2,452	-	-	4,340,786
Fund Balance, Beginning of Year	16,114,579	56,639	70,161	-	16,241,379
Fund Balance, End of Year	<u>\$ 20,452,913</u>	<u>\$ 59,091</u>	<u>\$ 70,161</u>	<u>\$ -</u>	<u>\$ 20,582,165</u>

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

**EDGEWATER BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** \$ 4,340,786

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

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

Capital Outlays	\$ 1,518,383	
Depreciation Expense	<u>(1,037,438)</u>	480,945

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

Principal Repayments:		
General Obligations Bonds	945,000	
Capital Financing Agreements	39,383	
State Aid Advance Loan Payable	<u>1,440,000</u>	2,424,383

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

Deferred Amounts on Refunding of Debt	(143,878)	
Original Issue Premium	<u>121,499</u>	(22,379)

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

Decrease in Compensated Absences	17,457	
Decrease in Pension Expense	<u>234,895</u>	252,352

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

		<u>13,226</u>
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**Change in Net Position of Governmental Activities (Exhibit A-2)** \$ 7,489,313

**EDGEWATER BOARD OF EDUCATION  
PROPRIETARY FUND  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2023**

	<b>Business-Type Activities Enterprise Funds</b>		
	<u>Food Service</u>	<u>Preschool Program</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 209,198	\$ 284,089	\$ 493,287
Intergovernmental Receivable	8,179		8,179
Other Accounts Receivable, Net	3,001		3,001
Inventories	<u>11,682</u>	<u>-</u>	<u>11,682</u>
Total Current Assets	<u>232,060</u>	<u>284,089</u>	<u>516,149</u>
Capital Assets			
Building Improvements	17,425		17,425
Machinery and Equipment	222,791		222,791
Accumulated Depreciation	<u>(155,879)</u>	<u>-</u>	<u>(155,879)</u>
Total Capital Assets, Net	<u>84,337</u>	<u>-</u>	<u>84,337</u>
Total Assets	<u>316,397</u>	<u>284,089</u>	<u>600,486</u>
<b>LIABILITIES</b>			
Current Liabilities			
Due to Other Funds	7,920	328,618	336,538
Unearned Revenue	<u>6,897</u>	<u>22,800</u>	<u>29,697</u>
Total Current Liabilities	<u>14,817</u>	<u>351,418</u>	<u>366,235</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Commodities Revenue	<u>5,746</u>	<u>-</u>	<u>5,746</u>
Total Liabilities and Deferred Inflow of Resources	<u>20,563</u>	<u>351,418</u>	<u>371,981</u>
<b>NET POSITION</b>			
Investment in Capital Assets	84,337		84,337
Unrestricted	<u>211,497</u>	<u>(67,329)</u>	<u>144,168</u>
Total Net Position	<u>\$ 295,834</u>	<u>\$ (67,329)</u>	<u>\$ 228,505</u>

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



**EDGEWATER BOARD OF EDUCATION**  
**PROPRIETARY FUND**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Food Service</b>	<b>Preschool Program</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Local Sources			
Daily Sales - Non-Reimbursable Programs	\$ 181,466		\$ 181,466
Program Fees	12,168	\$ 169,667	181,835
Total Operating Revenues	<u>193,634</u>	<u>169,667</u>	<u>363,301</u>
<b>OPERATING EXPENSES</b>			
Cost of Sales - Reimbursable Programs	122,550		122,550
Cost of Sales - Non-Reimbursable Programs	5,106		5,106
Salaries and Benefits	122,165	211,492	333,657
Repairs and Maintenance	18,381		18,381
Purchased Management Services	10,288		10,288
Other Purchased Services	18,988		18,988
Supplies and Materials	18,037		18,037
Miscellaneous Expense	3,763		3,763
Depreciation	11,879	-	11,879
Total Operating Expenses	<u>331,157</u>	<u>211,492</u>	<u>542,649</u>
Operating (Loss)	<u>(137,523)</u>	<u>(41,825)</u>	<u>(179,348)</u>
Nonoperating Revenues			
State Sources			
State School Breakfast Program	247		247
State School Lunch Program	4,419		4,419
Federal Sources			
School Breakfast Program	15,412		15,412
National School Lunch Program	87,011		87,011
Supply Chain Assistance	44,562		44,562
Food Distribution Program	38,519		38,519
Interest Earnings	2,714	\$ 2,377	5,091
Total Nonoperating Revenues	<u>192,884</u>	<u>2,377</u>	<u>195,261</u>
Change in Net Position	55,361	(39,448)	15,913
Total Net Position, Beginning of Year	<u>240,473</u>	<u>(27,881)</u>	<u>212,592</u>
Total Net Position, End of Year	<u>\$ 295,834</u>	<u>\$ (67,329)</u>	<u>\$ 228,505</u>

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

**EDGEWATER BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Food Service</b>	<b>Preschool Program</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 189,849	\$ 180,500	\$ 370,349
Cash Payments for Employees Salaries and Benefits	(122,165)	(212,623)	(334,788)
Cash Payments to Suppliers for Goods and Services	(161,463)		(161,463)
Cash Payments to Customers - Refunds	(63)	(2,433)	(2,496)
Net Cash (Used for) Operating Activities	<u>(93,842)</u>	<u>(34,556)</u>	<u>(128,398)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from Other Funds	4,658	212,623	217,281
Cash Received from State and Federal Subsidy Reimbursements	<u>179,528</u>	<u>-</u>	<u>179,528</u>
Net Cash Provided by Noncapital Financing Activities	<u>184,186</u>	<u>212,623</u>	<u>396,809</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchase of Capital Assets	<u>(28,949)</u>	<u>-</u>	<u>(28,949)</u>
Net Cash (Used For) Capital and Related Financing Activities	<u>(28,949)</u>	<u>-</u>	<u>(28,949)</u>
<b>Cash Flows from Investing Activities</b>			
Interest Earnings Received	<u>2,714</u>	<u>2,377</u>	<u>5,091</u>
Net Cash Provided by Investing Activities	<u>2,714</u>	<u>2,377</u>	<u>5,091</u>
Net Increase in Cash and Cash Equivalents	64,109	180,444	244,553
Cash and Cash Equivalents, Beginning of Year	<u>145,089</u>	<u>103,645</u>	<u>248,734</u>
Cash and Cash Equivalents, End of Year	<u>\$ 209,198</u>	<u>\$ 284,089</u>	<u>\$ 493,287</u>
Reconciliation of Operating Income (Loss) to Net Cash (Used for) Operating Activities			
Operating (Loss)	<u>\$ (137,523)</u>	<u>\$ (41,825)</u>	<u>(179,348)</u>
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities			
Depreciation	11,879		11,879
Non-Cash Federal Assistance-Food Distribution Program	38,519		38,519
Change in Assets, Liabilities and Deferred Inflows			
(Increase)/Decrease in Accounts Receivable	(2,907)		(2,907)
(Increase)/Decrease in Inventory	(7,917)		(7,917)
Increase/(Decrease) in Accrued Salaries and Wages		(1,131)	(1,131)
Increase/(Decrease) in Unearned Revenue	(941)	8,400	7,459
Increase/(Decrease) in Deferred Commodities Revenue	<u>5,048</u>	<u>-</u>	<u>5,048</u>
Total Adjustments	<u>43,681</u>	<u>7,269</u>	<u>50,950</u>
Net Cash (Used For) Operating Activities	<u>\$ (93,842)</u>	<u>\$ (34,556)</u>	<u>\$ (128,398)</u>
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	\$ 43,567		\$ 43,567

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

**NOTES TO THE FINANCIAL STATEMENTS**

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Edgewater Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of five elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade six (6) school district in two elementary schools and sends its students in grades seven (7) to twelve (12) to Leonia Public Schools under a send/receive tuition agreement.

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

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Edgewater Board of Education this includes general operations, food service, preschool program and student related activities of the District.

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

**B. New Accounting Standards**

During fiscal year 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.

**EDGEWATER BOARD OF EDUCATION  
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.

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

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

**Reclassifications**

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

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 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 and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt, acquisitions under financing 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, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

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

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

***1. Cash, Cash Equivalents and Investments***

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

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

***2. Receivables***

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

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

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

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

**4. *Capital Assets***

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost, 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	15-30
Buildings	40
Building Improvements	20
Machinery, Equipment and Vehicles	8-15
Office Equipment and Furniture	5-15
Computer Equipment	5

**5. *Deferred Outflows/Inflows of Resources***

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



**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***5. Deferred Outflows/Inflows of Resources (Continued)***

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has three types of items, one type which arises under both the accrual basis of accounting and modified accrual basis of accounting and two types which arise only under the accrual basis of accounting that qualify for reporting in this category. Accordingly, one item, deferred lease related revenue is reported in both the district-wide statement of net position and governmental funds balance sheet. The deferred lease related revenue represents the future inflows from long-term lease agreements of District owned property. This amount is deferred and recognized as an inflow of resources (revenue) in the period the revenue is deemed earned. Another item that qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed. The other item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

***6. Compensated Absences***

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

***7. Pensions***

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

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

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**8. Leases**

**Leases Receivable**

Non-cancellable leases for the use of the District's property are recognized as a lease receivable and a deferred inflow of resources in the district-wide, governmental fund and proprietary fund type financial statements. The District recognizes the initial lease receivable at the present value of payments expected to be received during the lease term. The lease receivable is subsequently reduced by the principal portion of lease payments received each year. The deferred inflow of resources is initially measured as of the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue in proportion to the annual principal lease payments made over the term of the lease. Leases are monitored for changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**9. 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.

**10. Long-Term Obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

EDGEWATER BOARD OF EDUCATION  
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. *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.

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2023/2024 District 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 2D).

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

Tuition Adjustment Reserve – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2022/2023 contract year and is required to be liquidated in the second year following the contract year with any remaining balance related to that contract year to be reserved and budgeted for property tax relief in the 2024/2025 original budget certified for taxes.

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

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

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

EDGEWATER BOARD OF EDUCATION  
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. *Net Position/Fund Balance* (Continued)

Governmental Fund Statements (Continued)

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.

12. *Fund Balance Policies*

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

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

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses (Continued)**

**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 1<sup>st</sup> 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 and preschool program enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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 restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund.

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval. 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 \$1,652,964 and the special revenue fund by \$2,371,490. The increases were funded by the additional appropriation of restricted fund balance, grant awards, student activity revenues, and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations from the general fund of restricted fund balance for State aid advance loan repayment of \$1,080,000.

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.

**B. Deficit Fund Equity**

The District has an accumulated deficit in net position of (\$67,329) in the Preschool Program Enterprise Fund as of June 30, 2023. The District expects to eliminate this deficit through normal operations in the 2023/2024 fiscal year and if necessary a transfer from the 2023/2024 general fund budget.

**C. Capital Reserve**

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

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

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**C. Capital Reserve (Continued)**

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

Balance, July 1, 2022	\$ 6,199,209
Increased by	
Interest Earnings	\$ 48,962
Deposits Approved by Board Resolution	<u>7,000,000</u>
 Balance, June 30, 2023	 <u>\$ 13,248,171</u>

\$3,971,114 of the capital reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

**D. Maintenance Reserve**

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

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

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

Balance, July 1, 2022	\$ 939,432
Increased by	
Interest Earnings	\$ 50
Deposits Approved by Board Resolution	<u>75,000</u>
 Balance, June 30, 2023	 <u>\$ 1,014,482</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,014,482.

**EDGEWATER BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**E. Emergency Reserve**

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

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

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

Balance, July 1, 2022	\$ 298,849
Increased by	
Deposits Approved by Resolution	<u>64,311</u>
Balance, June 30, 2023	<u>\$ 363,160</u>

**F. 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 \$693,968. This amount will 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.



**EDGEWATER BOARD OF EDUCATION  
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 was \$16,033,669 and bank and brokerage firm balances of the Board's deposits amounted to \$17,783,848. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ 17,390,611
Uninsured and Collateralized	<u>393,237</u>
	<u>\$ 17,783,848</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 \$393,237 was exposed to custodial credit risk as follows:

**Depository Account**

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	<u>\$ 393,237</u>
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**Investments**

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

**EDGEWATER BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

As of June 30, 2023, the Board had the following investments:

<u>Investment Type:</u>	<u>Maturities</u>	<u>Fair Value</u>
Non-Negotiable Certificates of Deposit	Less Than 1 Year	\$ <u>6,000,000</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk. As of June 30, 2023, none of the Board’s investments were exposed to custodial credit risk. The Board’s investments are insured by FDIC and GUDPA.

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

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

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board’s investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer. More than five (5) percent of the Board’s investments are in TD Bank. These investments are 100% of the District’s investments.

Fair Value of Investments. The Edgewater Board of Education measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

Investments are valued based on price data obtained from observed transactions and market price quotations provided by the respective financial institution. Since the value is not obtained from a quoted price in an active market the investments held by the District at June 30, 2023 are categorized as Level 2.

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

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

Receivables as of June 30, 2023 for the district’s individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental-				
Federal		\$ 110,741	\$ 7,836	\$ 118,577
State	\$ 83,731	6,275	343	90,349
Accounts	-	-	3,001	3,001
Gross Receivables	83,731	117,016	11,180	211,927
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 83,731</u>	<u>\$ 117,016</u>	<u>\$ 11,180</u>	<u>\$ 211,927</u>

**C. Leases Receivable**

On January 1, 2023, the District renewed a lease for its school parking lot with a third party. The lease was renewed for a 5-year term to December 31, 2027. The District will receive monthly payments of \$4,600 to \$5,177. The District recognized \$51,600 in lease revenue for the fiscal year ended June 30, 2023, which includes interest earnings of \$8,098. As of June 30, 2023 the District’s receivable for lease payments, exclusive of future interest earnings is \$245,707 for the lease term ending December 31, 2027. Also, the District has a deferred inflows of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$245,707 for the lease term ending December 31, 2027.

The future lease revenue payments as of June 30, 2023 are as follows:

**Governmental Activities:**

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 49,149	\$ 6,879	\$ 56,028
2025	52,206	5,503	57,709
2026	55,399	4,041	59,440
2027	58,733	2,491	61,224
2028	30,220	845	31,065
Total	<u>\$ 245,707</u>	<u>\$ 19,759</u>	<u>\$ 265,466</u>

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Unearned Revenue**

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

Special Revenue Fund		
Unencumbered Grant Draw Downs	\$	36,940
Grant Draw Downs Reserved for Encumbrances		<u>32,744</u>
Total Unearned Revenue for Governmental Funds	\$	<u><u>69,684</u></u>

**E. Capital Assets**

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

	<u>Balance, July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2023</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 179,988	-	-	\$ 179,988
Construction in Progress	<u>116,434</u>	<u>314,388</u>	<u>95,609</u>	<u>335,213</u>
Total Capital Assets, Not Being Depreciated	<u>296,422</u>	<u>314,388</u>	<u>95,609</u>	<u>515,201</u>
Capital Assets, Being Depreciated:				
Land Improvements	688,548	16,844		705,392
Buildings and Building Improvements	34,046,755	1,042,000		35,088,755
Machinery, Equipment and Vehicles	<u>1,728,321</u>	<u>240,760</u>	-	<u>1,969,081</u>
Total Capital Assets Being Depreciated	<u>36,463,624</u>	<u>1,299,604</u>	-	<u>37,763,228</u>
Less Accumulated Depreciation for:				
Site Improvements	(413,590)	(35,381)		(448,971)
Buildings and Building Improvements	(10,542,750)	(940,498)		(11,483,248)
Machinery, Equipment and Vehicles	<u>(1,550,222)</u>	<u>(61,559)</u>	-	<u>(1,611,781)</u>
Total Accumulated Depreciation	<u>(12,506,562)</u>	<u>(1,037,438)</u>	-	<u>(13,544,000)</u>
Total Capital Assets, Being Depreciated, Net	<u>23,957,062</u>	<u>262,166</u>	-	<u>24,219,228</u>
Governmental Activities Capital Assets, Net	<u>\$ 24,253,484</u>	<u>\$ 576,554</u>	<u>\$ 95,609</u>	<u>\$ 24,734,429</u>

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Capital Assets (Continued)**

	<u>Balance, July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2023</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Building Improvement	\$ 17,425			\$ 17,425
Machinery and Equipment	193,842	\$ 28,949	-	222,791
	<u>211,267</u>	<u>28,949</u>	<u>-</u>	<u>240,216</u>
Total Capital Assets Being Depreciated				
Less Accumulated Depreciation for:				
Building Improvement		(1,162)		(1,162)
Machinery and Equipment	(144,000)	(10,717)	-	(154,717)
	<u>(144,000)</u>	<u>(11,879)</u>	<u>-</u>	<u>(155,879)</u>
Total Accumulated Depreciation				
Total Capital Assets, Being Depreciated, Net	<u>67,267</u>	<u>17,070</u>	<u>-</u>	<u>84,337</u>
Business-Type Activities Capital Assets, Net	<u>\$ 67,267</u>	<u>\$ 17,070</u>	<u>\$ -</u>	<u>\$ 84,337</u>

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Capital Assets (Continued)**

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

**Governmental Activities:**

Instruction	
Regular	\$ 504,477
Special Education	115,041
Other Instruction	41,548
School-Sponsored Activities and Athletics	<u>3,316</u>
 Total Instruction	 <u>664,382</u>
 Support Services	
Student and Instruction Related Services	137,450
General Administrative Services	46,997
School Administrative Services	50,259
Central Administrative Services	44,394
Plant Operations and Maintenance	76,641
Pupil Transportation	<u>17,315</u>
 Total Support Services	 <u>373,056</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 1,037,438</u>
 <b>Business-Type Activities:</b>	
Food Service Fund	<u>\$ 11,879</u>
 Total Depreciation Expense-Business-Type Activities	 <u>\$ 11,879</u>

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. 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>Remaining Commitment</u>
Door Access Controls	\$ 262,498
Acquisition of Playground Surfacing and Equipment	367,287
BTU Ductless Split Units	83,140
Cafeteria Fire Doors	54,534
Upgrade Audio-Visual Systems	<u>32,345</u>
Total	<u>\$ 799,804</u>

**F. 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 Fund	\$ 143,595
General Fund	Food Service Fund	7,920
General Fund	Preschool Fund	328,618
Special Revenue Fund	General Fund	<u>4,485</u>
Total		<u>\$ 484,618</u>

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

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

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Interfund Receivables, Payables, and Transfers (Continued)**

**Interfund Transfers**

	Transfer In:		
	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 96,203	\$ 96,203
Capital Projects Fund	\$ 2,377	-	2,377
Total Transfers	<u>\$ 2,377</u>	<u>\$ 96,203</u>	<u>\$ 98,580</u>

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

**G. Financing Agreements**

**Capital Financing Agreements**

The District entered into the following agreement to finance the acquisition of capital assets under capital financing agreements. The repayments under this financing agreement is subject to the annual appropriation of funds in the District’s approved budget.

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

\$95,118, fiscal year 2021 Agreement for the acquisition of photo copiers for a term of 5 years due in monthly principal installments of \$1,591 to \$1,788 through November 15, 2025 interest at 4.95%	\$ 48,937
Total	<u>\$ 48,937</u>



**EDGEWATER BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Financing Agreements (Continued)**

**Capital Financing Agreements (Continued)**

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

**Governmental Activities:**

Fiscal Year Ending <u>June 30,</u>	<u>Capital Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	19,537	2,003	21,540
2025	20,536	1,004	21,540
2026	<u>8,864</u>	<u>11</u>	<u>8,875</u>
Total	<u>\$ 48,937</u>	<u>\$ 3,018</u>	<u>\$ 51,955</u>

**H. 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.

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

\$26,565,000, 2017 Refunding Bonds, due in annual installments of \$1,020,000 to \$1,910,00 through March 1, 2040 interest at 3.00% to 4.00%	<u>\$24,465,000</u>
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**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**H. Long-Term Debt (Continued)**

**General Obligation Bonds**

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

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>General Obligation Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 1,020,000	\$ 936,088	\$ 1,956,088
2025	1,070,000	895,287	1,965,287
2026	1,120,000	852,488	1,972,488
2027	1,170,000	807,687	1,977,687
2028	1,220,000	760,887	1,980,887
2029-2033	6,875,000	3,059,238	9,934,238
2034-2038	8,240,000	1,735,175	9,975,175
2039-2040	<u>3,750,000</u>	<u>226,400</u>	<u>3,976,400</u>
Total	<u>\$ 24,465,000</u>	<u>\$ 9,273,250</u>	<u>\$ 29,761,850</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:

2.5% of Equalized Valuation Basis (Municipal)	\$ 94,286,967
Less: Net Debt	<u>24,465,000</u>
Remaining Borrowing Power	<u>\$ 69,821,967</u>

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**H. Long-Term Debt (Continued)**

**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>
<b>Governmental Activities:</b>					
Serial Bonds	\$ 25,410,000	-	\$ 945,000	\$ 24,465,000	\$ 1,020,000
Add: Premium	<u>1,304,452</u>	<u>-</u>	<u>121,499</u>	<u>1,182,953</u>	<u>-</u>
Total Bonds Payable	26,714,452	-	1,066,499	25,647,953	1,020,000
State Aid Advance Loan	1,440,000		1,440,000	-	-
Capital Financing Agreements	88,320		39,383	48,937	19,537
Compensated Absences	249,442	\$ 1,740	19,197	231,985	30,000
Net Pension Liability	<u>1,321,487</u>	<u>615,534</u>	<u>149,377</u>	<u>1,787,644</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 29,813,701</u>	<u>\$ 617,274</u>	<u>\$ 2,714,456</u>	<u>\$ 27,716,519</u>	<u>\$ 1,069,537</u>

For the governmental activities, the liabilities for compensated absences, capital 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 insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

The District is a member of the New Jersey Schools Insurance Group (NJSIG 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 Group, 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 fund any deficit of the Group attributable to a membership year during which they were a member.

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

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

**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.

**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](http://www.state.nj.us/treasury/pensions).

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

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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](http://www.state.nj.us/treasury/pensions).

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

The following represent the membership tiers for TPAF:

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

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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.

**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](http://www.state.nj.us/treasury/pensions).

**EDGEWATER BOARD OF EDUCATION  
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)**

**Plan Amendments**

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

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

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

**EDGEWATER BOARD OF EDUCATION  
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)**

**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.

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 more 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	\$ 149,377	\$ 1,459,472	\$ 27,172
2022	130,639	1,956,814	13,014
2021	140,858	1,553,178	1,757



**EDGEWATER BOARD OF EDUCATION  
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)**

In addition for fiscal years 2023, 2022 and 2021 State contributed \$707, \$1,295 and \$1,557, 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 \$399,148 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.

**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 \$1,787,644 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 .01185 percent, which was an increase of .00069 percent from its proportionate share measured as of June 30, 2021 of .01116 percent.

**EDGEWATER BOARD OF EDUCATION  
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 \$(85,518) 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:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 12,902	\$ 11,378
Changes of Assumptions	5,539	267,681
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	73,989	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>296,281</u>	<u>229,014</u>
Total	<u>\$ 388,711</u>	<u>\$ 508,073</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:

Year Ending <u>June 30,</u>	<u>Total</u>
2023	\$ (329,693)
2024	(254,874)
2025	45,054
2026	412,435
2027	7,716
Thereafter	<u>-</u>
	<u>\$ (119,362)</u>

**EDGEWATER BOARD OF EDUCATION  
 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.

**EDGEWATER BOARD OF EDUCATION  
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%

**EDGEWATER BOARD OF EDUCATION  
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, 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:

	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>2,296,599</u>	\$ <u>1,787,644</u>	\$ <u>1,354,503</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at 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](http://www.state.nj.us/treasury/pensions).

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**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 \$650,852 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 \$24,183,728. 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 .04687 percent, which was a decrease of .00556 percent from its proportionate share measured as of June 30, 2021 of .05243 percent.

**EDGEWATER BOARD OF EDUCATION  
 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.

**EDGEWATER BOARD OF EDUCATION  
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.



**EDGEWATER BOARD OF EDUCATION  
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:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 28,355,935</u>	<u>\$ 24,183,728</u>	<u>\$ 20,669,168</u>

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District at 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](http://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.

**EDGEWATER BOARD OF EDUCATION  
 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](http://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 plans 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.

**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.

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**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 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 \$383,400, \$457,191 and \$486,742, 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.

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$983,839. 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 \$15,691,941. 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 .03098 percent, which was a decrease of .0469 percent from its proportionate share measured as of June 30, 2021 of .03567 percent.

**EDGEWATER BOARD OF EDUCATION  
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)**

**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.

**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.

**EDGEWATER BOARD OF EDUCATION  
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)**

**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:

Balance, June 30, 2021 Measurement Date	\$ 21,406,783
Changes Recognized for the Fiscal Year:	
Service Cost	1,490,816
Interest on the Total OPEB Liability	415,854
Differences Between Expected and Actual Experience	(3,013,307)
Changes of Assumptions	(4,209,504)
Gross Benefit Payments	(411,915)
Member Contributions	13,214
Net Changes	<u>\$ (5,714,842)</u>
Balance, June 30, 2022 Measurement Date	<u>\$ 15,691,941</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.

**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:

	<b>1% Decrease (2.54%)</b>	<b>Current Discount Rate (3.54%)</b>	<b>1% Increase (4.54%)</b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 18,444,226</u>	<u>\$ 15,691,941</u>	<u>\$ 13,486,122</u>

**EDGEWATER BOARD OF EDUCATION  
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 (Continued)**

*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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>12,970,348</u>	\$ <u>15,691,941</u>	\$ <u>19,266,918</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. Subsequent Events**

**Capital Financing Agreements**

On October 16 2023 the District entered into a capital financing agreement, modifying the current financing agreement for additional copiers. The lease term is for 5 year with the first payment on the new copiers due November 28, 2023.

**G. Tax Abatements**

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

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

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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 \$2,833,313 in federal aid to address the effects of the COVID-19 pandemic

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**  
**BUDGETARY COMPARISON SCHEDULES**



**EDGEWATER BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 28,767,112		\$ 28,767,112	\$ 28,767,112	\$ -
Interest Earned in Maintenance Reserve	50		50	50	-
Interest Earned in Capital Reserve Funds	500		500	48,962	48,462
Interest				240,166	240,166
Unrestricted Miscellaneous	48,000	-	48,000	188,963	140,963
<b>Total Local Revenues</b>	<u>28,815,662</u>	<u>-</u>	<u>28,815,662</u>	<u>29,245,253</u>	<u>429,591</u>
State Sources					
Special Education Aid	1,210,840	-	1,210,840	1,210,840	-
Security Aid	45,596	-	45,596	45,596	-
Transportation Aid	618,022	-	618,022	618,022	-
Extraordinary Special Education Costs Aid				552,964	552,964
Nonpublic School Transportation Costs				41,184	41,184
On-Behalf TPAF Contributions (Non-Budgeted)					
Pension Benefit Contribution				1,439,501	1,439,501
Pension - NCGI Premium				19,971	19,971
Post Retirement Medical Benefit Contribution				383,400	383,400
Long Term Disability Insurance				707	707
Reimbursed Social Security Contribution	-	-	-	399,148	399,148
<b>Total State Revenues</b>	<u>1,874,458</u>	<u>-</u>	<u>1,874,458</u>	<u>4,711,333</u>	<u>2,836,875</u>
<b>Total Revenues</b>	<u>30,690,120</u>	<u>-</u>	<u>30,690,120</u>	<u>33,956,586</u>	<u>3,266,466</u>
<b>CURRENT EXPENDITURES</b>					
Regular Programs - Instruction					
Salaries of Teachers					
Preschool	165,400	-	165,400	-	165,400
Kindergarten	625,265	-	625,265	412,493	212,772
Grades 1-5	3,103,063	-	3,103,063	2,809,420	293,643
Grades 6-8	298,108	-	298,108	286,010	12,098
Regular Programs - Home Instruction					
Salaries of Teachers	4,000	-	4,000	1,541	2,459
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	440,000	\$ (34,000)	406,000	91,816	314,184
Purchased Technical Services	299,800	2,550	302,350	287,037	15,313
Other Purchased Services	3,000	-	3,000	2,279	721
General Supplies	327,335	235,135	562,470	384,831	177,639
Textbooks	169,065	(1,825)	167,240	2,531	164,709
Other Objects	2,800	2,105	4,905	3,580	1,325
<b>Total Regular Programs</b>	<u>5,437,836</u>	<u>203,965</u>	<u>5,641,801</u>	<u>4,281,538</u>	<u>1,360,263</u>
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	136,655	(622)	136,033	130,339	5,694
Other Salaries for Instruction	196,000	(1,478)	194,522	40,089	154,433
General Supplies	750	2,100	2,850	2,798	52
<b>Total Learning / Language Disabilities</b>	<u>333,405</u>	<u>-</u>	<u>333,405</u>	<u>173,226</u>	<u>160,179</u>
Multiple Disabilities					
Salaries of Teachers	83,000	-	83,000	52,660	30,340
Other Salaries for Instruction	35,000	(34,400)	600	-	600
General Supplies	5,000	33,200	38,200	20,750	17,450
<b>Total Multiple Disabilities</b>	<u>123,000</u>	<u>(1,200)</u>	<u>121,800</u>	<u>73,410</u>	<u>48,390</u>
Resource Room / Resource Center					
Salaries of Teachers	520,717	-	520,717	436,813	83,904
General Supplies	1,000	1,200	2,200	2,170	30
<b>Total Resource Room / Resource Center</b>	<u>521,717</u>	<u>1,200</u>	<u>522,917</u>	<u>438,983</u>	<u>83,934</u>

**EDGEWATER BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
<b>Autism</b>					
Salaries of Teachers	\$ 132,417	\$ (3,600)	\$ 128,817	\$ 66,693	\$ 62,124
Other Salaries for Instruction	98,000	-	98,000	22,023	75,977
General Supplies	5,000	94,701	99,701	66,227	33,474
<b>Total Autism</b>	<u>235,417</u>	<u>91,101</u>	<u>326,518</u>	<u>154,943</u>	<u>171,575</u>
<b>Preschool Disabilities - Full - Time</b>					
Salaries of Teachers	155,132	(2,200)	152,932	136,357	16,575
Other Salaries for Instruction	70,000	-	70,000	13,122	56,878
General Supplies	5,000	35,200	40,200	8,701	31,499
<b>Total Preschool Disabilities - Full - Time</b>	<u>230,132</u>	<u>33,000</u>	<u>263,132</u>	<u>158,180</u>	<u>104,952</u>
<b>Total Special Education</b>	<u>1,443,671</u>	<u>124,101</u>	<u>1,567,772</u>	<u>998,742</u>	<u>569,030</u>
<b>Bilingual Education</b>					
Salaries of Teachers	254,014	-	254,014	251,569	2,445
General Supplies	18,000	12,391	30,391	18,219	12,172
<b>Total Bilingual Education</b>	<u>272,014</u>	<u>12,391</u>	<u>284,405</u>	<u>269,788</u>	<u>14,617</u>
<b>School Sponsored Co-Curricular Activities</b>					
Salaries	10,725	5,609	16,334	16,334	-
<b>Total School Sponsored Co-Curricular Activities</b>	<u>10,725</u>	<u>5,609</u>	<u>16,334</u>	<u>16,334</u>	<u>-</u>
<b>Total - Instruction</b>	<u>7,164,246</u>	<u>\$ 346,066</u>	<u>7,510,312</u>	<u>5,566,402</u>	<u>1,943,910</u>
<b>Undistributed Expenditures</b>					
<b>Instruction (Tuition)</b>					
Tuition - Other LEA's Within State - Regular	5,203,235	98,937	5,302,172	5,196,930	105,242
Tuition - Other LEA's Within State - Special	4,052,041	(101,920)	3,950,121	3,447,134	502,987
Tuition to County Vocational School District-Reg.	218,988	58,410	277,398	277,398	-
Tuition to CSSD and Regional Day Schools	348,290	47,496	395,786	395,786	-
Tuition to APSSD Within the State	1,506,004	(98,937)	1,407,067	581,607	825,460
<b>Total Undistributed - Instruction (Tuition)</b>	<u>11,328,558</u>	<u>3,986</u>	<u>11,332,544</u>	<u>9,898,855</u>	<u>1,433,689</u>
<b>Attendance and Social Work Services</b>					
Salaries	30,720	-	30,720	-	30,720
Other Purchased Services	18,739	-	18,739	14,864	3,875
<b>Total Attendance and Social Work Services</b>	<u>49,459</u>	<u>-</u>	<u>49,459</u>	<u>14,864</u>	<u>34,595</u>
<b>Health Services</b>					
Salaries	204,673	-	204,673	155,545	49,128
Purchased Professional and Technical Services	2,000	-	2,000	-	2,000
Other Purchases Services	7,500	(5)	7,495	994	6,501
Supplies and Materials	2,000	329	2,329	2,289	40
<b>Total Health Services</b>	<u>216,173</u>	<u>324</u>	<u>216,497</u>	<u>158,828</u>	<u>57,669</u>
<b>Speech, OT, PT and Related Services</b>					
Salaries	180,263	-	180,263	114,894	65,369
Purchased Professional - Educational Services	709,625	(227,537)	482,088	428,812	53,276
Supplies and Materials	2,000	-	2,000	-	2,000
<b>Total Speech, OT, PT and Related Services</b>	<u>891,888</u>	<u>(227,537)</u>	<u>664,351</u>	<u>543,706</u>	<u>120,645</u>
<b>Other Support Services-Students-Extra Services</b>					
Salaries	231,000	-	231,000	127,996	103,004
Purchased Professional-Educational Services	169,500	75,260	244,760	240,160	4,600
Supplies and Materials	4,000	(1,700)	2,300	-	2,300
<b>Total Other Support Services-Extra Services</b>	<u>404,500</u>	<u>73,560</u>	<u>478,060</u>	<u>368,156</u>	<u>109,904</u>

**EDGEWATER BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Guidance					
Salaries of Other Professional Staff	\$ 76,170	\$ 47,000	\$ 123,170	\$ 122,801	\$ 369
Supplies and Materials	1,500	-	1,500	2	1,498
Total Guidance	<u>77,670</u>	<u>47,000</u>	<u>124,670</u>	<u>122,803</u>	<u>1,867</u>
Child Study Team					
Salaries of Other Professional Staff	322,708	-	322,708	306,016	16,692
Salaries of Secretarial and Clerical Assistants	55,000	-	55,000	55,000	-
Other Purchased Professional and Technical Services	221,370	768	222,138	202,368	19,770
Other Purchased Services	1,750	-	1,750	1,750	-
Supplies and Materials	8,750	1,637	10,387	6,660	3,727
Other Objects	1,400	-	1,400	1,095	305
Total Child Study Team	<u>610,978</u>	<u>2,405</u>	<u>613,383</u>	<u>571,139</u>	<u>42,244</u>
Educational Media Services/School Library					
Salaries	179,270	-	179,270	116,391	62,879
Supplies and Materials	6,000	281	6,281	6,135	146
Total Educational Media Services/School Library	<u>185,270</u>	<u>281</u>	<u>185,551</u>	<u>122,526</u>	<u>63,025</u>
Instructional Staff Training Services					
Salaries	115,400	3,180	118,580	118,575	5
Purchased Professional-Educational Services	15,000	(4,691)	10,309	8,208	2,101
Supplies and Materials	1,500	1,309	2,809	350	2,459
Other Objects	1,400	294	1,694	1,694	-
Total Instructional Staff Training Services	<u>133,300</u>	<u>92</u>	<u>133,392</u>	<u>128,827</u>	<u>4,565</u>
Support Services General Administration					
Salaries	290,746	-	290,746	289,254	1,492
Salaries of State Fiscal Monitors	147,000	(2,700)	144,300	74,400	69,900
Repayment of Principal - NJDOE Loan	360,000	1,080,000	1,440,000	1,440,000	-
Legal Services	40,000	60,302	100,302	38,408	61,894
Audit Fees	40,000	34,660	74,660	42,720	31,940
Purchased Technical Services	1,855	-	1,855	1,825	30
Communications/Telephone	55,000	-	55,000	36,626	18,374
BOE Other Purchased Services	1,000	-	1,000	-	1,000
General Supplies	3,000	2,338	5,338	811	4,527
Miscellaneous Expenditures	8,100	-	8,100	4,187	3,913
BOE Membership Dues and Fees	9,500	-	9,500	6,719	2,781
Total Support Services General Administration	<u>956,201</u>	<u>1,174,600</u>	<u>2,130,801</u>	<u>1,934,950</u>	<u>195,851</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	286,000	764	286,764	286,754	10
Salaries of Secretarial and Clerical Assistants	110,000	(14,711)	95,289	94,765	524
Supplies and Materials	6,000	14,372	20,372	5,237	15,135
Other Objects	2,200	(15)	2,185	1,690	495
Total Support Services School Administration	<u>404,200</u>	<u>410</u>	<u>404,610</u>	<u>388,446</u>	<u>16,164</u>
Central Services					
Salaries	345,240	3,879	349,119	349,112	7
Purchased Professional Services	31,000	13,535	44,535	44,535	-
Miscellaneous Purchased Services	6,000	(3,714)	2,286	1,528	758
Supplies and Materials	6,400	(2,362)	4,038	3,994	44
Miscellaneous Expenditures	3,540	(350)	3,190	2,166	1,024
Total Central Services	<u>392,180</u>	<u>10,988</u>	<u>403,168</u>	<u>401,335</u>	<u>1,833</u>
Administration Information Technology					
Other Purchased Services	2,400	3,843	6,243	6,243	-
Supplies and Materials	400	(57)	343	-	343
Other Objects	1,250	(1,036)	214	214	-
Total Administration Information Technology	<u>4,050</u>	<u>2,750</u>	<u>6,800</u>	<u>6,457</u>	<u>343</u>
Required Maintenance for School Facilities					
Salaries	231,994	-	231,994	206,923	25,071
Unused Vacation Payment to Terminated/Retired Staff	47,693	(19,794)	27,899	-	27,899
Cleaning, Repair & Maintenance Services	198,351	3,294	201,645	187,672	13,973
General Supplies	52,000	24,000	76,000	58,386	17,614
Total Required Maintenance for School Facilities	<u>530,038</u>	<u>7,500</u>	<u>537,538</u>	<u>452,981</u>	<u>84,557</u>

**EDGEWATER BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Custodial Services					
Salaries	\$ 580,553	-	\$ 580,553	\$ 367,929	\$ 212,624
Unused Vacation Payment to Terminated/Retired Staff	40,594	-	40,594	307	40,287
Purchased Professional-Technical Services	3,500	-	3,500	-	3,500
Cleaning, Repair and Maintenance Services	110,200	\$ 5,753	115,953	74,503	41,450
Other Purchased Property Services	54,000	-	54,000	20,329	33,671
Insurance	120,000	-	120,000	111,944	8,056
General Supplies	91,000	(6,288)	84,712	18,075	66,637
Energy (Natural Gas)	170,000	5,232	175,232	175,232	-
Energy (Electricity)	128,000	-	128,000	124,382	3,618
Other Objects	9,085	1,056	10,141	10,141	-
<b>Total Custodial Services</b>	<b>1,306,932</b>	<b>5,753</b>	<b>1,312,685</b>	<b>902,842</b>	<b>409,843</b>
Student Transportation Services					
Salaries of Non-Instructional Aides	90,000	-	90,000	64,353	25,647
Salaries for Pupil Transportation (Between Home and School) - Regular	196,982	-	196,982	171,669	25,313
Other Purchased Prof. and Technical Serv	14,000	26,609	40,609	40,609	-
Lease Purchase Payments - School Buses	58,516	(5,609)	52,907	22,666	30,241
Contracted Serv. - Aid in Lieu Pymts Non-Pub School	150,000	(21,000)	129,000	112,323	16,677
Contracted Serv (Bet Home an School) Joint Agreements	1,479,936	-	1,479,936	965,405	514,531
Contracted Serv (Sp Ed. Students) ESCs & CTSAs	1,197,639	-	1,197,639	891,416	306,223
Miscellaneous Purchased Services - Transportation	73,000	(100)	72,900	18,050	54,850
Transportation Supplies	12,700	-	12,700	12,304	396
Other Objects	1,200	100	1,300	1,231	69
<b>Total Student Transportation Services</b>	<b>3,273,973</b>	<b>-</b>	<b>3,273,973</b>	<b>2,300,026</b>	<b>973,947</b>
Unallocated Benefits					
Social Security Contributions	258,500	290	258,790	210,870	47,920
Other Retirement Contributions	226,000	-	226,000	176,549	49,451
Unemployment Compensation	49,372	-	49,372	235	49,137
Workmen's Compensation	110,915	29,539	140,454	140,454	-
Health Benefits	2,872,810	(90,539)	2,782,271	1,568,634	1,213,637
Tuition Reimbursement	21,500	-	21,500	18,140	3,360
Other Employee Benefits	35,450	18,422	53,872	53,871	1
Unused Sick Payment to Terminated/Retired Staff	69,128	(18,422)	50,706	19,197	31,509
<b>Total Unallocated Benefits</b>	<b>3,643,675</b>	<b>(60,710)</b>	<b>3,582,965</b>	<b>2,187,950</b>	<b>1,395,015</b>
On Behalf TPAF Contributions (Non Budgeted)					
Pension Benefit Contribution	-	-	-	1,439,501	(1,439,501)
Pension -NCGI Premium	-	-	-	19,971	(19,971)
Post Retirement Medical Benefit Contribution	-	-	-	383,400	(383,400)
Long Term Disability Insurance	-	-	-	707	(707)
Reimbursed Social Security Contribution	-	-	-	399,148	(399,148)
<b>Total On-Behalf Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,242,727</b>	<b>(2,242,727)</b>
<b>Total Undistributed Expenditures</b>	<b>24,409,045</b>	<b>1,041,402</b>	<b>25,450,447</b>	<b>22,747,418</b>	<b>2,703,029</b>
Interest on Maintenance Reserve	50	-	50	-	50
<b>Total Expenditures - Current Expenditures</b>	<b>31,573,341</b>	<b>1,387,468</b>	<b>32,960,809</b>	<b>28,313,820</b>	<b>4,646,989</b>
<b>CAPITAL OUTLAY</b>					
Facilities Acquisition and Construction Services					
Legal Services	3,000	-	3,000	977	2,023
Architectural/Engineering Services	300,000	227,945	527,945	182,162	345,783
Construction Services	4,370,878	-	4,370,878	921,460	3,449,418
Assessment for Debt Service on SDA Funding	27,043	-	27,043	27,043	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>4,700,921</b>	<b>227,945</b>	<b>4,928,866</b>	<b>1,131,642</b>	<b>3,797,224</b>
Interest on Capital Reserve	500	-	500	-	\$ 500
<b>Total Capital Outlay</b>	<b>4,701,421</b>	<b>227,945</b>	<b>4,929,366</b>	<b>1,131,642</b>	<b>3,797,724</b>
Transfer of Funds to Charter Schools	41,236	37,551	78,787	78,787	-
<b>Total Expenditures</b>	<b>36,315,998</b>	<b>1,652,964</b>	<b>37,968,962</b>	<b>29,524,249</b>	<b>8,444,713</b>

**EDGEWATER BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (5,625,878)	\$ (1,652,964)	\$ (7,278,842)	\$ 4,432,337	\$ 11,711,179
Other Financing Sources/(Uses)					
Transfers In - Capital Projects Fund	-	-	-	2,377	2,377
Transfers Out -Special Revenue Fund	-	-	-	(96,203)	(96,203)
Total Other Financing Sources/(Uses)	-	-	-	(93,826)	(93,826)
Net Change in Fund Balances	(5,625,878)	(1,652,964)	(7,278,842)	4,338,511	\$ 11,617,353
Fund Balances Beginning of Year	<u>16,803,592</u>	<u>-</u>	<u>16,803,592</u>	<u>16,803,592</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 11,177,714</u>	<u>\$ (1,652,964)</u>	<u>\$ 9,524,750</u>	<u>\$ 21,142,103</u>	<u>\$ 11,617,353</u>
<b>Recapitulation of Fund Balances</b>					
<b>Restricted</b>					
Capital Reserve				\$ 9,277,057	
Capital Reserve - Designated for Subsequent Year's Expenditures				3,971,114	
Maintenance Reserve				1,014,482	
Emergency Reserve				363,160	
Tuition Adjustment Reserve (2022/2023)				922,000	
Tuition Adjustment Reserve (2021/2022) - Designated for Subsequent Year's Expenditures				1,103,000	
Excess Surplus				693,968	
<b>Assigned</b>					
Year End Encumbrances				1,241,699	
Designated for Subsequent Year's Expenditures				1,413,920	
Unassigned				<u>1,141,703</u>	
Fund Balance Per State Budgetary Basis of Accounting				21,142,103	
<b>Reconciliation to Governmental Funds Statements (GAAP)</b>					
Less State Aid Revenue Not Recognized on GAAP Basis				<u>(689,190)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 20,452,913</u>	

**EDGEWATER BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 13,835	\$ 23,495	37,330	\$ 32,078	\$ (5,252)
Federal	357,742	2,304,696	2,662,438	943,116	(1,719,322)
Local Sources					
Miscellaneous	50	43,299	43,349	40,376	(2,973)
Total Revenues	<u>371,627</u>	<u>2,371,490</u>	<u>2,743,117</u>	<u>1,015,570</u>	<u>(1,727,547)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries	83,354	124,856	208,210	87,569	120,641
Purchased Professional & Technical Services	-	14,640	14,640	-	14,640
Tuition	152,534	(320)	152,214	152,214	-
Other Purchased Services	3,720	101,772	105,492	33,994	71,498
General Supplies	28,098	130,196	158,294	90,936	67,358
Textbooks	1,561	(157)	1,404	1,266	138
Co-Curricular/Extra-Curricular Activities	50	31,688	31,738	31,738	-
Total Instruction	<u>269,317</u>	<u>402,675</u>	<u>671,992</u>	<u>397,717</u>	<u>274,275</u>
Support Services					
Salaries		196,041	196,041	96,041	100,000
Purchased Professional & Technical Services	7,400	115,537	122,937	67,175	55,762
Purchased Professional & Educational Service	17,667	11,083	28,750	26,259	2,491
Other Purchased Services		19,400	19,400	19,400	-
Supplies and Materials	1,467	30,264	31,731	1,900	29,831
Other Objects	2,912	(556)	2,356	2,221	135
Other Objects - Bad Debt Expense (Non-Budget)	-	-	-	96,203	(96,203)
Total Support Services	<u>29,446</u>	<u>371,769</u>	<u>401,215</u>	<u>309,199</u>	<u>92,016</u>
Unallocated Employee Benefits	<u>72,864</u>	<u>153,957</u>	<u>226,821</u>	<u>51,677</u>	<u>175,144</u>
Capital Outlay					
Construction Services	-	1,443,089	1,443,089	350,728	1,092,361
Total Capital Outlay	<u>-</u>	<u>1,443,089</u>	<u>1,443,089</u>	<u>350,728</u>	<u>1,092,361</u>
Total Expenditures	<u>371,627</u>	<u>2,371,490</u>	<u>2,743,117</u>	<u>1,109,321</u>	<u>1,633,796</u>
Excess of Revenues Over Expenditures	-	-	-	(93,751)	(93,751)
Other Financing Sources					
Transfers In - General Fund	-	-	-	96,203	96,203
Net Change in Fund Balance	-	-	-	2,452	2,452
Fund Balance, Beginning of Year	<u>59,639</u>	<u>-</u>	<u>56,639</u>	<u>56,639</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 59,639</u>	<u>\$ -</u>	<u>\$ 56,639</u>	<u>\$ 59,091</u>	<u>\$ 2,452</u>
<b>Recapitulation of Fund Balance:</b>					
Restricted					
Student Activities				<u>\$ 59,091</u>	

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**EDGEWATER BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULES  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 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.

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 33,956,586	\$ 1,015,570
Difference - Budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2022-2023)	(689,190)	
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2021-2022)	689,013	
State Aid Advance Loan recognized for budgetary purposes, not recognized as revenues for GAAP Statements		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2023		(32,744)
Encumbrances, June 30, 2022	-	16,837
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 33,956,409</u>	<u>\$ 999,663</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 29,524,249	\$ 1,109,321
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2023		(32,744)
Encumbrances, June 30, 2022	-	16,837
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 29,524,249</u>	<u>\$ 1,093,414</u>



**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**PENSION INFORMATION**

**AND**

**OTHER POST-EMPLOYMENT BENEFITS INFORMATION**

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

**Public Employees Retirement System**

**Last 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)	.01189%	.01116%	.01288%	.01170%	.01058%	.00975%	.01197%	.01232%	.01454%	.01202%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,787,644	\$ 1,321,487	\$ 2,099,755	\$ 2,107,504	\$ 2,082,797	\$ 2,268,505	\$ 3,543,778	\$ 2,766,090	\$ 2,722,384	\$ 2,797,128
District's Covered-Employee Payroll	\$ 882,008	\$ 750,798	\$ 861,326	\$ 890,087	\$ 820,083	\$ 746,127	\$ 737,906	\$ 1,004,832	\$ 907,290	\$ 880,864
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	202.68%	176.01%	243.78%	236.78%	253.97%	304.04%	480.25%	275.28%	300.06%	317.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

EDGEWATER BOARD OF EDUCATION  
 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	\$ 149,377	\$ 130,639	\$ 140,858	\$ 113,771	\$ 105,219	\$ 90,282	\$ 106,298	\$ 105,938	\$ 119,870	\$ 90,563
Contributions in Relation to the Contractually Required Contribution	<u>149,377</u>	<u>130,639</u>	<u>140,858</u>	<u>113,771</u>	<u>105,219</u>	<u>90,282</u>	<u>106,298</u>	<u>105,938</u>	<u>119,870</u>	<u>90,563</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 1,061,173	\$ 882,008	\$ 750,798	\$ 861,326	\$ 890,087	\$ 820,083	\$ 746,127	\$ 737,906	\$ 1,004,832	\$ 907,290
Contributions as a Percentage of Covered-Employee Payroll	14.08%	14.81%	18.76%	13.21%	11.82%	11.01%	14.25%	14.36%	11.93%	9.98%

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

**Teachers Pension and Annuity Fund**

**Last 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>\$ 24,183,728</u>	<u>\$ 25,207,514</u>	<u>\$ 34,154,280</u>	<u>\$ 29,977,352</u>	<u>\$ 30,963,346</u>	<u>\$ 30,679,796</u>	<u>Not Available</u>	<u>\$ 23,946,788</u>	<u>\$ 18,635,646</u>	<u>\$ 16,625,166</u>
Total	<u>\$ 24,183,728</u>	<u>\$ 25,207,514</u>	<u>\$ 34,154,280</u>	<u>\$ 29,977,352</u>	<u>\$ 30,963,346</u>	<u>\$ 30,679,796</u>	<u>\$ -</u>	<u>\$ 23,946,788</u>	<u>\$ 18,635,646</u>	<u>\$ 16,625,166</u>
Covered Payroll	\$ 4,825,964	\$ 3,671,919	\$ 5,749,218	\$ 5,669,662	\$ 5,459,922	\$ 5,085,378	\$ 5,058,574	\$ 5,129,256	\$ 4,979,860	\$ 4,979,860
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

**EDGEWATER BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF  
TOTAL OPEB LIABILITY**

**Postemployment Health Benefit Plan**

Last Six Fiscal Years\*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>						
Service Cost	\$ 1,490,816	\$ 1,799,706	\$ 978,114	\$ 897,167	\$ 982,776	\$ 1,190,596
Interest on Total OPEB Liability	415,854	555,315	540,881	622,784	660,837	566,356
Changes in Benefit Terms		(22,785)				
Differences Between Expected and Actual Experience	(3,013,307)	(5,122,955)	4,320,926	(2,032,079)	(1,738,670)	-
Changes of Assumptions	(4,209,504)	21,119	4,493,505	218,902	(1,768,606)	(2,566,421)
Gross Benefit Payments	(411,915)	(437,432)	(428,259)	(450,677)	(412,112)	(409,357)
Member Contributions	<u>13,214</u>	<u>14,197</u>	<u>12,981</u>	<u>13,359</u>	<u>14,243</u>	<u>15,074</u>
<b>Net Change in Total OPEB Liability</b>	(5,714,842)	(3,192,835)	9,918,148	(730,544)	(2,261,532)	(1,203,752)
<b>Total OPEB Liability - Beginning</b>	<u>21,406,783</u>	<u>\$ 24,599,618</u>	<u>\$ 14,681,470</u>	<u>\$ 15,412,014</u>	<u>\$ 17,673,546</u>	<u>18,877,298</u>
<b>Total OPEB Liability - Ending</b>	<u>15,691,941</u>	<u>\$ 21,406,783</u>	<u>\$ 24,599,618</u>	<u>\$ 14,681,470</u>	<u>\$ 15,412,014</u>	<u>\$ 17,673,546</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>15,691,941</u>	<u>24,599,618</u>	<u>24,599,618</u>	<u>14,681,470</u>	<u>15,412,014</u>	<u>17,673,546</u>
Total OPEB Liability - Ending	<u>15,691,941</u>	<u>\$ 24,599,618</u>	<u>\$ 24,599,618</u>	<u>\$ 14,681,470</u>	<u>\$ 15,412,014</u>	<u>\$ 17,673,546</u>
Covered Payroll	\$ 5,707,972	\$ 4,422,717	\$ 6,610,544	\$ 6,559,749	\$ 6,280,005	\$ 5,831,505
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

**EDGEWATER BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

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

**SCHOOL LEVELS SCHEDULES**

**GENERAL FUND**

NOT APPLICABLE



**SPECIAL REVENUE FUND**

**EDGEWATER BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>ESEA Title I</u>	<u>ESEA Title IIA</u>	<u>ESEA Title III</u>	<u>ESEA Title IV</u>	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>(Exhibit E-1a)</u>	<u>(Exhibit E-1b)</u>	<u>Total 2023</u>
<b>REVENUES</b>									
Intergovernmental									
State							\$ 15,131	\$ 16,947	\$ 32,078
Federal	\$ 178,381	\$ 22,958	\$ 18,987	\$ 13,731	\$ 152,214	\$ 7,648	549,197	-	943,116
Other Sources	-	-	-	-	-	-	-	40,376	40,376
<b>Total Revenues</b>	<b>\$ 178,381</b>	<b>\$ 22,958</b>	<b>\$ 18,987</b>	<b>\$ 13,731</b>	<b>\$ 152,214</b>	<b>\$ 7,648</b>	<b>\$ 564,328</b>	<b>\$ 57,323</b>	<b>\$ 1,015,570</b>
<b>EXPENDITURES</b>									
Instruction									
Salaries of Teachers	\$ 79,099		\$ 3,840	\$ 1,000			\$ 3,630	\$ -	\$ 87,569
Purchased Professional and Technical Services							-	-	-
Tuition					\$ 152,214		-	-	152,214
Other Purchased Services							31,576	2,418	33,994
General Supplies	38,284		6,978	7,020			26,802	11,852	90,936
Textbooks							-	1,266	1,266
Co-Curricular/Extra-Curricular Activities	-	-	-	-	-	-	-	31,738	31,738
<b>Total Instruction</b>	<b>117,383</b>	<b>-</b>	<b>10,818</b>	<b>8,020</b>	<b>152,214</b>	<b>-</b>	<b>62,008</b>	<b>47,274</b>	<b>397,717</b>
Support Services									
Salaries							96,041		96,041
Personnel Services - Employee Benefits	41,598		294	510			9,275	-	51,677
Purchased Professional/Technical Services			7,875				46,276	5,376	67,175
Purchased Professional and Educational Svc		\$ 21,476		4,783		\$ 7,648	-	-	26,259
Other Purchased Services	19,400						-	-	19,400
Supplies and Materials		1,482		418			-	-	1,900
Other Objects	-	-	-	-	-	-	-	2,221	2,221
<b>Total Support Services</b>	<b>60,998</b>	<b>22,958</b>	<b>8,169</b>	<b>5,711</b>	<b>-</b>	<b>7,648</b>	<b>151,592</b>	<b>7,597</b>	<b>264,673</b>
Capital Outlay									
Construction Services	-	-	-	-	-	-	350,728	-	350,728
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>350,728</b>	<b>-</b>	<b>350,728</b>
<b>Total Expenditures</b>	<b>\$ 178,381</b>	<b>\$ 22,958</b>	<b>\$ 18,987</b>	<b>\$ 13,731</b>	<b>\$ 152,214</b>	<b>\$ 7,648</b>	<b>\$ 564,328</b>	<b>\$ 54,871</b>	<b>\$ 1,013,118</b>
Excess (Deficiency) of Revenues and Other									
Net Change in Fund Balances	-	-	-	-	-	-	-	2,452	2,452
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	56,639	56,639
Fund Balance, End of Year	-	-	-	-	-	-	-	59,091	59,091

EDGEWATER BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>CRRSA ESSER II</u>	<u>CRRSA Learning Acceleration</u>	<u>CRRSA Mental Health</u>	<u>ARP ESSER III</u>	<u>ARP Accelerated Learning</u>	<u>ARP Evidence Based Summer Learning</u>	<u>SDA Emergent &amp; CAP Needs</u>	<u>Total Exhibit E-1</u>
<b>REVENUES</b>								
Intergovernmental								
State							\$ 15,131	\$ 15,131
Federal	\$ 463,198	\$ 8,699	\$ 2,582	\$ 24,500	43,142	\$ 7,076		549,197
Other Sources	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 463,198</u>	<u>\$ 8,699</u>	<u>\$ 2,582</u>	<u>\$ 24,500</u>	<u>\$ 43,142</u>	<u>\$ 7,076</u>	<u>\$ 15,131</u>	<u>\$ 564,328</u>
<b>EXPENDITURES</b>								
Instruction								
Salaries of Teachers		\$ 3,630						\$ 3,630
Purchased Professional and Technical Services				-				-
Tuition								-
Other Purchased Services				\$ 24,500		\$ 7,076		31,576
General Supplies	\$ 23,910	\$ 2,720	\$ 172					26,802
Textbooks								-
Co-Curricular/Extra-Curricular Activities	-	-	-	-	-	-	-	-
Total Instruction	<u>23,910</u>	<u>6,350</u>	<u>172</u>	<u>24,500</u>	<u>-</u>	<u>7,076</u>	<u>-</u>	<u>62,008</u>
Support Services								
Salaries	96,041							96,041
Personnel Services - Employee Benefits	7,650	1,549	76					9,275
Purchased Professional / Technical Services		\$ 800	\$ 2,334		\$ 43,142			46,276
Purchased Professional and Educational Services	-	-						-
Other Purchased Services								-
Supplies and Materials								-
Other Objects	-	-	-	-	-	-	-	-
Total Support Services	<u>103,691</u>	<u>2,349</u>	<u>2,410</u>	<u>-</u>	<u>43,142</u>	<u>-</u>	<u>-</u>	<u>151,592</u>
Capital Outlay								
Construction Services	<u>335,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 15,131</u>	<u>350,728</u>
Total Capital Outlay	<u>335,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,131</u>	<u>350,728</u>
Total Expenditures	<u>\$ 463,198</u>	<u>\$ 8,699</u>	<u>\$ 2,582</u>	<u>\$ 24,500</u>	<u>\$ 43,142</u>	<u>\$ 7,076</u>	<u>\$ 15,131</u>	<u>\$ 564,328</u>
Net Change in Fund Balances	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

EDGEWATER BOARD OF EDUCATION  
 SPECIAL REVENUE FUND  
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGETARY BASIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Climate Change Awareness</u>	<u>Nonpublic Nursing</u>	<u>Nonpublic Textbook</u>	<u>Nonpublic Technology</u>	<u>Nonpublic Security</u>	<u>Nonpublic Corrective Speech</u>	<u>Local</u>	<u>Student Activities</u>	<u>Total Exhibit E-1</u>
<b>REVENUES</b>									
Intergovernmental									
State	\$ 6,275	\$ 2,221	\$ 1,266	\$ 838	\$ 3,929	\$ 2,418			\$ 16,947
Federal									-
Other Sources	-	-	-	-	-	-	\$ 6,186	\$ 34,190	40,376
Total Revenues	<u>\$ 6,275</u>	<u>\$ 2,221</u>	<u>\$ 1,266</u>	<u>\$ 838</u>	<u>\$ 3,929</u>	<u>\$ 2,418</u>	<u>\$ 6,186</u>	<u>\$ 34,190</u>	<u>\$ 57,323</u>
<b>EXPENDITURES</b>									
Instruction									
Salaries of Teachers									\$ -
Purchased Professional and Technical Services									-
Tuition									-
Other Purchased Services						\$ 2,418			2,418
General Supplies	\$ 6,275			\$ 838	\$ 3,929		\$ 810		11,852
Textbooks			\$ 1,266						1,266
Co-Curricular/Extra-Curricular Activities	-	-	-	-	-	-	-	31,738	31,738
Total Instruction	<u>6,275</u>	<u>-</u>	<u>1,266</u>	<u>838</u>	<u>3,929</u>	<u>2,418</u>	<u>810</u>	<u>31,738</u>	<u>47,274</u>
Support Services									
Salaries									-
Personnel Services - Employee Benefits									-
Purchased Professional / Technical Services							5,376		5,376
Purchased Professional and Educational Services									-
Other Purchased Services									-
Supplies and Materials									-
Other Objects	\$ -	\$ 2,221	\$ -	-	-	-	-	-	2,221
Total Support Services	<u>-</u>	<u>2,221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,376</u>	<u>-</u>	<u>7,597</u>
Capital Outlay									
Construction Services	-	-	-	-	-	-	-	-	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 6,275</u>	<u>\$ 2,221</u>	<u>\$ 1,266</u>	<u>\$ 838</u>	<u>\$ 3,929</u>	<u>2,418</u>	<u>6,186</u>	<u>\$ 31,738</u>	<u>\$ 54,871</u>
Net Change in Fund Balances	-	-	-	-	-	-	-	2,452	2,452
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	56,639	56,639
Fund Balance, End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,091</u>	<u>\$ 59,091</u>

EDGEWATER BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES  
PRESCHOOL - ALL PROGRAMS  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOT APPLICABLE

**CAPITAL PROJECTS FUND**

**EDGEWATER BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2023</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Construction of New George Washington School	\$ 28,728,000	\$ 28,675,436		\$ 52,564
Emergency Generator at Eleanor Van Gelder School	428,727	415,379		13,348
Acquisition of Equipment (Capital Financing Agreement)	4,249			4,249
Alyssa's Law Compliance - Panic Buttons	<u>49,227</u>	<u>\$ 20,930</u>	<u>\$ 28,297</u>	<u>-</u>
	<u>\$ 29,210,203</u>	<u>\$ 29,111,745</u>	<u>\$ 28,297</u>	<u>\$ 70,161</u>
<b><u>Recapitulation to GAAP</u></b>				
Project Balance, June 30, 2023				<u>\$ 70,161</u>
Fund Balance, June 30, 2023 - GAAP Basis				<u>\$ 70,161</u>
<b><u>Reconciliation to Fund Balance</u></b>				
Total Fund Balance - Restricted for Capital Projects				<u>\$ 70,161</u>

**EDGEWATER BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Revenues and Other Financing Sources**

## Revenues:

Interest on Investments	2,377
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Total Revenues and Other Financing sources	2,377
--------------------------------------------	-------

**Expenditures and Other Financing Uses**

Construction Services	28,297
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Transfer to General Fund	2,377
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Total Expenditures and Other Financing Uses	30,674
---------------------------------------------	--------

## Excess of Revenues and Other Financing Sources

Over Expenditures and Other Financing Uses	(28,297)
--------------------------------------------	----------

Fund Balance, Beginning of Year	98,458
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Fund Balance, End of Year	\$ 70,161
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**Reconciliation to GAAP**

Fund Balance, June 30, 2023 - Budgetary Basis	\$ 70,161
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Fund Balance, June 30, 2023 - GAAP Basis	\$ 70,161
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**EDGEWATER BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
BUDGETARY BASIS  
CONSTRUCTION OF A NEW ELEMENTARY SCHOOL AND INSTALLATION OF  
SOLAR PANELS AT THE ELEANOR VAN GELDER SCHOOL  
FROM INCEPTION THROUGH JUNE 30, 2023**

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

**Additional project information:**

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

## Percentage Increase(Decrease) Over Original

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

EDGEWATER BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
BUDGETARY BASIS  
INSTALLATION OF GENERATOR AT THE ELEANOR VAN GELDER SCHOOL  
FROM INCEPTION THROUGH JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 163,727	\$ -	\$ 163,727	\$ 163,727
From Capital Reserve Transfers	265,000	-	265,000	265,000
	<u>428,727</u>	<u>-</u>	<u>428,727</u>	<u>428,727</u>
<b>Expenditures</b>				
Architectural / Engineering Services	15,190		15,190	22,227
Legal Services	4,223		4,223	5,000
Construction Services	395,966	-	395,966	401,500
	<u>415,379</u>	<u>-</u>	<u>415,379</u>	<u>428,727</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 13,348</u>	<u>\$ -</u>	<u>\$ 13,348</u>	<u>\$ -</u>

**Additional project information:**

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

**EDGEWATER BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS**  
**BUDGETARY BASIS**  
**INSTALLATION OF PANIC ALARMS FOR COMPLIANCE UNDER ALYSSA'S LAW**  
**FROM INCEPTION THROUGH JUNE 30, 2023**

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

**Additional project information:**

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

**PROPRIETARY FUNDS**

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**NOT APPLICABLE**

**LONG-TERM DEBT**

**EDGEWATER BOARD OF EDUCATION  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
Refunding Schools Bonds	3/1/2013	\$ 3,080,000				\$ 375,000		\$ 375,000	\$ -
Refunding Schools Bonds	8/10/2017	26,565,000	3/1/2024	1,020,000	4.000 %				
			3/1/2025	1,070,000	4.000				
			3/1/2026	1,120,000	4.000				
			3/1/2027	1,170,000	4.000				
			3/1/2028	1,220,000	4.000				
			3/1/2029	1,265,000	4.000				
			3/1/2030	1,325,000	4.000				
			3/1/2031	1,380,000	3.000				
			3/1/2032	1,425,000	4.000				
			3/1/2033	1,480,000	3.000				
			3/1/2034	1,530,000	4.000				
			3/1/2035	1,590,000	3.125				
			3/1/2036	1,640,000	4.000				
			3/1/2037	1,705,000	4.000				
			3/1/2038	1,775,000	4.000				
			3/1/2039	1,840,000	4.000				
			3/1/2040	1,910,000	4.000				
						<u>25,035,000</u>	<u>-</u>	<u>570,000</u>	<u>24,465,000</u>
						<u>\$ 25,410,000</u>	<u>\$ -</u>	<u>\$ 945,000</u>	<u>\$ 24,465,000</u>
							Paid by Budget	<u>\$ 945,000</u>	



**EDGEWATER BOARD OF EDUCATION  
SCHEDULE OF CAPITAL LEASES PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Capital Leases</u>	Amount of Original Issue	Interest Rate	Balance, <u>July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	Balance, <u>June 30, 2023</u>
2018 School Bus Lease	100,000	3.800%	\$ 20,797	\$ -	\$ 20,797	\$ -
2021 Acquisition of Copiers	95,118	4.950%	<u>67,523</u>	<u>\$ -</u>	<u>18,586</u>	<u>48,937</u>
Total			<u>\$ 88,320</u>	<u>\$ -</u>	<u>\$ 39,383</u>	<u>\$ 48,937</u>
				Paid by Budget Appropriation	<u>\$ 39,383</u>	

**EDGEWATER BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 1,849,364		\$ 1,849,364	\$ 1,849,364	
State Sources					
Debt Service State Aid	<u>62,024</u>	<u>-</u>	<u>62,024</u>	<u>62,024</u>	<u>-</u>
Total Revenues	<u>1,911,388</u>	<u>-</u>	<u>1,911,388</u>	<u>1,911,388</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	945,000		945,000	945,000	-
Interest	<u>966,388</u>	<u>-</u>	<u>966,388</u>	<u>966,388</u>	<u>-</u>
Total Expenditures	<u>1,911,388</u>	<u>-</u>	<u>1,911,388</u>	<u>1,911,388</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## STATISTICAL SECTION

This part of the Edgewater Board of Education's 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.

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

	As of June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Net Investment in Capital Assets	\$ 5,201,403	\$ 776,791	\$ 17,074			\$ (1,033,289)	\$ (1,129,607)	\$ (1,099,004)	\$ (952,002)	\$ 490,947
Restricted	2,762,562	1,853,943	1,486,751	\$ 1,390,349	\$ 1,264,330	1,191,351	1,356,746	5,183,408	9,271,877	15,033,309
Unrestricted	(173,383)	(2,030,229)	(2,753,138)	(3,457,669)	(5,413,046)	(3,124,934)	(4,280,268)	286,313	2,760,340	3,045,272
<b>Total governmental activities net position</b>	<u>\$ 7,790,582</u>	<u>\$ 600,505</u>	<u>\$ (1,249,313)</u>	<u>\$ (2,067,320)</u>	<u>\$ (4,148,716)</u>	<u>\$ (2,966,872)</u>	<u>\$ (4,053,129)</u>	<u>\$ 4,370,717</u>	<u>\$ 11,080,215</u>	<u>\$ 18,569,528</u>
<b>Business-type activities</b>										
Net Investment in Capital Assets	\$ 1,615	\$ 1,399	\$ 1,183	\$ 967	\$ 751	\$ 69,931	\$ 61,306	\$ 52,679	\$ 67,267	\$ 84,337
Unrestricted	390,106	577,270	544,044	397,358	98,909	(11,496)	103,985	103,868	145,325	144,168
<b>Total business-type activities net position</b>	<u>\$ 391,721</u>	<u>\$ 578,669</u>	<u>\$ 545,227</u>	<u>\$ 398,325</u>	<u>\$ 99,660</u>	<u>\$ 58,435</u>	<u>\$ 165,291</u>	<u>\$ 156,547</u>	<u>\$ 212,592</u>	<u>\$ 228,505</u>
<b>District-wide</b>										
Net Investment in Capital Assets	\$ 5,203,018	\$ 778,190	\$ 18,257	\$ 967	\$ 751	\$ (963,358)	\$ (1,068,301)	\$ (1,046,325)	\$ (884,735)	\$ 575,284
Restricted	2,762,562	1,853,943	1,486,751	1,390,349	1,264,330	1,191,351	1,356,746	5,183,408	9,271,877	15,033,309
Unrestricted	216,723	(1,452,959)	(2,209,094)	(3,060,311)	(5,314,137)	(3,136,430)	(4,176,283)	390,181	2,905,665	3,189,440
<b>Total district net position</b>	<u>\$ 8,182,303</u>	<u>\$ 1,179,174</u>	<u>\$ (704,086)</u>	<u>\$ (1,668,995)</u>	<u>\$ (4,049,056)</u>	<u>\$ (2,908,437)</u>	<u>\$ (3,887,838)</u>	<u>\$ 4,527,264</u>	<u>\$ 11,292,807</u>	<u>\$ 18,798,033</u>

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

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

	For the Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 4,006,589	\$ 4,723,302	\$ 4,871,840	\$ 6,527,759	\$ 7,937,022	\$ 13,091,508	\$ 13,522,613	\$ 15,677,966	\$ 13,456,338	\$ 12,481,156
Special Education	1,282,620	1,103,161	1,613,187	1,265,663	1,848,632	4,506,182	6,085,907	4,744,979	5,896,663	6,143,943
Other Instruction	371,600	498,542	348,981	310,137	512,939	495,992	600,927	322,554	473,631	439,608
School Sponsored Activities and Athletics	2,277	22,176	29,214	27,552	26,806	21,317	39,804	12,656	35,316	57,698
<b>Support Services:</b>										
Tuition	6,824,783	6,956,574	7,721,550	8,628,019	8,169,206	-	-			
Student & Instruction Related Services	1,161,145	1,498,292	1,665,152	2,348,533	2,354,975	2,393,553	2,552,812	1,859,551	2,831,454	2,988,767
General Administrative Services	439,263	448,325	607,331	521,285	636,341	737,194	887,928	840,128	747,404	831,699
School Administrative Services	542,323	561,341	497,295	507,355	659,510	628,189	672,686	616,229	644,972	627,066
Central Administrative Services	385,104	378,193	363,084	406,665	590,283	555,650	585,120	589,405	600,184	609,920
Administrative Information Technology	12,778	12,698	6,050			-	-			
Plant Operations and Maintenance	1,134,938	1,367,696	1,253,568	1,585,199	1,618,067	1,801,560	1,581,195	1,459,225	1,695,600	1,654,557
Pupil Transportation	1,351,962	1,448,681	1,506,819	1,692,283	1,934,947	1,829,109	1,585,252	1,180,730	2,098,704	2,386,941
Special Schools	17,467	5,333								
Transfer of Funds to Charter Schools	8,867									
State Assessment on EDA Grants	27,043	25,912	27,043							
Interest on Long Term Debt	1,286,190	1,439,937	1,240,054	1,220,154	2,976,417	1,006,504	1,092,038	1,055,050	1,018,479	979,285
Unallocated Depreciation	1,044,345	5,257,189	1,032,360				-			
<b>Total Governmental Activities Expenses</b>	<u>19,899,294</u>	<u>25,747,352</u>	<u>22,783,528</u>	<u>25,040,604</u>	<u>29,265,145</u>	<u>27,066,758</u>	<u>29,206,282</u>	<u>28,358,473</u>	<u>29,498,745</u>	<u>29,200,640</u>
<b>Business-Type Activities:</b>										
Food Service	264,873	280,095	276,209	568,781	380,658	364,472	199,778	129,527	328,018	331,157
Preschool Program	529,723	352,633	435,235	309,392	737,487	545,602	376,063	-	117,126	211,492
<b>Total Business-Type Activities Expense</b>	<u>794,596</u>	<u>632,728</u>	<u>711,444</u>	<u>878,173</u>	<u>1,118,145</u>	<u>910,074</u>	<u>575,841</u>	<u>129,527</u>	<u>445,144</u>	<u>542,649</u>
<b>Total District Expenses</b>	<u>\$ 20,693,890</u>	<u>\$ 26,380,080</u>	<u>\$ 23,494,972</u>	<u>\$ 25,918,777</u>	<u>\$ 30,383,290</u>	<u>\$ 27,976,832</u>	<u>\$ 29,782,123</u>	<u>\$ 28,488,000</u>	<u>\$ 29,943,889</u>	<u>\$ 29,743,289</u>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services							-	8,721	38,561	102,629
Operating Grants and Contributions	879,193	1,101,691	881,472	1,049,682	763,994	554,863	4,852,445	7,069,631	5,836,733	5,164,210
Capital Grants and Contributions			264,517	29,336			-	20,930	95,609	363,894
<b>Total Governmental Activities Program Revenues</b>	<u>879,193</u>	<u>1,101,691</u>	<u>1,145,989</u>	<u>1,079,018</u>	<u>763,994</u>	<u>554,863</u>	<u>4,852,445</u>	<u>7,099,282</u>	<u>5,970,903</u>	<u>5,630,733</u>

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

	For the Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Business-Type Activities:</b>										
Charges for Services										
Food Service	\$ 188,117	\$ 202,868	\$ 202,651	\$ 433,800	\$ 227,309	\$ 231,249	\$ 157,751	\$ 6,226	\$ 9,348	\$ 193,634
Preschool Program	579,600	493,177	361,600	202,969	489,950	547,625	448,303	-	89,100	169,667
Operating Grants and Contributions	93,789	123,045	112,773	94,502	95,788	98,105	72,083	113,355	402,530	190,170
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
<b>Total Business Type Activities Program Revenues</b>	<b>861,506</b>	<b>819,090</b>	<b>677,024</b>	<b>731,271</b>	<b>813,047</b>	<b>876,979</b>	<b>678,137</b>	<b>119,581</b>	<b>500,978</b>	<b>553,471</b>
<b>Total District Program Revenues</b>	<b>\$ 1,740,699</b>	<b>\$ 1,920,781</b>	<b>\$ 1,823,013</b>	<b>\$ 1,810,289</b>	<b>\$ 1,577,041</b>	<b>\$ 1,431,842</b>	<b>\$ 5,530,582</b>	<b>\$ 7,218,863</b>	<b>\$ 6,471,881</b>	<b>\$ 6,184,204</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (19,020,101)	\$ (24,645,661)	\$ (21,637,539)	\$ (23,961,586)	\$ (28,501,151)	\$ (26,511,895)	\$ (24,353,837)	\$ (21,259,191)	\$ (23,527,842)	\$ (23,569,907)
Business-Type Activities	66,910	186,362	(34,420)	(146,902)	(305,098)	(33,095)	102,296	(9,946)	55,834	10,822
<b>Total District-Wide Net Expense</b>	<b>\$ (18,953,191)</b>	<b>\$ (24,459,299)</b>	<b>\$ (21,671,959)</b>	<b>\$ (24,108,488)</b>	<b>\$ (28,806,249)</b>	<b>\$ (26,544,990)</b>	<b>\$ (24,251,541)</b>	<b>\$ (21,269,137)</b>	<b>\$ (23,472,008)</b>	<b>\$ (23,559,085)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 15,632,668	\$ 16,582,328	\$ 18,153,303	\$ 18,695,192	\$ 19,069,096	\$ 19,775,600	\$ 21,261,797	\$ 27,650,050	\$ 28,203,051	\$ 28,767,112
Property Taxes Levied for Debt Service	1,731,143	1,878,556	1,878,700	1,888,284	1,888,578	1,850,425	1,785,944	1,856,803	1,851,317	1,849,364
Unrestricted Federal and State Aid	1,064,077	1,156,921	1,118,630	2,513,303	5,348,605	4,711,682	24,566	28,117	29,245	30,665
Interest and Miscellaneous Income	166,140	134,915	359,665	46,800	113,476	245,833	155,458	149,067	153,727	412,079
Unrecorded Prior Year Expenditures	-	-	-	-	-	-	-	-	-	-
Cancellation of Grants Receivable	-	-	-	-	-	-	(2,885)	(1,000)	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>18,594,028</b>	<b>19,752,720</b>	<b>21,510,298</b>	<b>23,143,579</b>	<b>26,419,755</b>	<b>26,583,540</b>	<b>23,224,880</b>	<b>29,683,037</b>	<b>30,237,340</b>	<b>31,059,220</b>
Business-Type Activities:										
Investment Earnings	380	587	979	-	6,433	3,349	1,675	202	211	5,091
Transfers	-	-	-	-	-	-	2,885	1,000	-	-
<b>Total Business-Type Activities</b>	<b>380</b>	<b>587</b>	<b>979</b>	<b>-</b>	<b>6,433</b>	<b>3,349</b>	<b>4,560</b>	<b>1,202</b>	<b>211</b>	<b>5,091</b>
<b>Total District-Wide General Revenues and Other Changes in Net Position</b>	<b>\$ 18,594,408</b>	<b>\$ 19,753,307</b>	<b>\$ 21,511,277</b>	<b>\$ 23,143,579</b>	<b>\$ 26,426,188</b>	<b>\$ 26,586,889</b>	<b>\$ 23,229,440</b>	<b>\$ 29,684,239</b>	<b>\$ 30,237,551</b>	<b>\$ 31,064,311</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ (426,073)	\$ (4,892,941)	\$ (127,241)	\$ (818,007)	\$ (2,081,396)	\$ 71,645	\$ (1,128,957)	\$ 8,423,846	\$ 6,709,498	\$ 7,489,313
Business-Type Activities	67,290	186,949	(33,441)	(146,902)	(298,665)	(29,746)	106,856	(8,744)	56,045	15,913
<b>Total District Change in Net Position</b>	<b>\$ (358,783)</b>	<b>\$ (4,705,992)</b>	<b>\$ (160,682)</b>	<b>\$ (964,909)</b>	<b>\$ (2,380,061)</b>	<b>\$ 41,899</b>	<b>\$ (1,022,101)</b>	<b>\$ 8,415,102</b>	<b>\$ 6,765,543</b>	<b>\$ 7,505,226</b>

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

	As of June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Restricted	\$ 2,423,454	\$ 1,801,377	\$ 1,326,957	\$ 1,322,011	\$ 1,122,523	\$ 1,087,523	\$ 1,294,028	\$ 9,790,525	\$ 15,246,368	\$ 17,344,781
Assigned			7,768	12,104	6,479	6,479	586,185	50,426	572,964	2,655,619
Unassigned	291,136	326,673	408,806	200,271	155,311	159,595	147,776	265,823	292,247	452,513
<b>Total General Fund</b>	<u>\$ 2,714,590</u>	<u>\$ 2,128,050</u>	<u>\$ 1,743,531</u>	<u>\$ 1,534,386</u>	<u>\$ 1,284,313</u>	<u>\$ 1,253,597</u>	<u>\$ 2,027,989</u>	<u>\$ 10,106,774</u>	<u>\$ 16,111,579</u>	<u>\$ 20,452,913</u>
<b>All Other Governmental Funds</b>										
Restricted for:										
Special Revenue Fund							\$ 42,700	\$ 42,739	\$ 56,639	\$ 59,091
Capital Projects Fund	\$ 339,108	\$ 52,566	\$ 152,025	\$ 68,337	\$ 68,337	\$ 72,577	72,582	72,586	70,161	70,161
Debt Service Fund			1	1	73,470	73,469	-			
Unassigned (Deficit), Reported in:										
Special Revenue Fund			#	(2,251)	#	(1,594)	(3,641)	(1,231)	-	-
<b>Total all other governmental funds</b>	<u>\$ 339,108</u>	<u>\$ 52,566</u>	<u>\$ 152,026</u>	<u>\$ 66,087</u>	<u>\$ 140,213</u>	<u>\$ 142,405</u>	<u>\$ 114,051</u>	<u>\$ 115,325</u>	<u>\$ 126,800</u>	<u>\$ 129,252</u>

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

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

	For the Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Tax Levy	\$ 17,363,811	\$ 18,460,884	\$ 20,032,003	\$ 20,583,476	\$ 20,957,674	\$ 21,626,025	\$ 23,047,741	\$ 29,506,853	\$ 30,054,368	\$ 30,616,476
Interest Earnings	638	3,363	4,035	88	16,140	29,804	23,118	15,910	23,818	289,178
Miscellaneous	167,145	131,552	355,630	46,712	97,336	216,029	153,842	599,287	218,485	237,141
State Sources	1,772,050	2,012,841	1,747,057	3,114,859	3,189,381	3,294,882	3,387,793	4,133,735	4,906,478	4,808,558
Federal Sources	169,579	245,772	517,562	475,211	483,985	514,648	481,194	671,097	794,546	946,781
<b>Total revenue</b>	<b>19,473,223</b>	<b>20,854,412</b>	<b>22,656,287</b>	<b>24,220,346</b>	<b>24,744,516</b>	<b>25,681,388</b>	<b>27,093,688</b>	<b>34,926,882</b>	<b>35,997,695</b>	<b>36,898,134</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	2,869,575	3,455,434	3,715,804	4,257,917	4,314,327	4,299,727	12,513,364	14,202,129	13,098,724	12,186,133
Special Education Instruction	925,445	760,330	1,237,052	825,386	944,580	1,062,722	5,879,904	4,436,707	5,815,408	6,080,195
Other Instruction	257,317	343,610	253,286	202,252	262,092	277,649	516,994	240,274	443,931	412,545
School Sponsored Activities and Athletics	1,575	15,285	21,287	18,034	13,697	11,933	36,107	9,682	32,273	55,387
<b>Support Services:</b>										
Instruction - Tuition	6,824,783	6,956,574	7,721,550	8,628,019	8,169,206	8,249,135				
Student & Inst. Related Services	960,578	1,190,105	1,368,861	1,898,686	1,584,174	1,663,144	2,286,208	1,555,142	2,731,723	2,921,459
General Administrative Services	375,538	381,498	524,946	365,651	379,775	475,552	813,948	732,310	708,165	806,194
School Administrative Services	376,710	388,199	362,218	322,933	340,354	354,787	582,793	484,043	606,871	598,897
Central Administrative Services	275,941	276,972	282,140	278,403	316,722	323,944	525,858	497,342	555,156	586,230
Administrative Information Technology	12,778	11,219	6,050	4,555	6,436	6,198	-			
Plant Operations and Maintenance	961,416	1,146,169	1,064,200	1,065,448	1,012,835	1,203,323	1,495,740	1,318,512	1,618,566	1,613,269
Pupil Transportation	1,298,761	1,431,702	1,494,738	1,466,841	1,659,064	1,599,085	1,565,945	1,160,570	2,081,320	2,384,141
Unallocated Benefits	2,380,351	2,799,533	2,301,158	3,064,896	3,828,869	4,245,597				
Special Schools	12,080	3,675								
Transfer to Charter Schools	8,867									
Capital Outlay	519,289	601,272	621,339	100,383	186,258	27,043	-	138,061	116,434	1,518,383
Cost of Issuance					181,308					
<b>Debt Service</b>										
Principal	660,000	700,000	720,000	750,000	1,220,000	815,000	894,850	1,121,338	1,160,761	2,424,383
Interest	1,288,079	1,265,917	1,246,717	1,226,342	682,074	1,099,313	1,075,754	1,044,831	1,009,083	970,132
<b>Total Governmental Fund Expenditures</b>	<b>20,009,083</b>	<b>21,727,494</b>	<b>22,941,346</b>	<b>24,475,746</b>	<b>25,101,771</b>	<b>25,714,152</b>	<b>28,187,465</b>	<b>26,940,941</b>	<b>29,978,415</b>	<b>32,557,348</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>(535,860)</b>	<b>(873,082)</b>	<b>(285,059)</b>	<b>(255,400)</b>	<b>(357,255)</b>	<b>(32,764)</b>	<b>(1,093,777)</b>	<b>7,985,941</b>	<b>6,019,280</b>	<b>4,340,786</b>



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

	For the Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Other Financing sources (uses)</b>										
Transfers In	637	117	265,057	88	293	33	13	5	140	98,580
Transfers Out	(637)	(117)	(265,057)	(88)	(293)	(33)	(2,898)	(1,005)	(140)	(98,580)
State Aid Advance Loan							1,800,000			
Capital Lease Proceeds								95,118		
Cancellation of Grant Receivables and Payables				(39,684)						
Unrecorded Prior Year Expenditures										
Payment to Refunding Bond Escrow Agent					(28,260,478)					
Premium on Sale of Bonds					1,876,786					
Bond Proceeds					26,565,000					
<b>Total other financing sources (uses)</b>	-	-	-	(39,684)	181,308	-	1,797,115	94,118	-	-
<b>Net change in fund balances</b>	<u>\$ (535,860)</u>	<u>\$ (873,082)</u>	<u>\$ (285,059)</u>	<u>\$ (295,084)</u>	<u>\$ (175,947)</u>	<u>\$ (32,764)</u>	<u>\$ 703,338</u>	<u>\$ 8,080,059</u>	<u>\$ 6,019,280</u>	<u>\$ 4,340,786</u>
<b>Debt service as a percentage of noncapital expenditures</b>	10.00%	9.31%	8.81%	8.11%	7.63%	7.45%	6.99%	8.08%	7.27%	10.94%

\* Noncapital expenditures are total expenditures less capital outlay.

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

	<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Rental - Use of Facilities</u>	<u>Parking Fees</u>	<u>FEMA</u>	<u>Summer Program</u>	<u>Lynx Technologies</u>	<u>E-Rate</u>	<u>Prior Year Reimbursements</u>	<u>Prior Year Voids</u>	<u>Club Fees</u>	<u>Other</u>	<u>Total</u>
101	2014	3,580										164,202	167,782
	2015	3,363										131,426	134,789
	2016	4,035	24,000						85,381	\$ 211,541	\$ 13,820	20,888	359,665
	2017	88							1,056			45,568	46,712
	2018	16,140										97,043	113,183
	2019	29,804	20,000	\$ 48,000	\$ 80,431	\$ 10,520	\$ 10,000	\$ 1,018		9,185		36,875	245,833
	2020	23,100	15,000	36,000				2,650		28,316		50,374	155,440
	2021	15,901		48,000					\$ 64,355			20,802	149,058
	2022	23,678		48,000					35,081	20,915		25,913	153,587
	2023	289,178		68,439				2,774	50,050			67,700	478,141

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2013	53,129,100	1,483,198,300		572,208,300	25,614,400	489,200,000	2,623,350,100	1,342,815	2,624,692,915	3,015,344,943	0.616
2014	42,707,100	1,509,306,200		590,875,500	25,614,400	489,009,900	2,657,513,100	1,409,977	2,658,923,077	3,021,486,850	0.670
2015	60,858,500	1,570,040,600		605,247,900	25,614,400	480,777,600	2,742,539,000	1,597,567	2,744,136,567	3,141,467,580	0.711
2016	89,097,900	1,644,915,900		592,568,500	25,614,400	460,069,100	2,812,265,800	1,575,594	2,813,841,394	3,352,389,394	0.722
2017	49,981,100	1,665,841,800		620,284,700	25,614,400	534,740,200	2,896,462,200	1,567,489	2,898,029,689	3,621,299,388	0.717
2018	76,160,100	1,800,727,000		587,567,400	25,614,400	457,899,700	2,947,968,600	1,458,659	2,949,427,259	3,821,748,979	0.722
2019	79,549,500	1,836,264,700		566,157,500	22,422,400	462,130,400	2,966,524,500	1,387,817	2,967,912,317	4,168,444,661	0.754
2020	120,962,000	1,846,569,600		526,490,600	6,422,400	462,130,400	2,962,575,000	1,437,792	2,964,012,792	4,080,524,372	0.789
2021	118,379,400	1,860,048,300		529,874,400	9,814,000	465,789,800	2,983,905,900	1,641,460	2,985,547,360	3,937,766,308	1.095
2022	212,770,600	2,397,271,900		714,053,400	10,301,100	737,771,155	4,072,168,155	1,993,757	4,074,161,912	3,949,270,072	0.745
2023	207,253,600	2,449,991,600		729,225,300	10,555,100	793,428,355	4,190,453,955	2,064,100	4,192,518,055	4,178,967,820	0.730

Source: County Abstract of Ratables

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

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

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

Calendar Year	Total Direct School Tax Rate	Overlapping Rates		Total Direct and Overlapping Tax Rate
	Edgewater Local School District	Municipality of Edgewater	County of Bergen	
2013	0.616	0.740	0.270	1.626
2014	0.670	0.766	0.265	1.701
2015	0.711	0.771	0.273	1.755
2016	0.722	0.766	0.291	1.779
2017	0.717	0.774	0.309	1.800
2018	0.722	0.787	0.324	1.833
2019	0.754	0.805	0.337	1.896
2020	0.789	0.816	0.340	1.945
2021	1.095	0.827	0.331	2.253
2022	0.745	0.633	0.234	1.612
2023	0.730	0.630	0.237	1.597

Source: Municipal Tax Collector

\* Includes Library

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

**BOROUGH OF EDGEWATER SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS,  
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
Edgewater Retirement Partners LLC	\$ 150,000,000	3.58%	\$ 124,500,500	4.68%
Edgewater Financing LLC Avalonbay Com	145,480,455	3.47%	100,000,000	3.76%
The Edgewater Colony, Inc.	135,752,900	3.24%	76,996,400	2.90%
Edgewater Lofts LLC (Condos & Garage)	124,031,900	2.96%	31,039,000	1.17%
100 Alexander Way	97,490,100	2.33%		
Mel Mac River Club LLC	87,468,900	2.09%		
Windsor at Mariner's Tower , LLC	85,436,300	2.04%	65,000,000	2.44%
Riello Apts., LLC	82,321,600	1.96%	54,873,500	2.06%
AIMCO River Club LLC			46,000,000	1.73%
RREEF Amer REIT II	57,230,400	1.37%	30,425,600	1.14%
California State Teachers' Retirement System			31,984,900	1.20%
YNJ LLC c/o Mitsuwa			31,640,600	1.19%
One Main Street Edgewater LLC	50,516,600	1.20%		
	<u>\$ 1,015,729,155</u>	<u>24.23%</u>	<u>\$ 592,460,500</u>	<u>22.28%</u>

Source: Municipal Tax Assessor

**BOROUGH OF EDGEWATER SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	17,363,811	17,363,811	100.00%	
2015	18,460,884	18,460,884	100.00%	
2016	20,282,952	20,282,952	100.00%	
2017	20,583,476	20,583,476	100.00%	
2018	20,957,674	20,957,674	100.00%	
2019	21,626,025	21,626,025	100.00%	
2020	23,047,741	23,047,741	100.00%	
2021	29,506,853	29,506,853	100.00%	
2022	30,054,368	30,054,368	100.00%	
2023	30,616,476	30,616,476	100.00%	

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita
	General Obligation Bonds	State Aid Advance Loan	Capital Financing Agreements			
2014	31,723,000			31,723,000	11,881	2,670
2015	31,023,000			31,023,000	12,256	2,531
2016	30,653,000			30,653,000	11,884	2,579
2017	29,553,000			29,553,000	11,906	2,482
2018	28,860,000			28,860,000	12,158	2,374
2019	28,045,000		\$ 175,151	28,220,151	12,669	2,227
2020	27,200,000	1,800,000	125,301	27,325,301	13,365	2,045
2021	26,320,000	1,620,000	159,081	26,479,081	14,396	1,839
2022	25,410,000	1,440,000	88,320	25,498,320	14,647	1,741
2023	24,465,000	-	48,937	24,513,937	14,604	1,679

\* Estimate

Source: District records

**BOROUGH OF EDGEWATER SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 31,723,000		\$ 31,723,000	1.19%	\$ 2,670
2015	31,023,000		31,023,000	1.13%	2,531
2016	30,653,000		30,653,000	1.09%	2,579
2017	29,553,000		29,553,000	1.02%	2,482
2018	28,860,000		28,860,000	0.98%	2,374
2019	28,045,000		28,045,000	0.94%	2,214
2020	27,200,000		27,200,000	0.92%	2,035
2021	26,320,000		26,320,000	0.88%	1,828
2022	25,410,000	-	25,410,000	0.62%	1,735
2023	24,465,000		24,465,000	0.58%	1,675

Source: District records



**BOROUGH OF EDGEWATER SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2022  
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Borough of Edgewater School District (as of June 30, 2022)	\$ 24,465,000
Borough of Edgewater	<u>47,590,226</u>
	<u>72,055,226</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	30,611,162
Bergen County Utilities Authority (B)	<u>3,234,816</u>
Total Overlapping Debt	<u>33,845,978</u>
Total Direct and Overlapping Debt	<u>\$ 105,901,204</u>

## Source:

(1) Township's 2022 Annual Debt Statement

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

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

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

**Legal Debt Margin Calculation for Fiscal Year 2021**

	Equalized valuation basis
	2022 \$ 4,029,455,922
	2021 3,686,565,231
	2020 3,598,414,916
	<u>\$ 11,314,436,069</u>
Average equalized valuation of taxable property	<u>\$ 3,771,478,690</u>
Debt limit (2.5 % of average equalization value)	\$ 94,286,967
Total Net Debt Applicable to Limit	<u>24,465,000</u>
Legal debt margin	<u>\$ 69,821,967</u>

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 75,136,086	\$ 76,485,828	\$ 79,294,532	\$ 84,292,970	\$ 89,961,981	\$ 96,762,442	\$ 97,874,686	\$ 97,218,866	\$ 94,078,899	\$ 94,286,967
Total net debt applicable to limit	<u>31,723,000</u>	<u>31,023,000</u>	<u>30,303,000</u>	<u>29,553,000</u>	<u>28,860,000</u>	<u>28,045,000</u>	<u>27,200,000</u>	<u>26,320,000</u>	<u>25,410,000</u>	<u>24,465,000</u>
Legal debt margin	<u>\$ 43,413,086</u>	<u>\$ 45,462,828</u>	<u>\$ 48,991,532</u>	<u>\$ 54,739,970</u>	<u>\$ 61,101,981</u>	<u>\$ 68,717,442</u>	<u>\$ 70,674,686</u>	<u>\$ 70,898,866</u>	<u>\$ 68,668,899</u>	<u>\$ 69,821,967</u>
Total net debt applicable to the limit as a percentage of debt limit	42.22%	40.56%	38.22%	35.06%	32.08%	28.98%	27.79%	27.07%	27.01%	25.95%

Source: Annual Debt Statements

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Borough Unemployment Rate</u>
2014	11,881	71,773	7.70%
2015	12,256	71,286	6.40%
2016	11,884	73,883	6.00%
2017	11,906	77,323	5.60%
2018	12,158	78,836	7.70%
2019	12,669	81,024	2.60%
2020	13,365	85,191	2.30%
2021	14,396	88,241	7.10%
2022	14,647	91,972	4.30%
2023	14,604	97,343	2.60%

Source: New Jersey State Department of Education

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

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

INFORMATION IS NOT AVAILABLE

**BOROUGH OF EDGEWATER SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

<u>Function/Program</u>	<u>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	48.0	52.7	54.2	56.4	58.4	61.7	60.4	42.0	48.0	51.0
Special Education	8.0	8.6	8.6	9.6	9.6	9.6	11.0	6.0	6.0	6.0
Other Special Education	5.0				7.0	7.0	14.9	5.5	7.0	10.0
Other Instruction	1.0	4.0	6.0	8.0						
Support Services:										
Student and Instruction Related Services	7.0	29.1	28.0	27.0	27.2	27.8	12.6	10.0	11.0	13.0
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administrative Services	2.0	5.6	5.6	5.6	5.6	5.6	5.6	4.0	4.0	4.0
Central Services	5.0	3.8	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0
Administrative Information Technology	2.0	-	-	-	-	-				
Plant Operations and Maintenance	14.0	14.0	12.5	12.5	12.5	13.5	13.5	11.0	10.0	9.0
Pupil Transportation	-							2.0	2.0	2.0
Total	<u>94.0</u>	<u>119.8</u>	<u>119.9</u>	<u>124.1</u>	<u>125.3</u>	<u>131.2</u>	<u>124.0</u>	<u>86.5</u>	<u>94.0</u>	<u>101.0</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment-Grades <sup>a</sup>		Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teacher/Pupil Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
	Pre-K-6	7-12				Teaching Staff	Elementary				
2013	780	343	15,717,584	13,996	-4.91%	47.0	16.3:1	764.8	731.3	15.23%	95.62%
2014	808	381	17,339,394	14,583	4.19%	48.0	16.8:1	865.0	826.5	13.10%	95.55%
2015	905	379	18,901,616	14,721	0.94%	53.0	17.1:1	907.4	867.1	4.90%	95.56%
2016	906	381	19,462,818	15,123	2.73%	54.0	16.8:1	905.9	870.2	-0.17%	96.06%
2017	903	372	22,398,661	17,568	16.17%	56.0	16.1:1	906.4	862.3	0.06%	95.13%
2018	976	414	22,832,131	16,426	-6.50%	58.0	16.8:1	956.7	907.2	5.55%	94.83%
2019	982	496	23,772,796	16,084	-2.08%	61.0	16.1:1	986.3	935.2	3.09%	94.82%
2020	874	471	26,216,861	19,492	21.19%	60.0	14.6:1	924.1	887.2	-6.30%	96.01%
2021	681	535	24,636,711	20,260	3.94%	48.0	12.9:1	642.3	612.3	-30.50%	95.33%
2022	667	516	27,692,137	23,408	15.54%	60.0	11.1:1	665.8	627.5	3.66%	94.25%
2023	679	502	27,644,450	23,408	0.00%	66.0	10.2:1	659.0	618.4	-1.02%	93.84%

Sources: District records

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

**BOROUGH OF EDGEWATER SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

	<u>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>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
George Washington School (2012):										
Square Feet	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Capacity Students	925	925	925	925	925	925	925	925	925	925
Enrollment	460	525	508	488	488	533	481	321	325	321
Eleanor Van Gelder School (1914):										
Enrollment	63,941	63,941	63,941	63,941	63,941	63,941	63,941	63,941	63,941	63,941
Capacity Students	565	565	565	565	565	565	565	565	565	565
Enrollment	348	382	398	418	418	429	393	358	342	358

Number of Schools at June 30, 2022  
Elementary - 2

N/A - Not Applicable

Source: District Records

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

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

	<u>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>
<b>School Facilities</b>										
George Washington	\$ 139,583	\$ 193,588	\$ 199,672	\$ 204,665	\$ 193,685	\$ 206,507	\$ 257,415	\$ 162,369	\$ 297,585	\$ 274,779
Eleanor Van Gelder	<u>149,585</u>	<u>82,966</u>	<u>86,266</u>	<u>89,403</u>	<u>89,635</u>	<u>133,926</u>	<u>166,941</u>	<u>105,301</u>	<u>192,992</u>	<u>178,202</u>
Grand Total	<u>\$ 289,168</u>	<u>\$ 276,554</u>	<u>\$ 285,938</u>	<u>\$ 294,068</u>	<u>\$ 283,320</u>	<u>\$ 340,433</u>	<u>\$ 424,356</u>	<u>\$ 267,670</u>	<u>\$ 490,577</u>	<u>\$ 452,981</u>

Source: District Records



**BOROUGH OF EDGEWATER SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2023  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NJ Schools Insurance Group:		
Property:		
Real and Personal Property per occurrence	\$500,000,000	\$5,000
Extra Expense	\$50,000,000	\$1,000
Valuable Papers	\$10,000,000	\$1,000
Flood Insurance:		
Zones A and V	\$25,000,000	\$500,000 per Building/\$500,000 per Contents
All Other Zones	\$75,000,000	\$10,000
Earthquake Insurance	\$50,000,000	\$5,000
Demolition and Increased Cost of Construction	\$25,000,000	\$5,000
Electronic Data Processing:		
Blanket Hardware	\$250,000	\$1,000
Blanket Extra Expense	Included	\$1,000
Equipment Breakdown:		
Property Damage	\$100,000,000	\$25,000
Crime:		
Public Employee Dishonesty with Faithful Performance	\$500,000	\$1,000
Theft, Disappearance and Destruction-Loss of Money & Securities	\$25,000	\$500
Money Orders & Counterfeit Paper Currency	\$25,000	\$500
Forgery/Alteration	\$500,000	\$1,000
Computer Fraud	\$500,000	\$1,000
General Liability		
Bodily Injury and Property Damage	\$16,000,000	
Employee Benefits Liability	\$16,000,000	\$1,000
Automobile Liability	\$16,000,000	
School Board Legal Liability - NJ Schools Insurance Group		
Coverage A:	\$16,000,000	\$5,000
Coverage B (Each claim/Each Policy period):	\$100,000/\$300,000	\$5,000
Cyber & Privacy Liability		
Each Claim	\$2,000,000.00	25,000 or 250,000
Annual Aggregate	\$2,000,000.00	contingent upon controls in place
Workers' Compensation and Employers' Liability - NJ Schools Insurance Group		
Workers' Compensation	Statutory Limit	
Employers Liability	\$3,000,000.00	
Public Employees' - Public Official Bonds		
Business Administrator - Hanover Insurance Company	\$250,000	
Treasurer - Hanover Insurance Company	\$250,000	

Source: School District's records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA  
ELIZABETH A. SHICK, CPA, RMA, PSA  
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 Education  
Edgewater Board of Education  
Edgewater, New Jersey

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

#### **Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be significant deficiencies.

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Edgewater Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which are described in the accompanying schedule of schedule of findings and questioned costs as items 2023-001 and 2023-002.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Edgewater Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 30, 2023.

### Edgewater Board of Education's Responses to Findings

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

### Purpose of this Report

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

LERCH, VINCI & BLISS, LLP

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
November 30, 2023



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
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CHRISTINA CUIFFO, CPA, PSA  
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 Education  
Edgewater Board of Education  
Edgewater, New Jersey

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

***Opinion on Each Major Federal and State Program***

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

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which are described in the accompanying schedule of findings and questioned costs as items 2023-003 and 2023-004. Our opinion on each major federal and state program is not modified with respect to these matters.

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

## 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 and each major fund of the Edgewater Board of Education, 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 November 30, 2023, which contained unmodified and modified 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

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
November 30, 2023

EDGEWATER BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance, July 1, 2022			Carryover/ (Walkover) Amount Def. Rev.	Carryover/ (Walkover) Amount Δ/R	Cash Received	Budgetary Expenditures	Transfers/ Adjustment	Refund of Prior Years Balances	Balance, June 30, 2023			Memo GAAP Receivable
					(Account Receivable)	Deferred Revenue	Due to Grantor							(Account Receivable)	Deferred Revenue	Due to Grantor	
<b>U.S. Department of Education</b>																	
<b>Passed-through State Department of Education</b>																	
<b>Enterprise Fund</b>																	
School Breakfast Program	10.553	231NJ304N1099	7/1/22-6/30/23	\$ 15,412					\$ 14,053	\$ 15,412			\$ (1,359)			\$ (1,359)	
School Breakfast Program	10.555	221NJ304N1099	7/1/21-6/30/22	49,305	(6,515)				6,515								
National School Lunch Program																	
Cash Assistance	10.555	231NJ304N1099	7/1/22-6/30/23	87,011					80,534	87,011			(6,477)			(6,477)	
Cash Assistance	10.555	221NJ304N1099	7/1/21-6/30/22	311,600	(28,876)				28,876								
Non-Cash Assistance (Food Distribution)	10.555	221NJ304N1099	7/1/22-6/30/23	43,567					43,567	37,821			\$ 5,746				
Non-Cash Assistance (Food Distribution)	10.555	221NJ304N1099	7/1/21-6/30/22	33,051		698				698							
Supply Chain Assistance	10.555	221NJ304N1099	7/1/22-6/30/23	44,562	-	-	-	-	44,562	44,562	-	-	-	-	-	-	
Total Child Nutrition /Enterprise Fund					(35,391)	698	-	-	218,107	185,504	-	-	(7,836)	5,746	-	(7,836)	
<b>Special Revenue Fund</b>																	
<b>ESEA</b>																	
Title I	84.010	S010A220030	7/1/22-9/30/23	145,200			33,249		124,830	178,381			(20,370)	68		(20,302)	
Title I	84.010	S010A210030	7/1/21-9/30/22	153,697	(60,554)	33,249	(33,249)		60,554				-	-		-	
Title I	84.010	S010A190030	7/1/18-6/30/19	218,618	(2,366)	-	-	-	-	-	2,366	-	-	-	-	-	
Total ESEA Title I					(62,920)	33,249	-	-	185,384	178,381	2,366	-	(20,370)	68	-	(20,302)	
Title II, Part A	84.367A	S367A220029	7/1/22-9/30/23	22,958				(632)	5,740	22,958			(17,850)	-		(17,850)	
Title II, Part A	84.367A	S367A210029	7/1/21-9/30/22	17,114	(739)			632	107				-	-		-	
Title II, Part A	84.367A	S367A190029	7/1/18-6/30/19	28,416	(7,457)	-	-	-	-	-	7,457	-	-	-	-	-	
Total ESEA Title II, Part A					(8,196)	-	-	-	5,847	22,958	7,457	-	(17,850)	-	-	(17,850)	
Title III	84.365	S365A220030	7/1/22-9/30/23	19,009					5,782	18,987			(13,227)	22		(13,205)	
Title III	84.365	S365A180030	7/1/18-6/30/19	33,335	(5,477)	-	-	-	-	-	5,477	-	-	-	-	-	
					(5,477)	-	-	-	5,782	18,987	5,477	-	(13,227)	22	-	(13,205)	
ESEA Title IV	84.424	S424A220031	7/1/22-9/30/23	12,756			557	(557)	3,189	13,313			(10,124)	-		(10,124)	
ESEA Title IV	84.424	S424A210031	7/1/21-9/30/22	15,028	(5,689)	4,853	-	(557)	5,132	418			-	3,878		-	
					(5,689)	4,853	-	-	8,321	13,731			(10,124)	3,878		(10,124)	
I.D.E.A. Part B, Basic Regular	84.027	H027A170100	7/1/22-9/30/23	152,214					152,214	152,214			-	-		-	
I.D.E.A. Part B, Basic Regular	84.027	H027S180100	7/01/18-6/30/19	213,231	(80,903)						80,903					-	
I.D.E.A. Part B, Preschool	84.173	H173A200114	7/1/22-9/30/23	7,648					1,912	7,648			(5,736)	-		(5,736)	
I.D.E.A. ARP Preschool	84.173X	H173X210114	7/1/21-9/30/22	2,679	(2,679)	-	-	-	2,679	-			-	-		-	
Total Special Education Cluster IDEA					(83,582)	-	-	-	156,805	159,862	80,903	-	(5,736)	-	-	(5,736)	

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



EDGEWATER BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance, July 1, 2022			Carryover/ (Walkover) Amount Def. Rev.	Carryover/ (Walkover) Amount A/R	Cash Received	Budgetary Expenditures	Transfers/ Adjustment	Refund of Prior Years Balances	Balance, June 30, 2023			Memo GAAP Receivable
					(Account Receivable)	Deferred Revenue	Due to Grantor							(Account Receivable)	Deferred Revenue	Due to Grantor	
Elementary and Secondary School Emergency Relief (ESSER)																	
CARES Act - ESSER I	84.425D	S425D200027	3/3/20-9/30/22	\$ 178,811		\$ 4,299			\$ -	\$ -			\$ -		\$ 4,299		
Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)																	
ESSER II	84.425D	S425D210027	3/13/20-9/20/23	674,856	(499,432)	463,198			479,126	463,198			(20,306)	-		(20,306)	
Learning Acceleration	84.425D	S425D210027	3/13/20-9/20/23	43,309	-	8,838				8,699			-	139			
Mental Health	84.425D	S425D210027	3/13/20-9/20/23	45,000	-	2,648				2,582			-	66	-	-	
American Rescue Plan																	
ARP ESSER III	84.425U	S425U210027	3/13/20-9/30/24	1,516,696	(1,516,696)	1,516,696			25,000	24,500			(1,491,696)	1,492,196			
Accelerated Learning Coach & Educator Support	84.425U	S425U210027	3/13/20-9/30/24	107,549	(107,549)	107,549			20,000	43,142			(87,549)	64,407		(23,142)	
Evidence Based Summer Learning & Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000			7,000	7,076			(33,000)	32,924		(76)	
Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000			-	-			(40,000)	40,000		-	
NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	(45,000)	45,000			-	-			(45,000)	45,000		-	
Total ESSER Cluster					(2,248,677)	2,228,228	-	-	531,126	549,197	-	-	(1,717,551)	1,674,732	4,299	(43,524)	
Coronavirus Relief Fund (CRF)																	
Coronavirus Relief Fund	21.019	N/A	3/1/20-12/31/21	55,192	-	292	-	-	-	-	-	-	292	-	-	-	
					-	292	-	-	-	-	-	-	292	-	-	-	
Total Special Revenue Fund					(2,414,541)	2,266,622	\$ -	-	893,265	943,116	96,203	\$ 292	(1,784,858)	1,678,700	4,299	\$ (110,741)	
Total Federal Awards				\$	(2,449,932)	\$ 2,267,320	\$ -	\$ -	\$ 1,111,372	\$ 1,128,620	\$ 96,203	\$ 292	\$ (1,792,694)	\$ 1,684,446	4,299	\$ (118,577)	

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

EDGEWATER BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Balance, June 30, 2023			Memo		
									(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
<b>State Department of Education</b>														
<b>General Fund:</b>														
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 1,210,840		1,122,842	1,210,840				(87,998)			\$	1,210,840
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	925,673	(69,279)	69,279					-				-
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	45,596		42,282	45,596				(3,314)				45,596
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	45,596	(3,412)	3,412					-				-
Total State Aid Public Cluster				(72,691)	1,237,815	1,256,436				(91,312)				1,256,436
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	618,022		573,108	618,022				(44,914)				618,022
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	618,022	(46,254)	46,254					-				-
Nonpublic Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	41,184		-	41,184				(41,184)			\$	(41,184)
Nonpublic Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	47,560	(47,560)	47,560					-				-
Extraordinary Aid	23-495-034-5120-473	7/1/22-6/30/23	552,964		-	552,964				(552,964)				552,964
Extraordinary Aid	22-495-034-5120-473	7/1/21-6/30/22	570,068	(570,068)	570,068					-				-
<b>On Behalf Payments</b>														
TPAF Social Security	23-495-034-5094-003	7/1/22-6/30/23	399,148		356,601	399,148				(42,547)			(42,547)	399,148
TPAF Social Security	22-495-034-5094-003	7/1/21-6/30/22	357,182	(19,603)	19,603					-				-
<b>TPAF Pension and OPEB</b>														
Pension - NCGI Premium	23-495-034-5094-004	7/1/22-6/30/23	1,439,501		1,439,501	1,439,501				-				1,439,501
Pension Benefit Contribution	23-495-034-5094-002	7/1/22-6/30/23	19,971		19,971	19,971				-				19,971
Post Retirement Medical Benefit Contribution	23-495-034-5094-001	7/1/22-6/30/23	383,400		383,400	383,400				-				383,400
Long Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	707	-	707	707				-				707
Total General Fund				(756,176)	4,694,588	4,711,333				(772,921)			(83,731)	4,711,333
<b>Special Revenue Fund:</b>														
Safety Grant	Not Available	7/1/16-6/30/17	3,421	3,421	-	-				-				-
Climate Awareness Grant	23-WB01-G02	4/1/23-6/30/23	6,660		-	6,275				(6,660)			(6,275)	6,275
<b>Schools Development Authority (SDA)</b>														
Emergent and Capital Maintenance Needs		7/1/22-6/30/23	15,131		15,131	15,131								15,131
<b>Auxiliary Services Chpt 192:</b>														
English as Secondary Language	23-100-034-5120-067	7/1/22-6/30/23	-		-	-				-				-
Total Auxiliary Services (Chpt 192) Cluster					-	-				-				-
<b>Handicapped Services Chpt 193:</b>														
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	6,631	6,631				6,631						-
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	5,580		5,580	2,418								3,162
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	3,720	1,581	-	-				1,581				-
Total Handicapped Services (Chpt 193) Cluster				8,212	5,580	2,418				8,212				3,162
<b>New Jersey Nonpublic Aid:</b>														
Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	1,320		1,320	1,266							54	1,266
Nursing Services	23-100-034-5120-070	7/1/22-6/30/23	2,240		2,240	2,221							19	2,221
Nonpublic Technology	23-100-034-5120-373	7/1/22-6/30/23	840		840	838							2	838
Nonpublic Security	23-100-034-5120-084	7/1/22-6/30/23	4,100		4,100	3,929							171	3,929
Nonpublic Security	22-100-034-5120-084	7/1/21-6/30/22	4,550	406	-	-			406					-
Total Special Revenue Fund				12,039	29,211	32,078			8,618	(6,660)	3,806	3,408	(6,275)	32,078

EDGEWATER BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Balance, June 30, 2023			Memo				
									(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures			
State Department of Agriculture																
Food Service:																
School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	247		220	247				(27)			\$	(27)	\$	247
National School Lunch Program (State Share)	23-100-010-3350-023	7/1/22-6/30/23	\$ 4,419		4,103	4,419	-	-		(316)	-	-		(316)		4,419
(State Share)	22-100-010-3350-023	7/1/21-6/30/22	7,314	(665)	665	-	-	-	-	-	-	-		-		-
Total Food Service Fund				(665)	4,988	4,666	-	-		(343)	-	-		(343)		4,666
Debt Service Fund																
Type II Debt Service Aid	23-495-034-5120-075	7/1/22-6/30/23	62,024	-	62,024	62,024	-	-		-	-	-		-		62,024
Capital Projects Fund																
New Jersey Schools Development Authority																
Capital Projects Fund																
Alyssa's Law School Security Grant	N/A	N/A	49,227	(400)	28,619	28,297	78	-		-	-	-		-		49,227
Total Capital Projects Fund				(400)	28,619	28,297	78	-		-	-	-		-		49,227
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				<b>(745,202)</b>	<b>4,819,430</b>	<b>4,838,398</b>	<b>\$ 78</b>	<b>\$ 8,618</b>	<b>(779,924)</b>	<b>3,806</b>	<b>3,408</b>	<b>\$</b>	<b>(90,349)</b>	<b>\$</b>	<b>4,859,328</b>	
State Financial Assistance																
Not Subject to Major Program Determination																
General Fund																
On-Behalf TPAF Pension System Contributions-NCGI	23-100-034-5094-004	7/1/22-6/30/23			(1,439,501)	(1,439,501)										(1,439,501)
On-Behalf TPAF Pension System Contributions- Normal	23-100-034-5094-002	7/1/22-6/30/23			(19,971)	(19,971)										(19,971)
On-Behalf TPAF Post-Retirement Medical Contribution	23-100-034-5094-001	7/1/22-6/30/23			(383,400)	(383,400)										(383,400)
On-Behalf TPAF Long Term Disability Insurance	23-100-034-5094-004	7/1/22-6/30/23	-	-	(707)	(707)	-	-		-	-	-		-		(707)
<b>Total State Financial Assistance Subject to Major Program Determination</b>				<b>(745,202)</b>	<b>2,975,851</b>	<b>2,994,819</b>	<b>\$ 78</b>	<b>\$ 8,618</b>	<b>(779,924)</b>	<b>3,806</b>	<b>3,408</b>	<b>\$</b>	<b>(90,349)</b>	<b>\$</b>	<b>3,015,749</b>	

**EDGEWATER BOARD OF EDUCATION  
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 Edgewater Board of Education 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 a decrease of \$177 for the general fund and a decrease of \$15,907 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		\$ 4,711,156	\$ 4,711,156
Special Revenue Fund	\$ 946,781	7,081	953,862
Capital Projects Fund		28,297	28,297
Debt Service Fund		62,024	62,024
Food Service Fund	185,504	4,666	190,170
Total Awards and Financial Assistance	<u>\$ 1,132,285</u>	<u>\$ 4,813,224</u>	<u>\$ 5,945,509</u>

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 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**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$399,148 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 \$1,459,472, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$383,400 and TPAF Long-Term Disability Insurance in the amount of \$707 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.

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

Internal control over financial reporting:

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

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

Noncompliance material to basic financial statements noted?   X   yes       

**Federal Awards Section**

Internal Control over major programs:

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

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

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

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

Identification of major federal programs:

<u>AL Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
84.425D/84.425U	S425D/210027/ S425U210027	CRRSA and ARP ESSER - Program Cluster
_____		_____
_____		_____
_____		_____

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

Auditee qualified as low-risk auditee?   X   yes        no



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

**Finding 2023-001**

The Board Secretary's and Treasurer's monthly reports were not submitted to and approved by the Board timely in all instances. Additionally, the year-end monthly reports submitted to the County for June 2023 were not in agreement.

**Criteria or specific requirement:**

N.J.S.A. 18A:17-36 "Accounting Monthly and Annual Reports"

**Condition**

See Finding 2023-001

**Context**

The March, April and May 2023 Board Secretary and Treasurer reports were submitted to and approved by the Board on August 17, 2023. The Treasurer's June 30, 2023 monthly report did not include the certificates of deposit balances and the bank account balances were not in agreement with the Board Secretary's June 2023 report.

**Effect**

Submission and approval of monthly Board Secretary and Treasurer's reports are not being completed in accordance with State requirements and maybe misstated if not in agreement.

**Cause**

Unknown.

**Recommendation**

The monthly financial reports of the Board Secretary and Treasurer of School Monies be submitted to and approve by the Board in a timely manner and they be in agreement.

**View of Responsible Officials and Planned Corrective Action**

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



**EDGEWATER BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*Part 2 – Schedule of Financial Statement Findings*

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

**Finding 2023-002**

Program salaries and employee benefits of the Preschool Program were not being charged to the program during the school year. An audit adjustment was required to reallocate program salaries and employee benefits costs from the General Fund budget.

**Criteria or Specific Requirement**

Internal controls pertaining to financial accounting and reporting of expenses.

**Condition**

Program salaries and employee benefit expenses were not properly recorded in the District's records to the Preschool Program Enterprise Fund.

**Context**

Preschool program salaries and employee benefit expenses totaling \$211,492 were charged to the General Fund budget.

**Effect**

The Preschool Program Enterprise Fund financial statements did not properly reflect program expenses.

**Cause**

Unknown.

**Recommendation**

Program salaries and employee benefits be properly charged to the Preschool Program Enterprise Fund during the year.

**Views of Responsible Officials and Planned Corrective Action Plan**

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

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

**Finding 2023-003**

Our audit of salaries charged to the ESSER grant programs revealed the following:

- Employees and the funding percentages of their respective salaries charged to the program were not approved in the Board minutes.
- Time and effort activity reports were not completed for employees whose salaries were charged to the grant program.
- Salaries were charged by disbursement adjustment and not by each pay period throughout the year.

**Federal Program Information**

ESSER Program Cluster                      84.425D/84.425U

**Criteria or Specific Requirement**

Federal Grant Compliance Supplement – Allowable Costs/Cost Principles

**Condition**

Salaries of individuals charged to the ESSER grant programs were not approved by the Board resolution. The time and effort reports were not completed for individuals charged to the program. Salaries were charged by disbursement adjustment not when paid by pay period.

**Questioned Costs**

Undeterminable.

**Context**

Total salaries charged to the ESSER programs were \$99,671 for 2022/2023. We noted none of the individuals and their respective funding percentages of their salaries charged to the ESSER programs were approved in the official minutes. We noted the time and effort reports were not completed for any individuals charged to the program salaries charged to the program. Salaries charged to the program were recorded by three (3) disbursement adjustments.

**Effect**

Personnel charged to Federal grants may not be allowable grant charges.

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

**Finding 2023-003 (Continued)**

**Cause**

Unknown.

**Recommendation**

Employees and their respective salaries charged to federally funded grant programs be formally approved by Board resolution and include the grant program's funding percentages. In addition, all employees charged to federally funded grant programs be included on the time and effort activity reports and their salaries be charged by pay period as incurred during the year.

**Views of Responsible Officials and Planned Corrective Action Plan**

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

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

**Finding 2023-004**

The Board Secretary's and Treasurer's monthly reports were not submitted to and approved by the Board timely in all instances. Additionally, the year-end monthly reports submitted to the County for June 2023 were not in agreement.

**State Program Information**

State Aid – Public Cluster      23-495-034-5120-089/084

**Criteria or Specific Requirement**

State Aid – Public Compliance Supplement

**Condition**

See Finding 2023-4.

**Questioned Costs**

None.

**Context**

The March, April and May 2023 Board Secretary and Treasurer reports were submitted to and approved by the Board on August 17, 2023. The Treasurer's June 30, 2023 monthly report did not include the certificates of deposit balances and the bank account balances were not in agreement with the Board Secretary's June 2023 report.

**Effect**

Submission and approval of monthly Board Secretary and Treasurer's reports are not being completed in accordance with State requirements and maybe misstated if not in agreement.

**Cause**

Unknown.

**Recommendation**

The monthly financial reports of the Board Secretary and Treasurer of School Monies be submitted to and approve by the Board in a timely manner and they be in agreement.

**Views of Responsible Officials and Planned Corrective Action Plan**

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

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

**Finding 2022-001**

**Condition**

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

**Current Status**

Corrective action was taken.

**Finding 2022-002**

**Condition**

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

**Current Status**

Corrective action was taken.

**Finding 2021-003**

**Condition**

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

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

**Current Status**

Partial corrective action was taken. See Auditor's Management Report on "Administrative Findings – Financial, Compliance and Performance" dated November 30, 2023.