

TOWNSHIP OF EDISON SCHOOL DISTRICT

Edison, New Jersey
County of Middlesex

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
TOWNSHIP OF EDISON SCHOOL DISTRICT
EDISON, NEW JERSEY**



**PREPARED BY DISTRICT FINANCE OFFICER
SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY**

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INTRODUCTORY SECTION

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Public Schools of Edison Township

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Edward Aldarelli, Ed.D.
Superintendent of Schools

Jonathan Toth
Business Administrator/Board Secretary

February 12, 2024

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

Dear Board Members:

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

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

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

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award (Uniform Guidance)*; and New Jersey OMB's Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The District operated the 2022-2023 fiscal year with an average daily enrollment (ADE) of 16,645 students, which is below the previous year's ADE. The following details the changes in the student enrollment of the district over the last ten years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2022-2023	16,645	0.02%
2021-2022	16,234	-0.76%
2020-2021	16,333	-0.95%
2019-2020	16,490	0.90%
2018-2019	16,344	1.64%
2017-2018	16,081	3.53%
2016-2017	15,532	2.89%
2015-2016	15,096	2.71%
2014-2015	14,697	1.38%
2013-2014	14,497	0.90%
2012-2013	14,367	1.06%

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

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

Components of the professional development program include mandated staff development for all non-tenured teachers, totaling seven full days of training and a minimum of three classroom observation and coaching visits over a four-year period. Three after school cohorts are also provided to our first year teachers to reflect on their teaching practice with colleagues across the district. In addition, a mentoring program is provided to all provisional first year teachers, with a collaborative virtual learning space that provides resources, tools, and question forums, as well as a mandated training. The District also provides Professional Development Institute (PDI), which offers certificated and non-certificated staff PDI hours, leading to salary increments, for their voluntary participation in an array of curriculum and instructionally relevant workshops offered after school and virtually. More than 800 certificated and non-certificated staff took advantage of these after school programs during the 2022-2023 school year. All teachers, at the elementary level, have an added resource of coaching from the district's instructional coaches, and at the secondary level, all buildings have learning leaders who open their classrooms to share best practices.

Building Projects-Renovations: During the 2022-2023 school year, the district's major improvements to the school buildings based on the long-range facilities plans and comprehensive maintenance plan. The district replaced roofs, lockers, boilers, lighting, security camera and paved parking lots. In addition, Lincoln school is undergoing the construction of a new.

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

The 2022-2023 Comprehensive Equity Plan was approved by the Board in June of 2020 for submission to the County Superintendent. This three-year plan, based upon self-study, incorporates equity training, affirmative action, equality in education, staff development, minority staff-recruitment, and desegregation mandates.

The District's Equity Plan for 2022-2023 focuses on equality and equity in school and classroom procedures, prohibiting harassment, annual training for certified and non-certified staff, narrowing the achievement gap.

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

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

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

Technology Infrastructure:

The Department of Technology is committed to the improvement of teaching and learning by linking the appropriate information technologies to education. The 2022-2023 school year continued to provide challenges as we provide uninterrupted technology services during the pandemic.

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

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

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

Students and Staff continue to benefit from district's progressive technology initiatives. Even with a robust and reliable technology infrastructure, we continue to evaluate newer technologies and plan upgrades accordingly, based on equipment age, serviceability, performance demands, and newer technologies that will allow the district to leverage technologies with future cost savings. Following this philosophy, in 2022-2023, the district utilized the Federal Erate program to upgrade our network infrastructure. The district migrated from Cisco 3750/3600 environment to the 9300/9200 series infrastructure. We also upgraded our legacy firewalls to new Cisco Firepower firewalls.

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

Below is an overview of the district's technology:

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

Technology Devices:

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

The following is a breakdown by grade:

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

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

Technology Phone System

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

Classroom Interactive Audio / Visual Solution

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

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

Student Information System & Learning Management System

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

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

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

Special Education: In the 2022-2023 school year, the Edison Township Public School district provided thirty-two autistic classes located across several elementary schools, three middle schools, and one high school. The district has six multiple disabilities classes: three multiple disabilities classes located at Menlo Park Elementary School, one multiple disabilities class at John Adams Middle School and two multiple disabilities classes located at John P. Stevens High School. The district has eleven Learning Language Disabilities Classes from Kindergarten thru 12th grade located at James Madison Intermediate and Primary schools, Lindeneau Elementary School, Herbert Hoover Middle School and Edison High School. The district has fourteen half-day pre-school disabled classes, four integrated half-day pre-school classes, and thirteen full-day pre-school disabled classes. The preschool classes are located at the Edison Early Learning Center and the Franklin D Roosevelt Preschool. All of the special class programs include daily opportunities for inclusion within the general education setting. The district focuses on in-class resource but has a small number of pull-out resource programs. The district provides a wide variety of individualized supplemental aides and services, which helps students to remain in their home schools and within their least restrictive environment. Finally, several elementary and middle schools use PBSIS as part of Character Education.

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

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

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

Elementary Schools

- A new science program was chosen for implementation in 2022-2023. The program is hands-on.
- The Gifted and Talented Program was modified for implementation in 2022-2023.
- Collaborative classroom was implemented — K-5.

Middle Schools

- Utilized Linkit! Benchmarks at all middle schools to provide the teacher with students' academic strengths and weakness to help guide their instructional planning.
- Programs for students needing additional support in Language Arts and Mathematics were offered before and after school.
- Summer math pilot for identified students moving from grade 5 to grade 6 to qualify them for higher level of math placement.
- Summer math program for academically strong grade 7 students who were able to complete Algebra in the summer.
- Summer program for 2022-23 Algebra and Geometry students to accelerate the learning and prepare them for the upcoming year.
- Camp Acceleration was developed to take the place of summer school failure makeup. Students were supported academically and emotionally and worked through many activities to develop self-efficiency.

High Schools

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

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

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

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

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

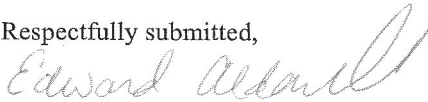
An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund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

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

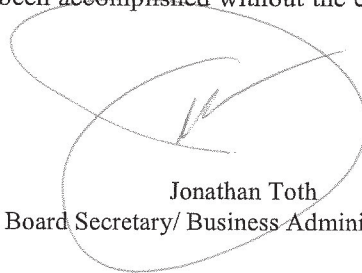
8. Financial Information at Fiscal Year-End: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The District also continues to provide the excellent educational environment found in the Edison Public Schools at a cost per pupil factor that is well below the regional and state averages. This is due in part to the District's costs incurred for administrative services, which are also well below the respective regional and state averages. Information related to the District's financial statements and condition is found in the Financial Section and Statistical Section of this report.
9. Debt Administration: Effective November 3, 1992, as a result of a decision by the electorate, the Board operates as a Type II District. Prior to that date, the Board was classified as a Type I School District and the Board did not issue debt as an autonomous agency. Type I debt for the school district was issued by the Township of Edison as a direct obligation of the municipality. At June 30, 2022, the balance of funds available in the capital projects fund totals \$303,304. Also at June 30, 2022, the District has Type II Debt of \$1,000,000 and obligations due on lease-purchase transactions and capital leases in the amount of \$6,490,220. There is no longer any Type I District debt outstanding.
10. Cash Management: The investment policy of the District is guided in large part by state statute as detailed in the "Notes to Financial Statements", Note 2. The District deposits its funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
11. Risk Management: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents fidelity bonds, health insurance benefit plan and workers' compensation fund.
12. Other Information:
 - A. Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison P.C. was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, as amended, and the related *Uniform Guidance* and New Jersey OMB Circular 15-08. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
13. Acknowledgments:

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

Respectfully submitted,



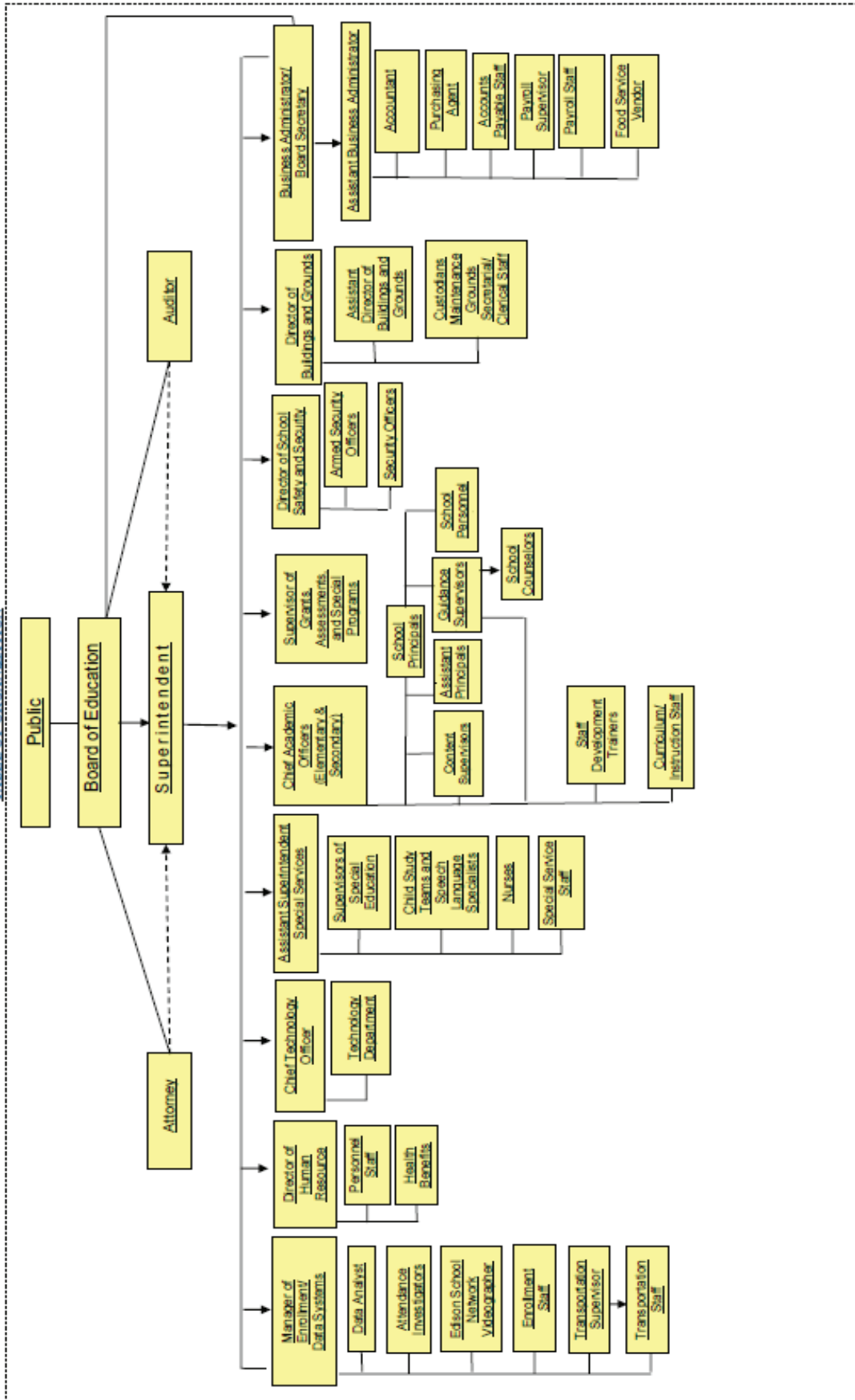
Edward Aldarelli, ED.D.
Superintendent of Schools



Jonathan Toth
Board Secretary/ Business-Administrator

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



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**TOWNSHIP OF EDISON SCHOOL DISTRICT
EDISON, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2023**

Members of the Board of Education

TERM EXPIRES

Mr. Shannon Peng - President	2026
Mr. Joseph Romano, Vice-President	2026
Mr. Biral Patal	2025
Mr. Jingwei (Jerry) Shi	2024
Mr. Mohin K. Patel	2024
Mr. Vishal Patel	2026
Mr. Brian Rivera	2025
Mr. Douglas Schneider	2025
Ms. Virginia White	2024

Other Officials

Edward Aldarelli, Ed.D., Superintendent of Schools

Jonathan Toth, School Business Administrator/Board Secretary

Matthew C. Moench, Esq, Board Attorney, KMC LLP

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**TOWNSHIP OF EDISON SCHOOL DISTRICT
EDISON, NEW JERSEY
CONSULTANTS AND ADVISORS
JUNE 30, 2023**

AUDITOR/AUDIT FIRM

Jerry W. Conaty, CPA, PSA, CFE, RMA
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1985 Cedar Bridge Ave., Suite 3
Lakewood, NJ 08701

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946 Amboy Avenue
Edison, NJ 08837

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FINANCIAL SECTION

Second Section

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Township of Edison School District, County of Middlesex, State of New Jersey, as of and for the fiscal year ended, June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Office of School Finance, Department of Education, and 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 School District and to meet our 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.

Emphasis of Matter

Change in Accounting Principal

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2023 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, 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 School District'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 Responsibility

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 opinion. 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 judgment 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 School District'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 School District'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, and the schedules related to accounting and reporting for pensions and other post employment benefits, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's 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.

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 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 accompanying combining statements and related major fund supporting statements and schedules and 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 and statistical sections 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 basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards* , we have also issued our report dated February 12, 2024 on our consideration of the School District’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 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 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 School District’s internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2470

Lakewood, New Jersey
February 12, 2024

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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TOWNSHIP OF EDISON SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023 UNAUDITED

This section of the Township of Edison School District's Annual Comprehensive Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments* issued in June 1999 that is also required by the New Jersey State Department of Education. Certain comparative information between the current fiscal year (2022-2023) and the prior fiscal year (2021-2022) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2023 are as follows:

- In total, net position of governmental activities increased \$31,848,371, which represents a 27% increase from 2022. Total net position of business-type activities decreased \$1,594, which represents a decrease of 1% from 2022.
- General revenues accounted for \$292,733,792 in revenue or 74% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$102,334,164 or 26% of total revenues of \$395,067,956
- Total assets of governmental activities increased by \$10,751,144 as cash and cash equivalents increased by \$14,290,634, receivables decreased by \$3,641,367, total capital assets increased by \$5,769,911, and right to use leased assets increased by \$2,469,064.
- Total liabilities of governmental activities decreased by \$5,381,092, accounts payable decreased \$10,954,506, and long term liabilities increased by \$7,803,264.
- In the governmental funds, the general fund had \$356,840,216 in revenues and \$338,027,595 in expenditures. The general fund's fund balance increased by \$18,812,621 over 2022.

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

This annual report consists of a series of financial statements and notes to these financial statements. These statements are organized in a way to allow the reader to understand the Township of Edison School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with an overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position (A-1) presents information on the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Changes in Net Position (A-2) presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods of the district.

The government-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

Fund Financial Statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund, and debt service fund, all of which are considered to be major funds.

The general and special revenue funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

Proprietary Funds

The District maintains two proprietary fund types. The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in all schools within the District. The internal service fund is used to account for the District's accrued compensation claims and expenses. The proprietary fund has been included within business-type activities in the district-wide financial statements.

The food service and internal service fund detail financial statements can be found as Exhibits B-4 through B-6 in

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

Government-Wide Financial Analysis

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

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net position for June 30, 2023 and 2022, respectively:

Net Position
June 30, 2023

	Governmental Activities		Business-Type Activities	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets				
Current and Other				
Assets	\$ 96,094,388	\$ 91,113,155	\$ 5,441,449	\$ 2,882,646
Capital Assets, Net	129,590,831	123,820,920	706,874	635,635
Total Assets	<u>225,685,219</u>	<u>214,934,075</u>	<u>6,148,323</u>	<u>3,518,281</u>
Deferred Outflows of Resources				
Deferred Outflows				
Relating to Pension	9,053,303	6,302,443	-	-
Total Deferred Outflows of Resources	<u>9,053,303</u>	<u>6,302,443</u>	<u>-</u>	<u>-</u>
Liabilities				
Long-Term Liabilities	52,629,993	43,592,325	-	-
Other Liabilities	21,397,124	35,815,884	2,639,799	8,163
Total Liabilities	<u>74,027,117</u>	<u>79,408,209</u>	<u>2,639,799</u>	<u>8,163</u>
Deferred Inflows of Resources				
Deferred Inflows				
Relating to Pension	7,196,003	22,208,306	-	-
Total Deferred Inflows of Resources	<u>7,196,003</u>	<u>22,208,306</u>	<u>-</u>	<u>-</u>
Net Position				
Net Investment in				
Capital Assets	127,100,075	119,497,332	706,874	635,635
Restricted	57,544,479	38,967,967	-	-
Unrestricted	(31,129,152)	(38,845,296)	2,801,650	2,874,483
Total Net Position	<u>\$ 153,515,402</u>	<u>\$ 119,620,003</u>	<u>\$ 3,508,524</u>	<u>\$ 3,510,118</u>

The District's largest net position component is the Net Investment in Capital Assets as shown above. Net Investment in Capital Assets represent capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

Restricted net position increased \$18,576,512 from the prior year to \$57,544,479 at June 30, 2023.

Unrestricted net position may be used to meet the District's ongoing operating obligations to vendors, debtors and employees. The unrestricted net position includes the unassigned General Fund balance netted with the amount of long-term obligations that are not invested in capital assets. The (\$31,129,152) is shown as unrestricted net position for Governmental Activities.

The following table provides a summary of revenues and expenses for the District’s governmental and business-type activities and the change in net position for June 30, 2023 and 2022. Significant variances in revenues and expenditures from year to year, and explanations thereof, are detailed in the ‘Financial Analysis of the District’s Funds’ section later in this report.

	<u>June 30, 2023</u>		
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ -	\$ 2,899,258	\$ 2,899,258
Operating Grants and Contributions	93,873,857	5,561,049	99,434,906
General Revenues:			
Property Taxes	235,531,918	-	235,531,918
Federal and State Aid	52,675,935	-	52,675,935
Miscellaneous	4,525,939	-	4,525,939
Total Revenues	<u>386,607,649</u>	<u>8,460,307</u>	<u>395,067,956</u>
Expenses:			
Instructional Services	222,750,953	-	222,750,953
Support Services	131,902,186	8,461,901	140,364,087
Interest and Other Charges	106,139	-	106,139
Total Expenses	<u>354,759,278</u>	<u>8,461,901</u>	<u>363,221,179</u>
Change in Net Position	31,848,371	(1,594)	31,846,777
Net Position - Beginning (As Restated, Note 21)	121,667,031	3,510,118	125,177,149
Net Position, Ending	<u>\$ 153,515,402</u>	<u>\$ 3,508,524</u>	<u>\$ 157,023,926</u>
<u>June 30, 2022</u>			
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 1,350,191	\$ 508,667	\$ 1,858,858
Operating Grants and Contributions	49,533,421	9,851,603	59,385,024
General Revenues:			
Property Taxes	235,038,000	-	235,038,000
Federal and State Aid	43,287,956	-	43,287,956
Miscellaneous	3,622,396	-	3,622,396
Total Revenues	<u>332,831,964</u>	<u>10,360,270</u>	<u>343,192,234</u>
Expenses:			
Instructional Services	190,901,616	-	190,901,616
Support Services	115,395,477	8,741,613	124,137,090
Interest and Other Charges	93,589	-	93,589
Total Expenses	<u>306,390,682</u>	<u>8,741,613</u>	<u>315,132,295</u>
Change in Net Position	26,441,282	1,618,657	28,059,939
Net Position, Beginning	124,444,766	1,891,461	126,336,227
Net Position, Ending	<u>\$ 150,886,048</u>	<u>\$ 3,510,118</u>	<u>\$ 154,396,166</u>

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The unassigned fund balance is divided between designated balances and undesignated balances. The capital projects fund is restricted by state law to be spent for the purpose of the fund and is not available for spending at the District's discretion.

Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended June 30, 2023 and 2022 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

	<u>June 30, 2023</u>			
	Amount	Percent Of Total	Increase (Decrease) From 2022	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 122,909,750	35%	\$ (2,296,622)	-2%
Undistributed	212,437,022	61%	6,674,771	3%
Capital Outlay	13,047,011	4%	(12,760,463)	-49%
Debt Service:				
Principal	500,000	0%	-	0%
Interest	112,117	0%	(18,750)	-14%
Total	\$ 349,005,900	100%	\$ (8,401,064)	-2%

	<u>June 30, 2022</u>			
	Amount	Percent Of Total	Increase (Decrease) From 2021	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 125,206,372	35%	\$ 1,792,140	1%
Undistributed	205,762,251	58%	25,316,431	14%
Capital Outlay	25,807,474	7%	14,112,098	121%
Debt Service:				
Principal	500,000	0%	-	0%
Interest	130,867	0%	83,367	176%
Total	\$ 357,406,964	100%	\$ 41,304,036	18%

Instruction costs increased primarily due to negotiated salary increases and additional instructional positions being added.

General Fund Budgetary Highlights

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2022-2023 budget. Budget transfers were effectuated based on expected positive and negative budget variances. The budget is continually managed and revised with budget transfers as necessary or practical to do so.

Significant Budget Transfers and Variations:

- TPAF, which is the state’s contribution to the pension fund, is an “on-behalf” revenue and expenditure item to the district and is required to be reflected in the financial statements.
- Reallocations were made among the various salary budget accounts to reflect changes in the personnel budget for the 2022-2023 year.
- Transfers were made into purchased services for special education programs to provide funds for required additional services.

Based on the financial results of 2022-2023 unassigned fund balance decreased by \$8,224,698 to \$2,526,466 (4% required per S-1701, net of allowable adjustments).

Proprietary Funds. The District’s proprietary fund provides the same type of information found in the district-wide financial statements, but in more detail.

The Food Services Enterprise Fund showed a change in net position of (\$1,594) in 2022-2023 as compared to a change in net position of \$1,618,657 in 2021-2022.

Capital Assets

At June 30, 2023 the District has capital assets of \$130,297,705, net of depreciation, which includes land, construction in progress, land improvements, buildings/construction, machinery and equipment.

	<u>June 30, 2023</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 20,570,077	\$ -
Construction In Progress	6,409,922	-
Buildings/Construction	94,043,580	-
Machinery and Equipment	8,567,252	706,874
Total	<u>\$ 129,590,831</u>	<u>\$ 706,874</u>
	<u>June 30, 2022</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 20,570,077	\$ -
Buildings/Construction	98,131,827	-
Machinery and Equipment	5,119,016	635,635
Total	<u>\$ 123,820,920</u>	<u>\$ 635,635</u>

Additional information on the District's capital assets can be found in Note 5 to the basic financial statements.

Debt Administration and Other Obligations

The District has no bonds payable in the 2022-2023 year. The district has a compensated absence liability of \$4,041,875. The district also had a liability related to financed purchases payable of \$2,490,756.

Additional information on the District's debt administration and other obligations can be found in Note 7 to the basic financial statements.

Economic Factors and Subsequent Year's Budgets

- Edison continues to experience growth to its ratable base. In 2023, Edison again experienced an increase in its ratable base. This makes 8 straight years that Edison had an increase in its ratable base bringing its total to just over \$7.28 billion. Indications are that this trend will continue for a few more years.
- The Board and administration remain extremely sensitive to the financial concerns of the taxpayers, particularly those on fixed incomes, and will be diligently searching for alternate sources of revenue and cost reductions. Consistent with this concern, the District utilizes a five-year budget model that assesses the tactical and strategic impact that legislative changes and operational efficiencies place upon the District's future year budgets.
- In general, the Township of Edison School District has consistently committed itself to sound, conservative fiscal management, providing the most efficient and effective education possible given the demands and challenges associated with the need to improve students' academic performances, and there is no reason to believe that this commitment will not continue as the District moves forward.

Requests for Information

The financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions on this report or need additional financial information, please contact the School Business Administrator/Board Secretary at the Township of Edison School District, 312 Pierson Avenue, Edison, New Jersey 08837.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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TOWNSHIP OF EDISON SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 40,020,173	\$ 4,645,877	\$ 44,666,050
Receivables, Net (Note 4)	12,061,982	716,627	12,778,609
Inventory	-	78,945	78,945
Restricted Cash & Cash Equivalents	41,543,169	-	41,543,169
Capital Assets, Net (Note 5)			
Non-Depreciable	26,979,999	-	26,979,999
Depreciable	102,610,832	706,874	103,317,706
Right to use Leased Assets, Net of Amortization (Note 16)	2,469,064	-	2,469,064
Total Assets	<u>225,685,219</u>	<u>6,148,323</u>	<u>231,833,542</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	9,053,303	-	9,053,303
Total Deferred Outflow of Resources	<u>9,053,303</u>	<u>-</u>	<u>9,053,303</u>
LIABILITIES:			
Accounts Payable	8,420,288	2,476,929	10,897,217
Due to Other Governments	4,130,093	-	4,130,093
Unearned Revenue	998,875	162,870	1,161,745
Claims Payable	200,000	-	200,000
Payroll Deductions and Withholdings	134,777	-	134,777
Unemployment Trust Liability	839,587	-	839,587
Other Liabilities	6,673,504	-	6,673,504
Noncurrent Liabilities (Note 7):			
Due Within One Year	1,234,404	-	1,234,404
Due in More Than One Year	51,395,589	-	51,395,589
Total Liabilities	<u>74,027,117</u>	<u>2,639,799</u>	<u>76,666,916</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	7,196,003	-	7,196,003
Total Deferred Inflow of Resources	<u>7,196,003</u>	<u>-</u>	<u>7,196,003</u>
NET POSITION:			
Net Investment in Capital Assets	127,100,075	706,874	127,806,949
Restricted for:			
Capital Projects	38,811,433	-	38,811,433
Debt Service	8,750	-	8,750
Emergency Reserve	1,000,000	-	1,000,000
Maintenance Reserve	1,331,592	-	1,331,592
Unemployment Claims	631,045	-	631,045
Scholarships	15,622	-	15,622
Student Activities	1,319,106	-	1,319,106
Excess Surplus	14,426,931	-	14,426,931
Unrestricted (Deficit)	<u>(31,129,152)</u>	<u>2,801,650</u>	<u>(28,327,502)</u>
Total Net Position	<u>\$ 153,515,402</u>	<u>\$ 3,508,524</u>	<u>\$ 157,023,926</u>

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

TOWNSHIP OF EDISON SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular Instruction	\$ 180,120,694	\$ -	\$ 66,450,276	\$ -	\$ (113,670,418)	\$ -	\$ (113,670,418)
Special Education Instruction	35,458,751	-	12,235,388	-	(23,223,363)	-	(23,223,363)
Other Instruction	7,171,508	-	2,474,599	-	(4,696,909)	-	(4,696,909)
Support Services:							
Tuition	15,040,463	-	991,105	-	(14,049,358)	-	(14,049,358)
Student & Instruction Related Services	42,350,016	-	6,979,004	-	(35,371,013)	-	(35,371,013)
General Administrative	5,075,320	-	334,443	-	(4,740,878)	-	(4,740,878)
School Administrative Services	12,969,302	-	854,624	-	(12,114,678)	-	(12,114,678)
Central Services	5,086,911	-	139,859	-	(4,947,052)	-	(4,947,052)
Administrative Info. Technology	3,008,084	-	198,220	-	(2,809,864)	-	(2,809,864)
Plant Operations & Maintenance	22,595,956	-	1,576,809	-	(21,019,147)	-	(21,019,147)
Pupil Transportation	24,381,099	-	1,606,615	-	(22,774,485)	-	(22,774,485)
Special Schools	499,517	-	32,916	-	(466,601)	-	(466,601)
Transfer to Charter Schools	895,516	-	-	-	(895,516)	-	(895,516)
Interest & Other Charges	106,139	-	-	-	(106,139)	-	(106,139)
Total Governmental Activities	354,759,278	-	93,873,857	-	(260,885,421)	-	(260,885,421)
Business-Type Activities:							
Food Service	8,461,901	2,899,258	5,561,049	-	-	(1,594)	(1,594)
Total Business-Type Activities	8,461,901	2,899,258	5,561,049	-	-	(1,594)	(1,594)
Total Primary Government	\$ 363,221,179	\$ 2,899,258	\$ 99,434,906	\$ -	\$ (260,885,421)	\$ (1,594)	\$ (260,887,015)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					235,013,168	-	235,013,168
Property Taxes, Levied for Debt Service					518,750	-	518,750
Federal & State Aid Not Restricted					51,602,135	-	51,602,135
Tuition Charges					318,532	-	318,532
Transportation Charges					1,073,800	-	1,073,800
Miscellaneous					4,207,407	-	4,207,407
Total General Revenues					292,733,792	-	292,733,792
Change In Net Position					31,848,371	(1,594)	31,846,777
Net Position - Beginning (As Restated, Note 21)					121,667,031	3,510,118	125,177,149
Net Position - Ending					\$ 153,515,402	\$ 3,508,524	\$ 157,023,926

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

B. Fund Financial Statements

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Governmental Funds

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TOWNSHIP OF EDISON SCHOOL DISTRICT
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 JUNE 30, 2023

	MAJOR FUNDS				TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	
ASSETS					
Cash & Cash Equivalents	\$ 40,629,820	\$ -	\$ 680,932	\$ 8,750	\$ 41,319,502
Cash Held with Fiscal Agent	125,000	-	-	-	125,000
Receivables, Net:					
Interfund Receivable	2,010,123	-	-	-	2,010,123
Due from Other Governments:					
Federal	-	6,842,011	-	-	6,842,011
State	4,754,875	-	-	-	4,754,875
Other	465,096	-	-	-	465,096
Restricted Cash & Cash Equivalents	41,543,169	-	-	-	41,543,169
Total Assets	\$ 89,528,083	\$ 6,842,011	\$ 680,932	\$ 8,750	\$ 97,059,776
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Deficit	\$ -	\$ 1,424,329	\$ -	\$ -	\$ 1,424,329
Accounts Payable	7,471,150	949,138	-	-	8,420,288
Intergovernmental Payable:					
State	-	74,849	-	-	74,849
Unemployment Trust Liability	839,587	-	-	-	839,587
Other Current Liabilities	6,673,504	-	-	-	6,673,504
Interfund Payable	-	2,060,092	450,031	-	2,510,123
Unearned Revenue	-	998,875	-	-	998,875
Payroll Deductions and Withholdings	134,777	-	-	-	134,777
Total Liabilities	15,119,018	5,507,283	450,031	-	21,076,332
Fund Balances:					
Restricted for:					
Capital Reserve	38,580,532	-	-	-	38,580,532
Maintenance Reserve	1,331,592	-	-	-	1,331,592
Emergency Reserve	1,000,000	-	-	-	1,000,000
Excess Surplus	8,675,125	-	-	-	8,675,125
Excess Surplus Designated for Subsequent Year	5,751,806	-	-	-	5,751,806
Reserve for Unemployment Claims	631,045	-	-	-	631,045
Capital Projects	-	-	230,901	-	230,901
Debt Service	-	-	-	8,750	8,750
Scholarships	-	15,622	-	-	15,622
Student Activities	-	1,319,106	-	-	1,319,106
Assigned to:					
Designated for Subsequent Year	6,704,896	-	-	-	6,704,896
Other Purposes	9,207,603	-	-	-	9,207,603
Unassigned	2,526,466	-	-	-	2,526,466
Total Fund Balances	74,409,065	1,334,728	230,901	8,750	75,983,444
Total Liabilities & Fund Balances	\$ 89,528,083	\$ 6,842,011	\$ 680,932	\$ 8,750	

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 \$231,586,305 and the accumulated depreciation is \$101,995,474.	129,590,831
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$3,703,596 and the accumulated amortization is \$1,234,532.	2,469,064
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows Related to Pensions	9,053,303
Deferred Inflows Related to Pensions	(7,196,003)
Internal service funds are used by the School District to charge the costs of the School District's Worker's Compensation to the individual funds. The assets and liabilities of the internal service funds are included with governmental activities.	300,000
Accrued pension contributions for the June 30, 2023 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(4,055,244)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(52,629,993)
Net Position of Governmental Activities	\$ 153,515,402

TOWNSHIP OF EDISON SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023

	MAJOR FUNDS				TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 235,013,168	\$ -	\$ -	\$ 518,750	\$ 235,531,918
Tuition Charges	318,532	-	-	-	318,532
Transportation Charges	1,073,800	-	-	-	1,073,800
Miscellaneous	2,261,829	2,043,392	-	-	4,305,221
Total Local Sources	238,667,329	2,043,392	-	518,750	241,229,471
State Sources	117,795,142	1,575,309	-	-	119,370,451
Federal Sources	377,745	6,813,061	-	-	7,190,806
Total Revenues	356,840,216	10,431,762	-	518,750	367,790,728
Expenditures:					
Instruction:					
Regular Instruction	95,089,308	4,297,874	-	-	99,387,182
Special Education Instruction	19,565,466	-	-	-	19,565,466
Other Instruction	3,957,102	-	-	-	3,957,102
Support Services:					
Tuition	11,836,453	-	-	-	11,836,453
Attendance & Social Work Services	282,941	-	-	-	282,941
Health Services	2,330,486	-	-	-	2,330,486
Student & Instruction Related Services	24,843,095	5,871,837	-	-	30,714,932
General Administrative	3,994,145	-	-	-	3,994,145
School Administrative Services	10,206,503	-	-	-	10,206,503
Central Services	1,670,289	-	-	-	1,670,289
Administrative Information Technology	2,367,284	-	-	-	2,367,284
Plant Operations & Maintenance	18,831,333	-	-	-	18,831,333
Pupil Transportation	19,187,290	-	-	-	19,187,290
Unallocated Benefits	43,155,991	-	-	-	43,155,991
On Behalf TPAF Pension and Social Security Contributions	66,570,752	-	-	-	66,570,752
Special Schools	393,107	-	-	-	393,107
Transfer to Charter Schools	895,516	-	-	-	895,516
Capital Outlay	12,748,417	298,594	-	-	13,047,011
Debt Service:					
Principal	-	-	-	500,000	500,000
Interest & Other Charges	102,117	-	-	10,000	112,117
Total Expenditures	338,027,595	10,468,305	-	510,000	349,005,900
Net Changes in Fund Balances	18,812,621	(36,543)	-	8,750	18,784,828
Fund Balance, July 1 (As Restated, Note 21)	55,596,444	1,371,271	230,901	-	57,198,616
Fund Balance, June 30	\$ 74,409,065	\$ 1,334,728	\$ 230,901	\$ 8,750	\$ 75,983,444

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

**TOWNSHIP OF EDISON SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Total Net Changes in Fund Balances - Governmental Funds (B-2)	\$	18,784,828
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.		
Depreciation Expense	\$	(5,547,141)
Retirement of Fully Depreciated Capital Asset		(1,729,959)
Capital Outlays		<u>13,047,011</u>
		5,769,911
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		
		6,465,786
Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		1,832,832
Governmental funds recognize the right to use leased assets as a revenue when lease is first entered, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:		
Amortization of Right to Use Leased Assets		(1,234,532)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).		
		5,978
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		<u>223,568</u>
Change in Net Position of Governmental Activities	\$	<u><u>31,848,371</u></u>

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Proprietary Funds

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**TOWNSHIP OF EDISON SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2023**

	MAJOR FUNDS		
	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES
	FOOD SERVICE	TOTALS	INTERNAL SERVICE FUND
ASSETS			
Current Assets:			
Cash & Cash Equivalents	\$ 4,645,877	\$ 4,645,877	\$ -
Accounts Receivable:			
Federal	623,649	623,649	-
State	33,458	33,458	-
Other Receivables	59,520	59,520	-
Interfund Receivable	-	-	500,000
Inventories	78,945	78,945	-
Total Current Assets	5,441,449	5,441,449	500,000
Noncurrent Assets:			
Capital Assets	1,570,784	1,570,784	-
Less: Accumulated Depreciation	(863,910)	(863,910)	-
Total Capital Assets, Net	706,874	706,874	-
Total Noncurrent Assets	706,874	706,874	-
Total Assets	6,148,323	6,148,323	500,000
LIABILITIES			
Current Liabilities:			
Accounts Payable	2,476,929	2,476,929	-
Unearned Revenue	162,870	162,870	-
Other Current Liabilities	-	-	200,000
Total Current Liabilities	2,639,799	2,639,799	200,000
NET POSITION			
Net Investment in Capital Assets	706,874	706,874	-
Unrestricted	2,801,650	2,801,650	300,000
Total Net Position	\$ 3,508,524	\$ 3,508,524	\$ 300,000

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

**TOWNSHIP OF EDISON SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 YEAR ENDED JUNE 30, 2023**

	MAJOR FUNDS		
	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES
	FOOD SERVICE	TOTALS	INTERNAL SERVICE FUND
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 2,624,776	\$ 2,624,776	\$ -
Daily Sales - Non-Reimbursable Programs	50,871	50,871	-
Special Functions	127,513	127,513	-
Miscellaneous	96,098	96,098	-
Total Operating Revenues	2,899,258	2,899,258	-
Operating Expenses:			
Cost of Sales - Reimbursable Programs	3,051,239	3,051,239	-
Cost of Sales - Non-Reimbursable Programs	396,463	396,463	-
Salaries	2,377,125	2,377,125	-
Employee Benefits	1,147,641	1,147,641	-
Supplies and Materials	65,904	65,904	-
Depreciation	83,910	83,910	-
Purchased Professional Services	1,339,619	1,339,619	-
Total Operating Expenses	8,461,901	8,461,901	-
Operating Income/(Loss)	(5,562,643)	(5,562,643)	-
Nonoperating Revenues (Expenses):			
State Sources:			
State School Breakfast Program	109,854	109,854	-
State School Lunch Program	70,889	70,889	-
Federal Sources:			
National School Lunch Program	2,479,502	2,479,502	-
National School Breakfast Program	917,605	917,605	-
Food Distribution Program	561,090	561,090	-
SCA Funding (Supply Chain Assistance)	728,918	728,918	-
Cancellation of Prior Year Accounts Payable	693,191	693,191	-
Total Nonoperating Revenues/(Expenses)	5,561,049	5,561,049	-
Change in Net Position	(1,594)	(1,594)	-
Total Net Position - Beginning	3,510,118	3,510,118	300,000
Total Net Position - Ending	\$ 3,508,524	\$ 3,508,524	\$ 300,000

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

**TOWNSHIP OF EDISON SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 YEAR ENDED JUNE 30, 2023**

	MAJOR FUNDS		
	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES
	FOOD SERVICE	TOTALS	INTERNAL SERVICE FUND
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 2,908,523	\$ 2,908,523	\$ -
Payments to Employees	(2,377,125)	(2,377,125)	-
Payments to Suppliers	(1,672,310)	(1,672,310)	-
Net Cash Provided by/(Used for) Operating Activities	(2,288,553)	(2,288,553)	-
Cash Flows From Noncapital Financing Activities:			
State Sources	180,743	180,743	-
Federal Sources	4,687,938	4,687,938	-
Net Cash Provided by/(Used for) Noncapital Financing Activities	4,868,681	4,868,681	-
Cash Flows From Capital Financing Activities:			
Purchase of Capital Assets	(23,871)	(23,871)	-
Net Cash Provided by/(Used for) Capital Financing Activities	(23,871)	(23,871)	-
Net Increase/(Decrease) in Cash & Cash Equivalents	2,556,257	2,556,257	-
Balances - Beginning of Year	2,089,620	2,089,620	-
Balances - End of Year	\$ 4,645,877	\$ 4,645,877	\$ -
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ (5,562,643)	\$ (5,562,643)	\$ -
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Depreciation	83,910	83,910	-
Food Distribution Program	561,090	561,090	-
(Increase)/Decrease in Accounts Receivable, Net	(31,305)	(31,305)	-
(Increase)/Decrease in Inventories	28,759	28,759	-
(Increase)/Decrease in Interfund Receivable	1,049,198	1,049,198	-
Increase/(Decrease) in Unearned Revenue	40,570	40,570	-
Increase/(Decrease) in Accounts Payable	1,541,868	1,541,868	-
Total Adjustments	3,274,090	3,274,090	-
Net Cash Provided/(Used) by Operating Activities	\$ (2,288,553)	\$ (2,288,553)	\$ -

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

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Fiduciary Fund
Not Applicable

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TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Township of Edison School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The School District is a Type II district located in the County of Middlesex, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members appointed to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grade levels 9 through 12. These include regular, vocational, as well as special education. The School District has an approximate enrollment at June 30, 2023 of 16,561 students.

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, and GASB Statement No. 61, The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34, GASB Statement No. 80, Blending Requirements for certain component Units - an Amendment of GASB Statement No. 14 and GASB Statement No. 97, Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan- an Amendment of GASB Statements No. 14 and No. 84. The School District had no component units as of for the year ended June 30, 2023.

TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

A. Government-Wide Financial Statements

The School District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the School District accompanied by a total column. Fiduciary activities of the School District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 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.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

B. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The School District has presented all major funds that met those qualifications.

TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District’s policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District’s policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

The School District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay sub-fund.

As required by the New Jersey Department of Education the School District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue from state and federal government, other than major capital projects, debt service or proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for the accumulation of financial resources that are restricted, committed, or assigned to an expenditure for the payment of general long-term debt principal, interest and related costs of governmental funds.

C. Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The School District reports the following major proprietary funds:

Food Service Fund – The food service fund accounts for the financial transactions related to the food service operations of the School District.

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

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the one or more June state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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 budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the general fund budgetary comparison schedules and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as 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.

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

Cash, Cash Equivalents and Investments

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

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB). New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents.

**TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Tuition Receivable/Payable

Tuition rates were established by the receiving School District based on estimated costs. The charges are subject to adjustment when the actual costs are determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair market value at the date of donation. All reported capital assets except land and construction in progress are depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

Capital assets of the School District are depreciated or amortized using the straight-line method over the following estimated useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	10-20 Years	N/A
Building and improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	5-12 Years
Vehicles	5-10 Years	4-6 Years

Right to Use Leased Assets

The School District has recorded right to use leased assets as a result of implementing GASB 87. The right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use leased assets are amortized on a straight-line basis over the life of the related lease.

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the School District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Accounting Estimates

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

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Public Employees' Retirement System (PERS) and Teacher's Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

Non-spendable – This classification includes amounts that cannot be spent because they are either not spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.

Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District’s policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District’s policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

Restricted – This component of net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted – This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and February 12, 2024, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2023

Statement No. 96, Subscription-Based Information Technology Arrangements

Statement No. 99, Omnibus 2022

Management has determined the implementation of these statements did not have a significant impact on the District's financial statements.

Accounting Pronouncement Effective in Future Reporting Periods

Statement No. 100, Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62.

Statement No. 101, Compensated Absences - the requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Management has not yet determined the potential impact on the District's financial statements.

TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2023, the School District’s bank balance of \$87,814,425 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	78,467,045
Uninsured and Uncollateralized		9,347,380
Total	\$	87,814,425

Investments

The School District had no investments at June 30, 2023.

Note 3. Reserve Accounts

Capital Reserve

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

Funds placed in the capital reserve account are restricted to capital projects in the School District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School 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 (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School 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 *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$	23,580,532
Increased by:		
Transfer per resolution		15,000,000
Ending Balance, June 30, 2023	\$	38,580,532

TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 3. Reserve Accounts (Continued)

Emergency Reserve

The School District established an emergency reserve account for the accumulation of funds for use in accordance with N.J.S.A. 18A: 7F-41c(1) to finance unanticipated general fund expenditures.

The activity of the emergency reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Ending Balance June 30, 2023 and 2022	\$ 1,000,000
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Maintenance Reserve

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account 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. The balance in the account 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 July 1, 2022 to June 30, 2023 fiscal year is as follows:

Ending Balance June 30, 2023 and 2022	\$ 1,331,592
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TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 3. Reserve Accounts (Continued)

Unemployment Reserve

Unemployment Claim Reserve funds are restricted pursuant to N.J.S.A. 43:21-7.3(g), which requires that employer and employee contributions be held in a trust fund maintained by the governmental entity or instrumentality for unemployment benefit cost purposes and any surplus remaining in this trust fund must be retained in reserve for payment of benefit costs in subsequent years.

The activity of the unemployment claim reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$	606,876
Increased by:		
Interest Earnings		24,169
Ending Balance, June 30, 2023	\$	631,045

Note 4. Accounts Receivable

Accounts receivable at June 30, 2023 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2023, consisted of the following:

<u>Description</u>	Governmental Funds		Total Governmental Activities
	General Fund	Special Revenue Fund	
Federal Awards	\$ -	\$ 6,842,011	\$ 6,842,011
State Awards	4,754,875	-	4,754,875
Other	465,096	-	465,096
Total	\$ 5,219,971	\$ 6,842,011	\$ 12,061,982
<u>Description</u>	Proprietary Funds		Total Business-Type Activities
	Food Service Fund		
Federal Awards	\$	623,649	\$ 623,649
State Awards		33,458	33,458
Other		59,520	59,520
Total	\$	716,627	\$ 716,627

**TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 5. Capital Assets

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

	Governmental Activities			
	Restated Balance July 1, <u>2022</u>	<u>Additions</u>	Retirements <u>and Transfers</u>	Balance June 30, <u>2023</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 20,570,077	\$ -	\$ -	\$ 20,570,077
Construction in Progress	-	6,409,922	-	6,409,922
Total Capital Assets not being depreciated	<u>20,570,077</u>	<u>6,409,922</u>	<u>-</u>	<u>26,979,999</u>
Capital Assets being depreciated:				
Buildings and Improvements	187,296,040	-	-	187,296,040
Equipment	12,403,136	6,637,089	(1,729,959)	17,310,266
Total Capital Assets being depreciated	<u>199,699,176</u>	<u>6,637,089</u>	<u>(1,729,959)</u>	<u>204,606,306</u>
Less: Accumulated Depreciation:				
Buildings and Improvements	(89,164,213)	(4,088,247)	-	(93,252,460)
Equipment	(7,284,120)	(1,458,894)	-	(8,743,014)
Total Accumulated Depreciation	<u>(96,448,333)</u>	<u>(5,547,141)</u>	<u>-</u>	<u>(101,995,474)</u>
Total Capital Assets being depreciated, net	<u>103,250,843</u>	<u>1,089,948</u>	<u>(1,729,959)</u>	<u>102,610,832</u>
Total Governmental Activities Capital Assets, net	<u>\$ 123,820,920</u>	<u>\$ 7,499,870</u>	<u>\$ (1,729,959)</u>	<u>\$ 129,590,831</u>
	Business-Type Activities			
	Balance July 1, <u>2022</u>	<u>Additions</u>	Retirements <u>and Transfers</u>	Balance June 30, <u>2023</u>
Business-Type Activities:				
Capital Assets being depreciated:				
Equipment	\$ 1,570,784	\$ -	\$ -	\$ 1,570,784
Total Capital Assets being depreciated	<u>1,570,784</u>	<u>-</u>	<u>-</u>	<u>1,570,784</u>
Less: Accumulated Depreciation:				
Equipment	(947,820)	83,910	-	(863,910)
Total Capital Assets being depreciated, net	<u>(947,820)</u>	<u>83,910</u>	<u>-</u>	<u>(863,910)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 622,964</u>	<u>\$ 83,910</u>	<u>\$ -</u>	<u>\$ 706,874</u>

TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 5. Capital Assets (Continued)

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

<u>Governmental Activities</u>		
Instruction:		
Regular Instruction	\$	2,453,291
Special Education Instruction		482,958
Other Instruction		97,678
Support Services:		
Tuition		292,173
Student & Instruction Related Services		822,683
General Administrative		98,592
School Administrative Services		251,939
Central Services		41,230
Administrative Info. Technology		58,434
Plant Operations & Maintenance		464,836
Pupil Transportation		473,624
Special Schools		9,703
		<hr/>
Total Depreciation Expense - Governmental Activities	\$	<u>5,547,141</u>

Note 6. Interfund Receivables, Payables and Transfers

There was interfund receivables and payables for the year ended June 30, 2023. A summary of interfund transfers are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 2,010,123	\$ -
Special Revenue Fund	-	2,060,092
Capital Projects Fund	-	450,031
Internal Service Fund	500,000	-
	<hr/>	<hr/>
	\$ 2,510,123	\$ 2,510,123
	<hr/>	<hr/>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

There were no interfund transfers for the year ended June 30, 2023.

TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2023 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance			Balance	Balance
	<u>June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2023</u>	<u>Due Within</u>
					<u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ -
Financed Purchases Payable	3,703,596	-	1,212,840	2,490,756	1,234,404
Compensated Absences	4,265,443	-	223,568	4,041,875	-
Net Pension Liability	35,003,295	24,592,513	13,498,446	46,097,362	-
	<u>\$ 43,472,334</u>	<u>\$ 24,592,513</u>	<u>\$ 15,434,854</u>	<u>\$ 52,629,993</u>	<u>\$ 1,234,404</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences, financed purchases payable, and the net pension liability are liquidated by the general fund.

Bonds Payable

As of June 30, 2023, the School District had no bonds payable.

Bonds Authorized but not Issued

As of June 30, 2023, the School District had no bonds authorized but not issued.

Financed Purchases Payable

The School District has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The District executed an agreement on May 18, 2021 to lease Apple Computers that requires annual payments of \$1,278,690. There are no variable payment components of the lease. The lease liability is measured at an explicit discount rate of 1.78%. and has a balance of \$2,490,756 at June 30, 2023. As a result of the lease, the School District has recorded right to use leased assets with a net book value of \$2,469,064 at June 30, 2023. The right to use leased asset is discussed in more detail in Note 16.

The following is a schedule of the remaining future minimum lease payments under these obligations and the present value of the net minimum lease payments at June 30, 2023:

Fiscal Year Ending				
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2024	\$ 1,234,404	\$ 44,286	\$ 1,278,690	
2025	1,256,352	22,338	1,278,690	
Total	<u>\$ 2,490,756</u>	<u>\$ 66,624</u>	<u>\$ 2,557,380</u>	

TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey (the State), Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

**TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pension Liability, Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources - At June 30, 2023, the School District reported a liability of \$46,097,362 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The School District's proportion measured as of June 30, 2022, was 0.3054549813%, which was an increase of 0.0099812336% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized full accrual pension benefit of \$2,613,852 in the government-wide financial statements. This pension credit was based on the pension plans June 30, 2022 measurement date. At June 30, 2023 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 332,710	\$ 293,403
Changes of Assumptions	142,824	6,902,600
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,907,928	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	2,614,597	-
School District contributions subsequent to measurement date	4,055,244	-
	<u>\$ 9,053,303</u>	<u>\$ 7,196,003</u>

\$4,055,244 is reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2022-2023 total salaries for PERS employees multiplied by an employer pension contribution rate of 17.11%. The payable is due on April 1, 2024 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

Year Ending June 30,		
2024	\$	(3,431,267)
2025		(1,491,606)
2026		(459,526)
2027		2,666,241
2028		518,214
	<u>\$</u>	<u>(2,197,944)</u>

Special Funding Situation – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities’ total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities’ total proportionate share of the collective pension expense associated with the local participating employer.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the District as of June 30, 2023. At June 30, 2023, the State’s proportionate share of the employer pension expense and related revenue, associated with the District, calculated by the plan as of the June 30, 2022 measurement date was \$96,991.

Actuarial Assumptions – The collective 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 assumptions:

**TOWNSHIP OF EDISON SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

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 Rate of Return:	
PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

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 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.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

**TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2022, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 59,723,152	\$ 46,097,362	\$ 35,223,906

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

Collective Deferred Outflows of Resources	\$ 1,660,772,008	\$ 1,164,738,169
Collective Deferred Inflows of Resources	\$ 3,236,303,935	\$ 8,339,123,762
Collective Net Pension Liability	\$ 15,219,184,920	\$ 11,972,782,878
School District's portion	0.30545%	0.29547%

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - TPAF is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the Division. For additional information about TPAF, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/financial-reports.shtml.

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

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible 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

TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 8. Pension Plans (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.5% in State fiscal year 2018. 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. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2023 was \$561,409,303. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the TPAF net pension liability attributable to the School District was 1.0881202827%, which was an increase of 0.0018344746% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized a pension expense in the amount of \$15,109,093 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2022 measurement date.

**TOWNSHIP OF EDISON SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (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%
Thereafter	Based on Years of Service
Investment Rate of Return	7.00%

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 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 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.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table

TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 8. Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability 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 made based on 100% of actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following presents the net pension liability of the State as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

	At 1% Decrease <u>(6.00%)</u>	At Current Discount Rate <u>(7.00%)</u>	At 1% Increase <u>(8.00%)</u>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 658,264,338	\$ 561,409,303	\$ 479,821,106

Pension Plan Fiduciary Net Position - 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 Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. 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.

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

Collective Deferred Outflows of Resources	\$ 5,004,259,312	\$ 6,373,530,834
Collective Deferred Inflows of Resources	\$ 19,682,774,794	\$ 27,363,797,906
Collective Net Pension Liability	\$ 51,676,587,303	\$ 48,165,991,182

School District's portion	1.08812%	1.08629%
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C. Defined Contribution Retirement Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2020 is \$8,400 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2023, the Board and employee contributions to the DCRP for the year were \$16,143.

TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). 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 total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%			
		<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:		2.75-4.25%	2.75-6.55%	3.25-16.25%
		based service years	based service years	based service years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021. Postretirement mortality rates were based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021. Disability mortality was based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021 for current disables retirees. Future disabled retirees were based on Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) 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 July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2022 was \$468,551,307. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2022, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the OPEB Obligation attributable to the School District was 0.92514122%, which was a decrease of 0.00433384% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized an OPEB expense in the amount of \$18,816,920 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2022 measurement date.

**TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 6.25% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, 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 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% decreasing to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend is 5.0%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. 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.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate:

The following presents the total nonemployer OPEB liability as of June 30, 2022, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 550,732,774.30	\$ 468,551,307	\$ 402,686,970
State of New Jersey's Total Nonemployer OPEB Liability	\$ 59,529,589,697	\$ 50,646,462,966	\$ 43,527,080,995

**TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:

The following presents the total nonemployer OPEB liability as of June 30, 2022, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 387,286,294	\$ 468,551,307	\$ 575,297,836
State of New Jersey's Total Nonemployer OPEB Liability	\$ 41,862,397,291	\$ 50,646,462,966	\$ 62,184,866,635

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2022 are as follows:

	<u>Deferred Outflows of</u>	<u>Deferred Inflows of</u>
Differences between Expected & Actual Experience	\$ 9,042,402,619	\$ 15,462,950,679
Change in Assumptions	8,765,620,577	17,237,289,230
Contributions Made in Fiscal Year Ending 6/30/2023 After Measurement Date	TBD	N/A
	<u>\$ 17,808,023,196</u>	<u>\$ 32,700,239,909</u>

**TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Additional Information (continued):

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,		
2023	\$	(2,517,151,602)
2024		(2,517,151,602)
2025		(2,517,151,602)
2026		(2,175,449,761)
2027		(1,243,951,140)
Thereafter		(3,921,361,006)
	\$	(14,892,216,713)

** Employer Contributions made after June 30, 2022 are reported as a deferred outflow of resources, but are not amortized in expense.

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

Total OPEB Liability		
Service Cost	\$	2,770,618,025
Interest Cost		1,342,187,139
Changes of Benefit Terms		-
Difference Between Expected & Actual Experience		1,399,200,739
Changes of Assumptions		(13,586,368,097)
Contributions: Member		42,650,252
Gross Benefit Payments		(1,329,476,056)
Net Change in Total OPEB Liability		(9,361,187,998)
Total OPEB Liability (Beginning)		60,007,650,970
Total OPEB Liability (Ending)	\$	50,646,462,972
Total Covered Employee Payroll		14,753,355,408
Net OPEB Liability as a Percentage of Payroll		343.29%

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District received on-behalf payments from the State of New Jersey for normal costs and prost retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contrivutions. The on-behalf payments are recorded as revenues and expenditures in the government wide and general fund financial statements. For the fiscal year ended June 30, 2023, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$45,339,173, \$9,307,804, \$11,910,491, and \$13,284.

**TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 11. Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

<u>Fiscal Year</u>	<u>Interest</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>	
				<u>Restricted Unemployment Fund Balance</u>	<u>Unemployment Trust Liability</u>
2023	\$ 24,169	\$ 443,514	\$ 65,571	\$ 631,045	\$ 839,588
2022		462,871	-	605,650	462,871
2021		-	-	605,650	-

Property and Liability Insurance – The School District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

Joint Insurance Pool – The School District also participates in the School Alliance Insurance Fund and, public entity risk pool. The Pool provides its members with the following coverage:

Property - Blanket Building & Grounds	General & Automobile Liability
Environmental Impairment Liability	Workers' Compensation
School Board Legal Liability	Comprehensive Crime Coverage
Employers Liability	Excess Liability

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2023 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Litigation – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 12. Contingencies (Continued)

Economic Dependency – The School District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District’s programs and activities.

Note 13. Deferred Compensation

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by third parties who are authorized by the Board and selected by each participant individually, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

Note 14. Compensated Absences

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), “Accounting for Compensated Absences”. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees are granted varying amount of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with School Districts’ agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2023, the liability for compensated absences reported was \$4,041,875.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, 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 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.

**TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 15. Tax Abatements (Continued)

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

Note 16. Right to Use Leased Assets

The School District has recorded a right to use leased asset. The assets are right to use leased assets for leased equipment and vehicles. The related lease is discussed in the Lease Obligations subsection of Note 7, Long-Term Liabilities. The right to use leased asset is amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the School District for the year ended June 30, 2023, was as follows

	Beginning Balance	Increases	Ending Balance
Right to use leased assets			
Equipment	\$ 3,703,596	\$ -	\$ 3,703,596
Total right to use assets	<u>\$ 3,703,596</u>	<u>\$ -</u>	<u>\$ 3,703,596</u>
Less accumulated amortization			
Equipment	-	(1,234,532)	(1,234,532)
Total accumulated amortization	<u>-</u>	<u>(1,234,532)</u>	<u>(1,234,532)</u>
Right to use leased assets, net	<u>\$ 3,703,596</u>	<u>\$ (1,234,532)</u>	<u>\$ 2,469,064</u>

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. The excess fund balance at June 30, 2023 was \$8,675,125.

Note 18. Fund Balances

General Fund – Of the \$74,409,065 General Fund fund balance at June 30, 2023, \$38,580,532 has been restricted for the Capital Reserve Account; \$1,331,592 has been restricted for the Maintenance Reserve Account; \$1,000,000 has been restricted for the Emergency Reserve Account; \$8,675,125 has been restricted for excess surplus; \$631,045 has been restricted for Unemployment Claims; \$5,751,806 has been restricted for excess surplus designated for subsequent year expenditures, \$6,704,896 has been assigned for designated for subsequent year expenditures; \$9,207,603 has been committed for other purposes; and \$2,526,466 has been unassigned.

Special Revenue Fund – Of the \$1,334,728 Special Revenue Fund fund balance at June 30, 2023, \$15,622 is restricted for scholarships and \$1,319,106 is restricted for student activities.

Capital Projects Fund – Of the \$230,901 Capital Projects Fund fund balance at June 30, 2023, \$230,901 is restricted for future capital projects approved by the School District.

Debt Service Fund – Of the \$8,750 Debt Service Fund fund balance at June 30, 2023, \$8,750 is restricted for future debt service payments.

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of \$31,129,152 at June 30, 2023. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee’s Retirement System (PERS) as of June 30, 2023. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 20. Commitments

The School District has contractual commitments at June 30, 2023 to various vendors, which are recorded in the general fund as assigned to other purposes in the amount of \$9,207,603.

Note 21. Prior Period Adjustment/Restatement of Fund Balance and Net Position

Net Position as of July 1, 2022 has been restated as follows for the implementation of GASB Statement No. 87, Leases, an adjustment to Capital Assets and cancellation of prior year reconciling items.

Net Position as previously reported at June 30, 2022		\$	150,886,049
Prior Period Adjustment -			
Cancellation of Prior Year Reconciling Items			6,480,531
Adjustment to Capital Assets			<u>(35,699,549)</u>
Total Prior Period Adjustment			<u>(29,219,018)</u>
Net Position as restated, July 1, 2022		\$	<u><u>121,667,031</u></u>

Fund Balance in the General Fund as of July 1, 2022 has been restated as follows for the cancellation of prior year reconciling items

		General Fund	
Fund Balance as previously reported at June 30, 2022		\$	49,115,913
Prior Period Adjustment -			
Cancellation of Prior Year Reconciling Items			<u>6,480,531</u>
Fund Balance as restated July 1, 2022		\$	<u><u>55,596,444</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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TOWNSHIP OF EDISON SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

ACCOUNT NUMBERS	ORIGINAL BUDGET	JUNE 30, 2023		VARIANCE FINAL TO ACTUAL
		BUDGET TRANSFERS	FINAL BUDGET	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 235,013,168	\$ -	\$ 235,013,168	\$ -
Tuition	250,000	-	318,532	68,532
Transportation Fees From Individuals	800,000	-	1,073,800	273,800
Interest	501,000	-	1,004,369	503,369
Rents and Royalties	-	-	56,305	56,305
Refund of Prior Years Expenditures	-	-	1,174,767	1,174,767
Unrestricted Miscellaneous Revenues	-	-	26,388	26,388
Total Local Sources	236,564,168	-	236,564,168	2,103,161
State Sources:				
Categorical Transportation Aid	4,964,654	-	4,964,654	-
Extraordinary Aid	2,500,000	-	3,906,192	1,406,192
Categorical Special Education Aid	8,719,977	-	8,719,977	-
Equalization Aid	32,832,597	-	32,832,597	-
Categorical Security Aid	1,078,233	-	1,078,233	-
Homeless Children Aid	-	-	488,732	488,732
Other State Aids	-	-	409,864	409,864
Nonbudgeted:				
TPAF Pension (on-behalf)	-	-	45,339,173	45,339,173
TPAF Social Security (reimbursed)	-	-	9,307,804	9,307,804
TPAF Post Retirements	-	-	11,910,491	11,910,491
TPAF Long-Term Disability Insurance (on behalf)	-	-	13,284	13,284
Total State Sources	50,095,461	-	50,095,461	68,875,540
Federal Sources:				
Medicaid Reimbursement	351,509	-	351,509	(387)
FCCRA/SEMI	-	-	26,623	26,623
Total Federal Sources	351,509	-	351,509	26,236
Total Revenues	287,011,138	-	287,011,138	71,004,937

TOWNSHIP OF EDISON SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Current Expense:					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	11-105-100-101	307,083	-	307,083	192,398
Kindergarten - Salaries of Teachers	11-110-100-101	3,650,805	(247,500)	3,403,305	3,071,737
Grades 1-5 - Salaries of Teachers	11-120-100-101	38,155,107	(738,500)	37,416,607	36,996,062
Grades 6-8 - Salaries of Teachers	11-130-100-101	23,560,535	(1,115,700)	22,444,835	21,980,446
Grades 9-12 - Salaries of Teachers	11-140-100-101	28,926,650	(2,124,257)	26,802,393	26,683,331
Regular Programs - Undistributed Instruction:					
Salaries of Teachers	11-190-100-101	166,710	2,494,000	2,660,710	2,659,203
Purchased Professional - Educational Services	11-190-100-320	-	267,000	267,000	266,063
Other Purchased Services	11-190-100-500	-	3,000	3,000	2,039
General Supplies	11-190-100-610	3,125,000	(544,425)	2,580,575	2,287,037
Textbooks	11-190-100-640	2,403,000	(1,520,500)	882,500	865,712
Other Objects	11-190-100-800	50,000	50,000	100,000	85,280
Total Regular Programs - Instruction		100,344,890	(3,476,882)	96,868,008	95,089,308
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	11-204-100-101	889,762	(3,000)	886,762	698,091
Other Salaries for Instruction	11-204-100-106	479,339	(37,000)	442,339	423,685
General Supplies	11-204-100-610	10,000	-	10,000	28
Textbooks	11-204-100-640	1,000	-	1,000	-
Total Learning and/or Language Disabilities		1,380,101	(40,000)	1,340,101	1,121,804
Multiple Disabilities:					
Salaries of Teachers	11-212-100-101	554,885	-	554,885	537,792
Other Salaries for Instruction	11-212-100-106	287,507	-	287,507	269,622
General Supplies	11-212-100-610	5,000	-	5,000	4,671
Textbooks	11-212-100-640	1,000	-	1,000	-
Total Multiple Disabilities		848,392	-	848,392	812,085
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	11-213-100-101	14,337,335	(560,250)	13,777,085	11,746,630
Other Salaries	11-213-100-106	51,312	118,250	169,562	164,262
General Supplies	11-213-100-610	40,000	-	40,000	2,039
Textbooks	11-213-100-640	5,000	-	5,000	-
Total Resource Room/Resource Center		14,433,647	(442,000)	13,991,647	11,912,931
Total					
		1,778,700		1,778,700	2,078,716

TOWNSHIP OF EDISON SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Special Education - Instruction:				
Autism:				
Salaries of Teachers	2,751,356	(22,400)	2,728,956	304,111
Other Salaries for Instruction	1,200,166	(263,200)	936,966	6,120
General Supplies	8,000	-	8,000	103
Textbooks	1,000	-	1,000	1,000
Total Autism	3,960,522	(285,600)	3,674,922	311,334
Special Education - Instruction:				
Preschool Disabilities - Part-Time:				
Salaries of Teachers	622,077	(30,000)	592,077	145,694
Other Salaries for Instruction	199,208	-	199,208	25,126
General Supplies	5,000	-	5,000	4,764
Total Preschool Disabilities - Part-Time	826,285	(30,000)	796,285	175,584
Special Education - Instruction:				
Preschool Disabilities - Full-Time:				
Salaries of Teachers	1,163,401	59,000	1,222,401	29,584
Other Salaries for Instruction	399,592	(6,000)	393,592	7,195
General Supplies	5,000	-	5,000	5,000
Total Preschool Disabilities - Full-Time	1,567,993	53,000	1,620,993	41,779
Special Education - Instruction:				
Home Instruction:				
Salaries of Teachers	100,000	(2,000)	98,000	59,645
Purchased Professional - Educational Services	110,000	15,000	125,000	8,212
Total Home Instruction	210,000	13,000	223,000	67,857
Total Special Education - Instruction	23,226,940	(731,600)	22,495,340	2,929,874
Bilingual Education - Instruction:				
Salaries of Teachers	1,562,432	(5,000)	1,557,432	218,003
Other Salaries for Instruction	38,700	5,100	43,800	65
General Supplies	10,000	-	10,000	828
Textbooks	15,000	-	15,000	2,000
Total Bilingual Education - Instruction	1,626,132	100	1,626,232	220,896

TOWNSHIP OF EDISON SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
School-Sponsored Cocurricular/Extra Curricular Activities - Instruction:					
Salaries	11-401-100-100	600,815	21,000	621,815	267
Supplies and Materials	11-401-100-600	90,000	(7,766)	82,234	11,644
Total School-Sponsored Cocurricular/Extra Curricular Activities - Instruction		690,815	13,234	704,049	11,911
School-Sponsored Athletics - Instruction:					
Salaries	11-402-100-100	1,266,352	11,000	1,277,352	17,376
Purchased Services	11-402-100-500	5,000	157,000	162,000	44,571
Supplies and Materials	11-402-100-600	757,000	(181,234)	575,766	98,529
Other Objects	11-402-100-800	5,000	-	5,000	14
Total School-Sponsored Athletics - Instruction		2,033,352	(13,234)	2,020,118	160,490
Undistributed Expenditures - Instruction (Tuition):					
Tuition to Other LEAs Within State - Regular	11-000-100-561	1,100,000	(1,020,000)	80,000	63,566
Tuition to Private School Disabled - Within State	11-000-100-566	13,604,606	(569,312)	13,035,294	1,279,411
Tuition - State Facilities	11-000-100-568	40,270	-	40,270	-
Tuition - Other	11-000-100-569	55,000	59,501	114,501	90,635
Total Undistributed Expenditures - Instruction (Tuition)		14,799,876	(1,529,811)	13,270,065	1,433,612
Undistributed Expenditures Attendance and Social Work:					
Salaries	11-000-211-100	288,139	1,500	289,639	6,698
Travel - All Other	11-000-211-580	12,000	(1,500)	10,500	10,500
Total Undistributed Expenditures Attendance and Social Work		300,139	-	300,139	17,198
Undistributed Expenditures - Health Services:					
Salaries	11-000-213-100	2,924,356	(535,000)	2,389,356	128,389
Purchased Professional & Technical Services	11-000-213-300	57,000	-	57,000	15,609
Supplies and Materials	11-000-213-600	40,000	100	40,100	11,972
Total Undistributed Expenditures - Health Services		3,021,356	(534,900)	2,486,456	155,970
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Salaries	11-000-216-100	2,765,982	(21,175)	2,744,807	3,095
Purchased Professional - Educational Services	11-000-216-320	4,607,000	(844,825)	3,762,175	64,164
Supplies and Materials	11-000-216-600	30,000	-	30,000	9,020
Total Undistributed Expenditures - Speech, OT, PT and Related Services		7,402,982	(866,000)	6,536,982	76,279
Undistributed Expenditures - Other Support Services - Extra Services:					
Salaries	11-000-217-100	1,994,527	474,200	2,468,727	38,756
Total Undistributed Expenditures - Other Support Services - Extra Services		1,994,527	474,200	2,468,727	38,756

TOWNSHIP OF EDISON SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Guidance:				
Salaries of Other Professional Staff	5,268,971	(455,000)	4,813,971	4,663,813
Salaries of Secretaries & Clerical Assistants	570,466	(25,000)	545,466	430,039
Purchased Professional - Educational Services	1,130,000	-	1,130,000	1,005,639
Travel - All Other	15,000	-	15,000	5,550
Supplies and Materials	25,000	-	25,000	16,873
Total Undistributed Expenditures - Guidance	7,009,437	(480,000)	6,529,437	6,121,914
Undistributed Expenditures - Child Study Teams:				
Salaries of Other Professional Staff	4,711,492	(102,100)	4,609,392	4,460,065
Salaries of Secretaries & Clerical Assistants	457,738	-	457,738	439,158
Other Purchased Services	276,500	(270,000)	6,500	6,229
Supplies and Materials	20,000	-	20,000	7,248
Total Undistributed Expenditures - Child Study Teams	5,465,730	(372,100)	5,093,630	4,912,700
Undistributed Expenditures - Improvement of Instruction Services:				
Salaries of Supervisors of Instruction	3,631,843	(155,000)	3,476,843	3,315,662
Salaries of Other Professional Staff	100,000	-	100,000	64,921
Salaries of Sec. and Clerical Assist.	209,558	-	209,558	197,622
Travel	5,500	-	5,500	4,396
Supplies and Materials	12,000	(675)	11,325	-
Total Undistributed Expenditures - Improvement of Instruction Services	3,958,901	(155,675)	3,803,226	3,582,601
Undistributed Expenditures - Educational Media Services/Library:				
Salaries	804,095	(1,000)	803,095	704,903
Supplies and Materials	126,700	(1,632)	125,068	101,370
Total Undistributed Expenditures - Educational Media Services/Library	930,795	(2,632)	928,163	806,273

TOWNSHIP OF EDISON SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	11-000-223-102	323,094	-	323,094	312,007
Salaries of Other Professional Staff	11-000-223-104	100,000	-	100,000	83,250
Salaries of Secretarial and Clerical Asst.	11-000-223-105	49,427	-	49,427	49,283
Supplies and Materials	11-000-223-600	5,000	-	5,000	3,476
Other Objects	11-000-223-800	200,000	-	200,000	80,917
Total Undistributed Expenditures - Instructional Staff Training Services		677,521	-	677,521	528,933
Undistributed Expenditures - Support Services - General Administration:					
Salaries	11-000-230-100	538,050	20,000	558,050	545,253
Salaries - Governance Staff	11-000-230-109	866,562	(20,000)	846,562	814,972
Legal Services	11-000-230-331	460,000	(7,000)	453,000	274,818
Audit Fees	11-000-230-332	85,000	7,000	92,000	89,395
Other Purchased Professional Services	11-000-230-339	115,000	-	115,000	2,605
Communications/Telephone	11-000-230-530	896,500	(90,000)	806,500	761,082
Miscellaneous Purchased Services	11-000-230-520	1,468,000	91,500	1,559,500	1,426,352
General Supplies	11-000-230-610	90,000	(15,000)	75,000	22,344
BOE In-House Training/Meeting Supplies	11-000-230-630	5,000	3,000	8,000	5,261
Miscellaneous Expenditures	11-000-230-890	55,000	(3,000)	52,000	26,715
BOE Membership Dues and Fees	11-000-230-895	30,000	-	30,000	26,663
Total Undistributed Expenditures - Support Services - General Administration		4,609,112	(13,500)	4,595,612	3,994,145
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	11-000-240-103	7,635,538	(171,600)	7,463,938	7,370,892
Salaries of Secretaries & Clerical Assistants	11-000-240-105	2,711,502	(2,000)	2,709,502	2,677,742
Other Salaries	11-000-240-110	5,000	15,100	20,100	19,771
Other Employee Benefits	11-000-240-290	-	30,000	30,000	4,043
Other Purchased Services	11-000-240-500	50,000	-	50,000	36,799
Travel	11-000-240-580	8,000	-	8,000	516
Supplies and Materials	11-000-240-600	105,000	9,132	114,132	96,740
Total Undistributed Expenditures - Support Services - School Administration		10,515,040	(119,368)	10,395,672	10,206,503

TOWNSHIP OF EDISON SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Central Services:					
Salaries	11-000-251-100	1,715,624	(28,000)	1,687,624	135,739
Purchased Professional Services	11-000-251-330	70,000	-	70,000	4,386
Travel	11-000-251-580	13,000	40,000	53,000	20,635
Supplies and Materials	11-000-251-600	35,000	-	35,000	15,504
Miscellaneous Expenditures	11-000-251-890	5,000	-	5,000	4,071
Total Undistributed Expenditures - Central Services		1,838,624	12,000	1,850,624	180,335
Undistributed Expenditures - Administrative Information Technology:					
Salaries	11-000-252-100	1,481,975	(240,000)	1,241,975	25,399
Purchased Professional Services	11-000-252-330	300,000	11,000	311,000	39,464
Purchased Technical Services	11-000-252-340	300,000	210,000	510,000	9,858
Other Purchased Services	11-000-252-500	280,000	5,000	285,000	1,126
Supplies and Materials	11-000-252-600	270,000	(156,000)	114,000	18,844
Total Undistributed Expenditures - Administrative Information Technology		2,631,975	(170,000)	2,461,975	94,691
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	11-000-261-100	1,613,482	(295,000)	1,318,482	61,678
Cleaning, Repair & Maintenance Services	11-000-261-420	2,255,142	39,627	2,294,769	1,264,624
General Supplies	11-000-261-610	711,300	678,000	1,389,300	417,537
Other Objects	11-000-261-800	75,000	-	75,000	2,054
Total Undistributed Expenditures - Required Maintenance for School Facilities		4,654,924	422,627	5,077,551	1,745,893
Undistributed Expenditures - Custodial Services:					
Salaries	11-000-262-100	7,101,458	(334,600)	6,766,858	35,601
Salaries of Non-Instructional Aides	11-000-262-107	1,149,961	(8,269)	1,141,692	30,959
Cleaning, Repair & Maintenance Services	11-000-262-420	383,000	53,000	436,000	220,767
Other Purchased Property Services	11-000-262-490	400,000	77,000	477,000	85,028
Insurance	11-000-262-520	355,000	(1,500)	353,500	3,500
General Supplies	11-000-262-610	555,900	24,600	580,500	99,899
Energy (Natural Gas)	11-000-262-621	1,300,000	(131,731)	1,168,269	219,627
Energy (Electricity)	11-000-262-622	1,550,000	495,000	2,045,000	228,236
Other Objects	11-000-262-800	6,000	-	6,000	5,302
Total Undistributed Expenditures - Custodial Services		12,801,319	173,500	12,974,819	928,919

TOWNSHIP OF EDISON SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -					
Care and Upkeep of Grounds:					
Salaries	11-000-263-100	1,287,952	-	1,287,952	1,040,290
Cleaning, Repair & Maintenance Services	11-000-263-420	45,000	20,000	65,000	41,375
General Supplies	11-000-263-610	149,800	-	149,800	139,806
		1,482,752	20,000	1,502,752	1,221,471
Total Undistributed Expenditures -					281,281
Care and Upkeep of Grounds					
Security:					
Salaries	11-000-266-100	2,344,447	(89,627)	2,254,820	2,213,543
Purchased Professional and Technical Services	11-000-266-300	200,000	(23,000)	175,000	-
General Supplies	11-000-266-610	81,000	25,000	106,000	18,761
		2,625,447	(89,627)	2,535,820	2,232,304
Total Security					303,516
Undistributed Expenditures -					
Student Transportation Services:					
Salaries of Non-Instructional Aides	11-000-270-107	237,731	42,000	279,731	278,684
Salaries of Pupil Transportation (Between Home & School) - Regular	11-000-270-160	2,527,078	(244,383)	2,282,695	2,274,252
Cleaning, Repair and Maintenance Services	11-000-270-420	125,000	41,500	166,500	165,159
Contract Services - Aid in Lieu Payments - Non Public Schools	11-000-270-503	800,000	(49,160)	750,840	741,201
Contract Serv. - Aid in Lieu Pymis-Charter Sch	11-000-270-504	150,000	(100,000)	50,000	40,105
Contract Services (Between Home & School) - Vendors	11-000-270-511	3,771,214	1,145,533	4,916,747	4,590,519
Contract Services (Other Than Between Home & School) - Vendors	11-000-270-512	627,500	(534,774)	92,726	80,103
Contract Services (Special Education) - Vendors	11-000-270-514	5,600,000	2,201,835	7,801,835	7,793,937
Contract Services (Special Education) - ESCs & CTSA's	11-000-270-518	3,500,000	(860,526)	2,639,474	2,632,034
Miscellaneous Purchased Services - Transportation	11-000-270-593	390,000	(148,000)	242,000	241,407
General Supplies	11-000-270-610	290,500	62,660	353,160	349,889
		18,019,023	1,556,685	19,575,708	19,187,290
Total Undistributed Expenditures -					388,418
Student Transportation Services					
Unallocated Benefits:					
Social Security Contributions	11-000-291-220	3,000,000	(1,819)	2,998,181	2,920,309
Other Retirement Contributions - PERS	11-000-291-241	3,900,000	3,000	3,903,000	3,902,825
Workmen's Compensation	11-000-291-260	1,000,000	(167,605)	832,395	788,734
Health Benefits	11-000-291-270	30,050,000	6,097,239	36,097,239	35,310,811
Tuition Reimbursement	11-000-291-280	350,000	-	350,000	233,312
		38,300,000	5,880,815	44,180,815	43,155,991
Total Unallocated Benefits					1,024,824

TOWNSHIP OF EDISON SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Nonbudgeted:				
TPAF Pension (on-behalf)	-	-	-	45,339,173 (45,339,173)
TPAF Social Security (reimbursed)	-	-	-	9,307,804 (9,307,804)
TPAF Post Retirements	-	-	-	11,910,491 (11,910,491)
TPAF Long-Term Disability Insurance (on behalf)	-	-	-	13,284 (13,284)
Total Undistributed Expenditures	143,039,480	4,206,214	147,245,694	205,276,562 (58,030,868)
Total Expenditures - Current Expense	270,961,609	(2,168)	270,959,441	323,888,438 (52,928,997)
Capital Outlay:				
Undistributed Expenditures:				
Undistributed Expenditures - Instruction	1,825,930	-	1,825,930	1,501,996 323,934
Undist. Expend. - Required Maint for School Fac.	250,000	55,000	305,000	284,604 20,396
School Buses - Special	236,950	(36,950)	200,000	14,508 185,492
Total Equipment	2,312,880	18,050	2,330,930	1,801,108 529,822
Facilities Acquisition & Construction Services:				
Architectural/Engineering Services	600,000	3,601,285	4,201,285	1,816,301 2,384,984
Supplies and Materials	250,000	(20,000)	230,000	49,712 180,288
Land and Improvements	400,000	81,950	481,950	465,026 16,924
Lease Purchase Agreements - Principal	2,062,880	(2,062,880)	-	- -
Bldgs. Other than Lease Purchase Agreements	15,051,730	(1,618,405)	13,433,325	8,616,270 4,817,055
Assessment for Debt Service on SDA Funding	102,117	-	102,117	102,117 -
Total Facilities Acquisition & Construction Services	18,466,727	(18,050)	18,448,677	11,049,426 7,399,251
Total Capital Outlay	20,779,607	-	20,779,607	12,850,534 7,929,073

TOWNSHIP OF EDISON SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Special Schools:				
Summer School				
Salaries of Teachers	160,000	(57,926)	102,074	102,013
Other Salaries	28,000	(13,171)	14,829	14,829
Total Summer School	188,000	(71,097)	116,903	116,842
Adult Education - Local				
Salaries of Teachers	180,000	71,813	251,813	251,813
General Supplies	15,000	(12,518)	2,482	2,482
Other Salaries	5,500	16,470	21,970	21,970
Other Objects	2,500	(2,500)	-	-
Total Adult Education - Local	203,000	73,265	276,265	276,265
Total Special Schools	391,000	2,168	393,168	393,107
Total Expenditures	292,132,216	-	292,132,216	337,132,079
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources/(Uses)	(5,121,078)	-	(5,121,078)	20,883,996
Other Financing Sources/(Uses):				
Transfers In/(Out):	(972,865)	-	(972,865)	(895,516)
Transfer of Funds to Charter Schools				
Total Other Financing Sources/(Uses)	(972,865)	-	(972,865)	(895,516)
				77,349
				77,349

TOWNSHIP OF EDISON SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures After Other Financing Sources/(Uses)	(6,093,943)	-	(6,093,943)	19,988,480
Fund Balances, July 1 (As Restated)	59,110,712	-	59,110,712	26,082,423
Fund Balances, June 30	\$ 53,016,769	\$ -	\$ 53,016,769	\$ 26,082,423

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 38,580,532
Maintenance Reserve	1,331,592
Emergency Reserve	1,000,000
Excess Surplus	8,675,125
Excess Surplus Designated for Subsequent Year's Expenditures Reserve for Unemployment Claims	5,751,806
Assigned Fund Balance:	631,045
Designated for Subsequent Year's Expenditures	6,704,896
Year-End Encumbrances	9,207,603
Unassigned Fund Balance	7,216,593
Subtotal	79,099,192
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	(4,690,127)
Fund Balance per Governmental Funds (GAAP)	\$ 74,409,065

**TOWNSHIP OF EDISON SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023**

	JUNE 30, 2023				VARIANCE FINAL TO ACTUAL (OVER)/ UNDER
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources	\$ 300,000	\$ 3,000	\$ 303,000	\$ 2,108,180	\$ (1,805,180)
State Sources	982,831	623,071	1,605,902	1,666,902	(61,000)
Federal Sources	6,348,527	12,732,916	19,081,443	13,625,716	5,455,727
Total Revenues	7,631,358	13,358,987	20,990,345	17,400,798	3,589,547
Expenditures:					
Instruction:					
Salaries of Teachers	1,096,698	426,065	1,522,763	1,521,924	839
Purchased Professional - Educational Services	-	323,034	323,034	319,269	3,765
Other Purchased Services (400-500 Series)	2,002,341	(274,019)	1,728,322	1,659,445	68,877
General Supplies	744,526	801,241	1,545,767	1,086,157	459,610
Textbooks	104,579	12,373	116,952	116,952	-
Other Objects	38,908	-	38,908	1,729	37,179
Total Instruction	3,987,052	1,288,694	5,275,746	4,705,476	570,270
Support Services:					
Salaries of Other Professional Staff	447,203	(222,081)	225,122	165,744	59,378
Personal Services - Employee Benefits	134,398	264,322	398,720	113,278	285,442
Purchased Educational Services	1,715,851	2,089,993	3,805,844	1,830,864	1,974,980
Other Purchased Services (400-500 Series)	388,050	1,150,483	1,538,533	1,538,233	300
Supplies and Materials	70,377	198,908	269,285	166,600	102,685
Other Objects	888,427	(810,035)	78,392	74,998	3,394
Scholarships Awarded	-	5,000	5,000	5,000	-
Student Activities	-	1,977,120	1,977,120	1,977,120	-
Total Support Services	3,644,306	4,653,710	8,298,016	5,871,837	2,426,179
Facilities Acquisition & Construction Services:					
Buildings	-	6,772,629	6,772,629	6,715,227	57,402
Instructional Equipment	-	643,954	643,954	144,800	499,154
Total Facilities Acquisition & Construction Services	-	7,416,583	7,416,583	6,860,027	556,556
Total Expenditures	7,631,358	13,358,987	20,990,345	17,437,340	3,553,005
Total Outflows	7,631,358	13,358,987	20,990,345	17,437,340	3,553,005
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ (36,542)	\$ 36,542
Fund Balance, July 1				1,371,271	
Fund Balance, June 30				\$ 1,334,729	
Recapitulation:					
Restricted:					
JM Recovery Fund				\$ 6,442	
Scholarships				15,622	
Student Activities				1,312,665	
Total Fund Balance				\$ 1,334,729	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO GAAP RECONCILIATION
YEAR ENDED JUNE 30, 2023**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 358,016,075	\$ 17,400,798
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(6,969,035)
<p>The last state aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).</p>		
Current Year	(4,690,127)	-
Prior Year	3,514,268	-
<hr/>		
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 356,840,216</u>	<u>\$ 10,431,763</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2)	\$ 338,027,595	\$ 17,437,340
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
	-	(6,969,035)
<hr/>		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 338,027,595</u>	<u>\$ 10,468,305</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)

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TOWNSHIP OF EDISON SCHOOL DISTRICT
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
 LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.3054500%	0.2954700%	0.2910231%	0.2881858%	0.2866955%	0.2805651%	0.2949936%	0.2826250%	0.2865743%	0.2707115%
School District's proportionate share of the net pension liability	\$ 46,097,362	\$ 35,003,295	\$ 47,458,258	\$ 51,926,710	\$ 56,448,916	\$ 65,311,070	\$ 87,368,643	\$ 63,443,649	\$ 53,654,542	\$ 51,738,350
School District's covered payroll	\$ 22,028,234	\$ 21,838,054	\$ 21,024,258	\$ 20,083,828	\$ 19,460,136	\$ 19,067,407	\$ 19,750,285	\$ 19,750,285	\$ 19,363,025	\$ 19,363,025
School District's proportionate share of the net pension liability as a percentage of its covered payroll	209.26%	160.29%	225.73%	258.55%	290.07%	342.53%	442.37%	321.23%	277.10%	267.20%
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 (the measurement date).

TOWNSHIP OF EDISON SCHOOL DISTRICT
 SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
 LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 3,851,931	\$ 3,460,341	\$ 3,183,469	\$ 2,817,476	\$ 2,867,862	\$ 2,647,751	\$ 2,644,532	\$ 2,429,817	\$ 2,362,537	\$ 2,039,814
Contributions in relation to the contractually required contribution	(3,851,931)	(3,460,341)	(3,183,469)	(2,817,476)	(2,867,862)	(2,647,751)	(2,644,532)	(2,429,817)	(2,362,537)	(2,039,814)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 23,008,598	\$ 22,028,234	\$ 21,838,054	\$ 21,024,258	\$ 20,083,828	\$ 19,460,136	\$ 19,067,407	\$ 19,750,285	\$ 19,750,285	\$ 19,363,025
Contributions as a percentage of covered payroll	16.74%	15.71%	14.58%	13.40%	14.28%	13.61%	13.87%	12.30%	11.96%	10.53%

TOWNSHIP OF EDISON SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHERS' PENSION AND ANNUITY FUND (TPAF)
 LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	\$ 561,409,303	\$ 522,233,951	\$ 705,402,748	\$ 658,453,411	\$ 683,334,392	\$ 721,021,770	\$ 842,265,079	\$ 666,958,416	\$ 561,014,437	\$ 541,444,343
School District's covered payroll	\$ 561,409,303	\$ 522,233,951	\$ 705,402,748	\$ 658,453,411	\$ 683,334,392	\$ 721,021,770	\$ 842,265,079	\$ 666,958,416	\$ 561,014,437	\$ 541,444,343
	\$ 130,333,499	\$ 126,913,625				NOT AVAILABLE				
School District's proportionate share of the net pension liability 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 (the measurement date).

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**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST-
EMPLOYMENT BENEFITS (GASB 75)**

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**TOWNSHIP OF EDISON SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST SIX FISCAL YEARS***

	2023	2022	2021	2020	2019	2018
District's Total OPEB Liability						
Service Cost	\$ 26,582,358	\$ 29,834,514	\$ 16,154,161	\$ 15,557,301	\$ 17,376,451	\$ 21,048,998
Interest Cost	12,417,127	14,468,782	13,524,707	16,294,727	17,248,634	14,925,315
Change of Benefit Terms	-	(593,664)	-	-	-	-
Difference between Expected & Actual Differences	9,393,717	(89,654,318)	107,272,608	(61,894,655)	(35,500,672)	-
Changes of Assumptions	(125,693,092)	550,269	112,189,219	5,597,328	(47,168,106)	(63,656,760)
Contributions: Member	394,575	369,896	324,084	341,598	379,862	400,591
Gross Benefit Payments	(12,299,531)	(11,397,348)	(10,692,334)	(11,523,832)	(10,990,879)	(10,878,967)
Net Change in District's Total OPEB Liability	(89,204,846)	(56,421,869)	238,772,445	(35,627,533)	(58,654,710)	(38,160,823)
District's Total OPEB Liability (Beginning)	557,756,153	614,178,022	375,405,577	411,033,110	469,687,820	507,848,643
District's Total OPEB Liability (Ending)	\$ 468,551,307	\$ 557,756,153	\$ 614,178,022	\$ 375,405,577	\$ 411,033,110	\$ 469,687,820
District's Covered Employee Payroll	\$ 153,342,097	\$ 148,941,859	\$ 146,508,458	\$ 141,575,502	\$ 137,799,156	\$ 134,438,201
District's Net OPEB Liability as a Percentage of Payroll	306%	374%	419%	265%	298%	349%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**TOWNSHIP OF EDISON SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Public Employees' Retirement System (PERS)

Changes of Benefit Terms

The June 30, 2022 measurement date includes three changes to the plan provisions, only one of which had an impact on the Total Pension Liability. Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

Changes of Assumptions

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	6.28%	2016	3.98%
2021	7.00%	2018	5.66%	2015	4.90%
2020	7.00%	2017	5.00%	2014	5.39%

The long-term expected rate of return used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	7.00%	2016	7.65%
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.00%	2017	7.00%	2014	7.90%

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

Teachers Pension and Annuity Fund (TPAF)

Changes of Benefit Terms

None noted.

Changes of Assumptions

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	6.85%	2016	5.55%
2021	7.00%	2018	6.51%	2015	5.79%
2020	7.00%	2017	6.14 %	2014	6.32%

The long-term expected rate of return used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	7.00%	2016	7.65%
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.00%	2017	7.00%	2014	7.90%

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

**TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Other Post-Employment Benefits (OPEB)

Changes of Benefit Terms

The increase in benefit terms from June 30, 2021 to June 30, 2022 was a result of employers adopting and or changing Chapter 48 provisions which provide different levels of subsidy than in the prior year.

Differences Between Expected and Actual Experiences

The increase in differences between expected and actual experiences from June 30, 2021 to June 30, 2022 was a result of changes to the census, claims and premiums experience.

Changes of Assumptions

The increase in changes in assumptions from June 30, 2021 to June 30, 2022 is a result of a change in the discount rate, trend update and the mortality projection scale update.

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	3.54%	2019	3.50%	2016	2.85%
2021	2.16%	2018	3.87%		
2020	2.21%	2017	3.58%		

OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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TOWNSHIP OF EDISON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023

	Title I, Part A	Title IIA	Title III	Title IV	IDEA Part B
Revenues:					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-
Federal Sources	1,556,708	250,982	117,634	53,649	3,626,883
Total Revenues	1,556,708	250,982	117,634	53,649	3,626,883
Expenditures:					
Instruction:					
Salaries of Teachers	575,456	201,846	55,953	4,800	368,954
Purchased Professional - Educational Services	19,990	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	1,659,445
General Supplies	698,237	4,180	14,897	43,015	97,804
Textbooks	-	-	-	-	-
Other Objects	-	-	1,729	-	-
Total Instruction	1,293,683	206,026	72,579	47,815	2,126,203
Support Services:					
Salaries of Other Professional Staff	-	-	4,344	1,200	-
Personal Services - Employee Benefits	-	-	-	-	107,609
Purchased Educational Services	142,809	26,860	-	3,260	1,276,831
Other Purchased Services (400-500 Series)	1,160	18,096	19,484	1,174	23,240
Supplies and Materials	44,058	-	21,227	200	93,000
Other Objects	74,998	-	-	-	-
Scholarships Awarded	-	-	-	-	-
Student Activities	-	-	-	-	-
Total Support Services	263,025	44,956	45,055	5,834	1,500,680
Facilities Acquisition & Construction Services:					
Buildings	-	-	-	-	-
Instructional Equipment	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-
Total Expenditures	1,556,708	250,982	117,634	53,649	3,626,883
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**TOWNSHIP OF EDISON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023**

	IDEA Preschool	ARP IDEA	CRRSA ESSER II	CRRSA MENTAL HEALTH	CRRSA Learning Acceleration	ARP ESSER III
Revenues:						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-	-
Federal Sources	114,748	248,209	163,971	87,791	79,273	7,092,623
Total Revenues	114,748	248,209	163,971	87,791	79,273	7,092,623
Expenditures:						
Instruction:						
Salaries of Teachers	-	6,930	-	87,791	38,608	31,563
Purchased Professional - Educational Services	-	-	-	-	5,800	293,479
Other Purchased Services (400-500 Series)	-	-	-	-	-	-
General Supplies	21,748	137,543	-	-	11,017	50,306
Textbooks	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-
Total Instruction	21,748	144,473	-	87,791	55,425	375,348
Support Services:						
Salaries of Other Professional Staff	-	-	-	-	1,700	-
Personal Services - Employee Benefits	-	530	-	-	3,091	2,048
Purchased Educational Services	93,000	103,206	-	-	10,200	-
Other Purchased Services (400-500 Series)	-	-	163,971	-	742	-
Supplies and Materials	-	-	-	-	8,115	-
Other Objects	-	-	-	-	-	-
Scholarships Awarded	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-
Total Support Services	93,000	103,736	163,971	-	23,848	2,048
Facilities Acquisition & Construction Services:						
Buildings	-	-	-	-	-	6,715,227
Instructional Equipment	-	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-	6,715,227
Total Expenditures	114,748	248,209	163,971	87,791	79,273	7,092,623
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-
Fund Balance, June 30	-	\$ -	\$ -	\$ -	-	\$ -

**TOWNSHIP OF EDISON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023**

	ARP ACCELERATED LEARNING	ARP EVIDENCE BASED SUMMER LEARNING	ARP COMPREHENSIVE BEYOND THE SCHOOL DAY	ARP MENTAL HEALTH	CLIMATE CHANGE	SDA EMERGENT AND CAPITAL MAINTENANCE
Revenues:						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	6,660	393,418
Federal Sources	55,274	34,138	98,833	45,000	-	-
Total Revenues	55,274	34,138	98,833	45,000	6,660	393,418
Expenditures:						
Instruction:						
Salaries of Teachers	-	34,138	98,833	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	-	-
General Supplies	-	-	-	-	6,660	-
Textbooks	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-
Total Instruction	-	34,138	98,833	-	6,660	-
Support Services:						
Salaries of Other Professional Staff	-	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-	-
Purchased Educational Services	55,274	-	-	45,000	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	-	393,418
Supplies and Materials	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-
Scholarships Awarded	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-
Total Support Services	55,274	-	-	45,000	-	393,418
Facilities Acquisition & Construction Services:						
Buildings	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-	-
Total Expenditures	55,274	34,138	98,833	45,000	6,660	393,418
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**TOWNSHIP OF EDISON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023**

	Non Public Textbooks	Non Public Nursing	Non Public Technology	Non Public Security	Chapter 192	Chapter 193
Revenues:						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	116,952	176,977	74,424	363,260	151,533	225,178
Federal Sources	-	-	-	-	-	-
Total Revenues	116,952	176,977	74,424	363,260	151,533	225,178
Expenditures:						
Instruction:						
Salaries of Teachers	-	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-
Textbooks	116,952	-	-	-	-	-
Other Objects	-	-	-	-	-	-
Total Instruction	116,952	-	-	-	-	-
Support Services:						
Salaries of Other Professional Staff	-	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-	-
Purchased Educational Services	-	-	74,424	-	-	-
Other Purchased Services (400-500 Series)	-	176,977	-	363,260	151,533	225,178
Supplies and Materials	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-
Scholarships Awarded	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-
Total Support Services	-	176,977	74,424	363,260	151,533	225,178
Facilities Acquisition & Construction Services:						
Buildings	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-	-
Total Expenditures	116,952	176,977	74,424	363,260	151,533	225,178
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**TOWNSHIP OF EDISON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023**

	FCCLA Grant	Local Grants	JM Recovery Fund	Student Activities	Scholarship	Totals
Revenues:						
Local Sources	\$ -	\$ 162,602	\$ -	\$ 1,945,087	\$ 491	\$ 2,108,180
State Sources	158,500	-	-	-	-	1,666,902
Federal Sources	-	-	-	-	-	13,625,716
Total Revenues	158,500	162,602	-	1,945,087	491	17,400,798
Expenditures:						
Instruction:						
Salaries of Teachers	-	17,052	-	-	-	1,521,924
Purchased Professional - Educational Services	-	-	-	-	-	319,269
Other Purchased Services (400-500 Series)	-	-	-	-	-	1,659,445
General Supplies	-	750	-	-	-	1,086,157
Textbooks	-	-	-	-	-	116,952
Other Objects	-	-	-	-	-	1,729
Total Instruction	-	17,802	-	-	-	4,705,476
Support Services:						
Salaries of Other Professional Staff	158,500	-	-	-	-	165,744
Personal Services - Employee Benefits	-	-	-	-	-	113,278
Purchased Educational Services	-	-	-	-	-	1,830,864
Other Purchased Services (400-500 Series)	-	-	-	-	-	1,538,233
Supplies and Materials	-	-	-	-	-	166,600
Other Objects	-	-	-	-	-	74,998
Scholarships Awarded	-	-	-	-	5,000	5,000
Student Activities	-	-	-	1,977,120	-	1,977,120
Total Support Services	158,500	-	-	1,977,120	5,000	5,871,837
Facilities Acquisition & Construction Services:						
Buildings	-	-	-	-	-	6,715,227
Instructional Equipment	-	144,800	-	-	-	144,800
Total Facilities Acquisition & Construction Services	-	144,800	-	-	-	6,860,027
Total Expenditures	158,500	162,602	-	1,977,120	5,000	17,437,340
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(32,033)	(4,509)	(36,542)
Fund Balance, July 1	-	-	6,442	1,344,698	20,131	1,371,271
Fund Balance, June 30	\$ -	\$ -	\$ 6,442	\$ 1,312,665	\$ 15,622	1,334,729

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F. Capital Projects Fund

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EXHIBIT F-1

TOWNSHIP OF EDISON SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 YEAR ENDED JUNE 30, 2023

<u>Project Title / Issue</u>	<u>Original Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2023</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Woodbrook School Addition	\$ 11,006,804	\$ 10,775,903	\$ -	\$ 230,901
Total	\$ 11,006,804	\$ 10,775,903	\$ -	\$ 230,901

**TOWNSHIP OF EDISON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023**

Fund Balance, June 30 2023 and 2022

\$ 230,901

**TOWNSHIP OF EDISON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
WOODBROOK SCHOOL ADDITION
YEAR ENDED JUNE 30, 2023**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Lease Purchase Agreement	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 5,000,000
Transfer from General Fund Balance	86,804	-	86,804	86,804
Transfer from Capital Outlay	5,920,000	-	5,920,000	5,920,000
	11,006,804	-	11,006,804	11,006,804
Total Revenues and Other Financing Sources				
Expenditures and Other Financing Uses:				
Transfer to Debt Service Fund	144,807	-	144,807	144,807
Construction Services	10,631,097	-	10,631,097	10,631,097
	10,775,903	-	10,775,903	10,775,903
Total Expenditures and Other Financing Uses				
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 230,901	\$ -	\$ 230,901	\$ 230,901

Additional Project Information:

Name of Project:
Referendum Project

Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	10,920,000
Additional Authorized Cost	86,804
Revised Authorized Cost	11,006,804
Percentage Increase over Original Authorized Cost	0.79%
Percentage Completion	100.00%
Original Target Completion Date	6/30/2023
Revised Target Completion Date	6/30/2023

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H. Fiduciary Fund

Not Applicable

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I. Long-Term Debt

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TOWNSHIP OF EDISON SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS PAYABLE
 YEAR ENDED JUNE 30, 2023

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2022	RETIRED	BALANCE JUNE 30, 2023
			DATE	AMOUNT				
Refunding School Bonds	11/17/10	\$ 4,995,000				\$ 500,000	\$ 500,000	\$ -
Total						\$ 500,000	\$ 500,000	\$ -

EXHIBIT I-2

TOWNSHIP OF EDISON SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF LEASE OBLIGATIONS
 YEAR ENDED JUNE 30, 2023

PURPOSE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2022	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2023
Equipment Lease - Apple Comps	\$ 5,114,761	\$ 3,703,596	\$ 1,212,840	\$ 2,490,756
Equipment Lease - Buses	<i>Not Available</i>	119,992	119,992	-
		\$ 3,823,588	\$ 1,332,832	\$ 2,490,756

TOWNSHIP OF EDISON SCHOOL DISTRICT
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 518,750	\$ -	\$ 518,750	\$ -
Total Revenues	518,750	-	518,750	-
Expenditures:				
Regular Debt Service:				
Interest	18,750	-	18,750	8,750
Redemption of Principal	500,000	-	500,000	-
Total Regular Debt Service	518,750	-	518,750	8,750
Total Expenditures	518,750	-	518,750	8,750
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	8,750
Fund Balance, July 1,	-	-	-	-
Fund Balance, June 30,	\$ -	\$ -	\$ 8,750	\$ 8,750

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STATISTICAL SECTION (Unaudited)

Third Section

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Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. The Exhibits are presented for the last ten fiscal years.

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TOWNSHIP OF EDISON SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
Unaudited

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FISCAL YEAR ENDING JUNE 30,										
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 127,100,075	\$ 158,900,477	\$ 135,008,929	\$ 136,870,326	\$ 132,853,609	\$ 129,852,664	\$ 119,585,314	\$ 125,431,804	\$ 100,882,684	\$ 97,494,793
Restricted	57,544,479	34,534,464	39,795,587	28,318,087	22,995,185	12,200,776	18,505,264	8,987,280	18,635,666	10,805,180
Unrestricted (Deficit)	(31,129,152)	(42,548,892)	(50,359,750)	(63,098,278)	(63,528,679)	(63,664,829)	(61,481,104)	(55,358,297)	(52,267,015)	(50,137,013)
Total Governmental Activities	\$ 153,515,402	\$ 150,886,049	\$ 124,444,766	\$ 102,090,135	\$ 92,320,115	\$ 78,388,611	\$ 76,609,474	\$ 79,060,786	\$ 67,251,336	\$ 58,162,960
Business-Type Activities:										
Net Investment in Capital Assets	\$ 706,874	\$ 635,635	\$ 527,091	\$ 127,342	\$ 190,410	\$ 282,720	\$ 265,401	\$ 344,442	\$ 249,443	\$ 295,283
Unrestricted (Deficit)	2,801,650	2,874,483	1,364,370	1,639,834	1,247,498	599,165	410,949	312,806	304,821	149,726
Total Business-Type Activities	\$ 3,508,524	\$ 3,510,118	\$ 1,891,461	\$ 1,767,176	\$ 1,437,908	\$ 881,885	\$ 676,349	\$ 657,248	\$ 554,263	\$ 445,009
District-Wide:										
Net Investment in Capital Assets	\$ 127,806,949	\$ 159,536,112	\$ 135,536,020	\$ 136,997,668	\$ 133,044,019	\$ 130,135,384	\$ 119,850,715	\$ 125,776,246	\$ 101,132,127	\$ 97,790,076
Restricted	57,544,479	34,534,464	39,795,587	28,318,087	22,995,185	12,200,776	18,505,264	8,987,280	18,635,666	10,805,180
Unrestricted (Deficit)	(28,327,502)	(39,674,409)	(48,995,380)	(61,458,444)	(62,281,181)	(63,065,664)	(61,070,155)	(55,045,491)	(51,962,194)	(49,987,287)
Total District Net Position	\$ 157,023,926	\$ 154,396,167	\$ 126,336,227	\$ 103,857,311	\$ 93,758,023	\$ 79,270,496	\$ 77,285,823	\$ 79,718,034	\$ 67,805,599	\$ 58,607,969

Source: ACFR Schedule A-1

TOWNSHIP OF EDISON SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

Unaudited

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FISCAL YEAR ENDING JUNE 30,										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 180,120,694	\$ 153,868,875	\$ 102,124,950	\$ 95,818,880	\$ 92,698,514	\$ 91,051,978	\$ 87,673,141	\$ 86,217,699	\$ 85,784,306	\$ 81,833,869
Special Education	35,458,751	31,484,601	21,340,533	21,243,809	21,065,750	20,508,656	20,059,605	19,842,956	19,316,496	21,357,288
Other Special Education			1,516,973	1,330,839	1,210,686	1,200,052	906,479	930,588	1,011,309	1,280,357
Other Instruction	7,171,508	5,548,140	2,335,017	2,185,477	2,196,501	2,148,738	2,122,360	2,039,350	1,949,085	1,827,688
Support Services:										
Tuition	15,040,463	12,003,132	10,534,568	11,487,581	11,626,621	11,412,624	11,332,821	11,143,730	10,347,435	11,097,935
Student & Instruction Related Services	42,350,016	36,337,638	29,497,016	28,436,452	28,448,055	29,419,548	30,704,194	27,074,494	24,154,306	24,154,306
School Administrative Services	12,969,302	11,415,666	9,096,330	8,899,424	8,056,964	7,277,622	7,291,271	7,118,576	6,785,658	6,596,004
General & Business Administrative Services	5,075,320	4,352,409	8,296,068	7,485,252	7,346,041	6,800,169	6,004,082	6,025,237	6,798,706	6,348,868
Central Services	5,086,911	6,836,578	-	-	-	-	-	-	-	-
Administration Information Technology	3,008,084	2,938,516	-	-	-	-	-	-	-	-
Plant Operations & Maintenance	22,595,956	18,206,466	17,956,035	19,910,646	17,487,273	17,486,575	17,002,638	17,345,265	16,550,505	16,413,203
Pupil Transportation	24,381,099	21,606,122	12,196,544	15,067,180	16,267,147	13,438,666	12,459,613	11,768,590	10,836,391	10,083,828
Unallocated Benefits	-	-	100,584,422	95,024,409	102,382,149	139,188,592	120,942,893	60,156,953	53,867,809	48,838,297
Special Schools	499,517	556,655	314,668	339,924	348,439	275,713	333,170	299,703	332,925	343,070
Interest & Other Charges	106,139	93,589	683,298	(16,124)	62,957	12,162	224,480	249,435	286,626	357,357
Other related capital assets and debt (net)	-	-	14,270	619,950	1,783,048	539,837	-	-	-	(2,678,590)
Unallocated Depreciation	-	-	990,016	1,164,315	1,153,413	1,165,319	1,210,319	1,003,407	1,285,512	1,404,837
Transfers Out to Charter Schools	-	-	-	-	(756,104)	(480,186)	(453,494)	(422,660)	(571,100)	(482,538)
Total Governmental Activities	354,759,278	304,106,092	317,480,708	308,241,010	311,666,328	339,038,893	316,528,926	254,423,022	241,656,157	228,775,780
Business-Type Activities:										
Food Service	8,461,901	8,741,613	2,918,645	4,030,582	4,835,078	4,711,360	4,828,483	4,779,797	4,814,955	4,417,049
Total Business-Type Activities	8,461,901	8,741,613	2,918,645	4,030,582	4,835,078	4,711,360	4,828,483	4,779,797	4,814,955	4,417,049
Total District Expenses	\$ 363,221,179	\$ 312,847,705	\$ 320,399,353	\$ 312,271,592	\$ 316,501,406	\$ 343,750,254	\$ 321,357,409	\$ 259,202,820	\$ 246,471,112	\$ 233,192,828
Program Revenues:										
Charges for Services	-	-	-	-	-	-	-	-	-	-
Instruction (Tuition)	-	-	9,602,658	-	-	-	-	-	-	-
Unallocated Benefits	-	-	62,826,955	57,911,976	67,904,519	100,800,533	81,385,438	26,731,872	22,606,846	19,555,148
Operating Grants & Contributions	93,873,857	49,533,421	-	-	266,778	239,430	239,886	235,206	254,852	257,511
Interest on Long-Term Debt	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	93,873,857	50,883,613	72,429,613	58,178,754	68,171,297	101,039,963	81,625,324	26,967,078	22,861,698	19,812,659
Business-Type Activities:										
Charges for Services:										
Food Service	2,899,258	508,667	84,280	1,952,270	2,942,264	2,612,130	2,509,724	2,594,457	2,672,971	2,532,414
Operating Grants & Contributions	5,561,049	9,851,603	2,958,650	2,407,580	2,448,836	2,304,766	2,337,861	2,288,325	2,251,239	2,105,405
Total Business-Type Activities	8,460,307	10,360,270	3,042,930	4,359,850	5,391,101	4,916,896	4,847,585	4,882,782	4,924,210	4,637,818
Program Revenues	8,460,307	10,360,270	3,042,930	4,359,850	5,391,101	4,916,896	4,847,585	4,882,782	4,924,210	4,637,818
Total District Program Revenues	\$ 102,334,164	\$ 61,243,883	\$ 75,472,543	\$ 62,538,604	\$ 73,562,398	\$ 105,956,859	\$ 86,472,909	\$ 31,849,860	\$ 27,785,908	\$ 24,450,477
Net (Expense)/Revenue:										
Governmental Activities	\$ (260,885,421)	\$ (253,222,479)	\$ (245,051,095)	\$ (250,062,256)	\$ (243,495,031)	\$ (237,998,930)	\$ (234,903,602)	\$ (227,455,945)	\$ (218,794,459)	\$ (208,963,121)
Business-Type Activities	(1,594)	1,618,657	124,285	329,268	556,023	205,536	19,101	102,985	109,254	220,770
Total District-Wide Net Expense	\$ (260,887,015)	\$ (251,603,822)	\$ (244,926,810)	\$ (249,732,988)	\$ (242,939,008)	\$ (237,793,394)	\$ (234,884,500)	\$ (227,352,960)	\$ (218,685,204)	\$ (208,742,351)

TOWNSHIP OF EDISON SCHOOL DISTRICT
 CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
 LAST TEN FISCAL YEARS
Unaudited

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 235,013,168	\$ 234,538,072	\$ 234,538,072	\$ 223,780,133	\$ 221,404,709	\$ 210,979,513	\$ 208,422,141	\$ 202,733,373	\$ 192,344,442	\$ 188,618,861
Taxes Levied for Debt Service	518,750	500,000	475,096	920,609	1,020,612	1,609,314	1,581,038	1,633,488	1,652,756	1,572,148
Unrestricted Grants and Contributions	51,602,135	43,287,956	30,381,887	27,005,051	25,768,626	19,117,380	17,959,653	17,272,473	17,934,322	16,669,027
Restricted Grants and Contributions	318,552	-	-	6,241,191	6,900,421	6,723,469	6,189,095	6,006,674	5,930,738	5,862,205
Tuition Received	-	-	304,115	377,421	315,723	326,726	428,771	410,151	679,042	1,131,055
Fire Recovery	-	-	-	-	-	-	-	10,903,978	8,310,723	4,385,300
Refunding Bonds Net Proceeds	-	-	-	-	-	-	-	-	-	54,500
Miscellaneous Income	5,281,207	3,622,396	2,007,283	2,267,601	2,768,237	1,982,038	2,223,361	2,150,459	2,173,012	2,009,746
Special Item(s) - Charges and Adjustments - Net	-	-	(300,727)	(729,214)	182,663	-	(3,444,783)	(999,880)	-	118,531
Total Governmental Activities	292,733,792	281,948,352	267,405,726	259,862,792	258,360,991	240,738,439	233,359,277	240,110,715	229,025,034	220,421,172
Business-Type Activities:										
Miscellaneous Income	-	-	-	-	-	-	-	-	-	2,345
Total Business-Type Activities	-	-	-	-	-	-	-	-	-	2,345
Total District-Wide	\$ 292,733,792	\$ 281,948,352	\$ 267,405,726	\$ 259,862,792	\$ 258,360,991	\$ 240,738,439	\$ 233,359,277	\$ 240,110,715	\$ 229,025,034	\$ 220,423,516
Change in Net Position:										
Governmental Activities	\$ 31,848,371	\$ 28,725,873	\$ 22,354,631	\$ 9,800,556	\$ 14,865,960	\$ 2,739,509	\$ (1,544,324)	\$ 12,654,770	\$ 10,230,575	\$ 11,458,051
Business-Type Activities	(1,594)	1,618,657	124,285	329,268	556,023	205,536	19,101	102,985	109,254	223,114
Total District	\$ 31,846,777	\$ 30,344,530	\$ 22,478,916	\$ 10,129,804	\$ 15,421,983	\$ 2,945,045	\$ (1,525,223)	\$ 12,757,755	\$ 10,339,830	\$ 11,681,165

Source: ACFR Schedule A-2

TOWNSHIP OF EDISON SCHOOL DISTRICT
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
 Unaudited

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Restricted	\$ 55,970,100	\$ 32,932,292	\$ 39,960,515	\$ 26,902,339	\$ 22,132,965	\$ 10,241,349	\$ 7,363,987	\$ 5,817,000	\$ 10,579,611	\$ 9,276,614
Unassigned	2,526,466	10,751,164	11,237,651	5,644,869	4,113,587	3,200,856	2,683,381	2,398,736	4,526,526	4,934,734
Assigned	15,912,499	5,432,457	-	-	-	-	-	-	-	-
Total General Fund	74,409,065	49,115,913	51,198,166	32,547,208	26,246,552	13,442,206	10,047,368	8,215,736	15,106,138	14,211,348
All Other Governmental Funds:										
Restricted	\$ 1,565,629	\$ 1,602,172	\$ 961,528	\$ 1,079,324	\$ 375,708	\$ 390,109	\$ 9,346,967	\$ 1,873,271	\$ 5,427,103	\$ (386,860)
Unrestricted, Reported in:										
Debt Service Fund	-	-	(72,403)	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 1,574,379	\$ 1,602,172	\$ 889,125	\$ 1,079,324	\$ 375,708	\$ 390,109	\$ 9,346,967	\$ 1,873,271	\$ 5,427,103	\$ (386,860)

Source: ACFR Schedule B-1

TOWNSHIP OF EDISON SCHOOL DISTRICT
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
 Unaudited

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Tax Levy	\$ 235,531,918	\$ 235,038,000	\$ 235,013,168	\$ 224,700,742	\$ 222,425,321	\$ 212,588,827	\$ 210,003,179	\$ 204,366,861	\$ 193,997,198	\$ 190,191,009
Tuition Charges	318,532	230,641	304,115	377,421	315,723	326,726	428,771	410,151	679,042	1,131,055
Transportation Fees	1,073,800	1,099,551	113,172	770,050	1,337,950	1,040,637	1,297,471	1,167,520	1,011,345	1,013,869
Miscellaneous	4,305,221	3,907,951	1,264,101	1,432,931	1,359,575	860,954	863,255	895,880	1,013,869	998,401
Financing Sources	-	-	-	-	-	-	5,000,000	-	-	-
Local Sources	-	-	630,010	64,621	70,712	80,446	62,636	87,059	72,458	88,970
State Sources	119,370,451	105,440,117	82,340,773	69,326,179	66,815,110	55,034,372	48,971,310	44,892,036	41,369,159	37,250,007
Federal Sources	7,190,806	11,301,499	8,783,587	5,294,714	5,975,174	5,937,536	5,564,103	5,354,188	5,357,599	5,108,036
Total Revenues	367,790,728	357,037,759	328,448,926	301,966,658	298,299,565	275,869,499	272,190,726	257,173,695	243,576,010	235,778,824
Expenditures										
Instruction:										
Regular Instruction	99,387,182	100,917,761	98,221,709	90,116,989	88,019,812	86,067,824	83,096,228	81,052,274	80,781,441	77,295,794
Special Education Instruction	19,565,466	20,649,761	21,340,533	21,243,839	21,065,750	20,508,656	20,059,605	19,842,956	19,316,496	21,357,288
Other Special Instruction	-	-	1,516,973	1,330,839	1,210,686	1,200,052	906,479	930,588	1,011,309	1,280,357
Other Instruction	3,957,102	3,638,851	2,335,017	2,185,477	2,196,501	2,148,738	2,122,360	2,039,350	1,949,085	1,827,688
Support Services:										
Tuition	11,836,453	10,020,163	10,534,568	11,487,581	11,626,621	11,412,604	11,332,821	11,143,730	10,347,435	11,097,935
Attendance & Social Work Services	282,941	269,111	-	-	-	-	-	-	-	-
Health Services	2,330,486	2,403,169	-	-	-	-	-	-	-	-
Student & Instruction Related Services	30,714,932	27,662,224	29,497,016	28,436,453	28,448,055	27,032,395	27,057,751	25,958,443	25,637,598	24,154,306
School Administrative Services	10,206,503	9,529,749	9,096,330	8,899,424	8,056,964	7,277,622	7,291,271	7,118,576	6,785,658	6,596,004
Other Administrative Services	3,994,145	3,633,372	8,296,068	7,485,252	7,346,041	6,800,169	6,004,082	6,025,237	6,798,706	6,348,868
Central Services	1,670,289	1,437,366	-	-	-	-	-	-	-	-
Administration Information	2,367,284	2,453,061	-	-	-	-	-	-	-	-
Technology Services	18,831,333	17,314,183	19,329,462	19,910,646	17,487,273	17,486,575	17,002,638	17,345,265	16,550,505	16,413,203
Plant Operations & Maintenance	19,187,290	18,036,697	12,196,544	15,067,180	16,267,147	13,438,666	12,459,613	11,768,590	10,836,391	10,083,828
Pupil Transportation	109,726,743	111,584,879	90,497,866	78,336,992	74,686,854	70,738,152	63,701,878	58,036,598	52,875,108	49,454,050
Unallocated Benefits	393,107	464,693	314,668	339,924	348,439	275,713	333,170	299,703	332,925	343,070
Special Schools	895,516	953,583	-	-	-	-	-	-	-	-
Transfer to Charter Schools	13,047,011	25,807,474	11,695,376	9,264,328	15,064,099	15,205,832	10,490,492	38,739,269	10,643,808	10,745,385
Capital Outlay	500,000	500,000	500,000	1,000,000	1,110,000	1,685,000	1,635,000	1,605,000	1,580,082	1,490,000
Debt Service:	112,117	130,867	47,500	71,175	104,988	163,744	215,613	263,694	297,838	421,228
Principal	-	-	-	-	-	-	-	-	-	-
Interest & Other Charges	-	-	-	-	-	-	-	-	-	-
Cost of Issuance	-	-	-	-	-	-	-	-	-	54,500
Total Expenditures	349,005,900	357,406,964	315,419,630	295,176,069	293,039,229	281,441,743	263,709,003	282,169,273	245,744,384	238,963,505
Other Financing Sources/(Uses):										
Refunding Bonds Proceeds	-	-	-	-	-	-	-	-	-	2,585,000
Refunding Bonds Premium	-	-	-	-	-	-	-	-	-	83,163
Payment to Bond Escrow Agent	-	-	-	-	-	-	-	-	-	(2,613,663)
Insurance - Fire Recovery	-	-	-	-	-	-	-	10,903,978	8,310,723	4,385,300
Capital Leases (Non-budgeted)	-	-	5,114,761	217,309	6,422,141	490,410	1,277,099	4,070,026	1,137,505	353,629
Transfer In/(Out) - Workers Compensation	-	-	-	-	1,392,033	(102,920)	-	-	-	-
Prior Year Accounts Receivable/Payables Adjusted - Net	-	-	-	(729,214)	(9,300)	-	-	-	-	118,331
Prior Year State Aid Exp. Adjustment	-	-	-	-	-	-	-	-	-	-
Transfers In	-	72,403	(683,298)	(756,104)	(467,228)	(377,266)	(453,494)	(422,660)	(571,100)	(482,538)
Transfers Out	-	(72,403)	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	4,431,463	(1,268,009)	7,529,610	10,224	823,605	14,551,344	8,877,127	4,429,223
Net Change in Fund Balances	\$ 18,784,828	\$ (369,205)	\$ 17,460,759	\$ 5,522,580	\$ 12,789,945	\$ (5,562,020)	\$ 9,305,528	\$ (10,444,234)	\$ 6,708,753	\$ 1,244,542
Debt Service as a Percentage of Noncapital Expenditures	0.18%	0.18%	0.17%	0.36%	0.42%	0.66%	0.71%	0.67%	0.77%	0.81%

Source: ACFR Schedule B-2

**TOWNSHIP OF EDISON SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

Unaudited

FISCAL YEAR ENDING JUNE 30,	REFUND OF PRIOR YEAR EXPENDITURES	RENTALS	TUITION	INTEREST ON INVESTMENTS	TRANSPORTATION FEES	MISCELLANEOUS	TOTAL
2023	\$ 1,174,767	\$ 56,305	\$ 318,532	\$ 1,004,369	\$ 1,073,800	\$ 26,388	\$ 3,654,161
2022	1,334,131	-	250,641	350,682	1,099,550	-	3,035,004
2021	-	-	304,115	20,177	-	1,357,096	1,681,388
2020	-	-	377,421	436,689	-	1,766,291	2,580,401
2019	-	-	315,723	534,257	-	825,318	1,675,298
2018	-	-	326,726	266,491	-	774,861	1,368,078
2017	-	-	428,771	122,038	-	764,291	1,315,100
2016	-	-	410,151	97,143	-	798,737	1,306,031
2015	-	-	679,042	72,557	-	594,227	1,345,826
2014	-	-	1,131,055	66,030	-	932,371	2,129,456

Source: District Records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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TOWNSHIP OF EDISON SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
Unaudited

Year Ending December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment
2014	130,070,200	4,492,524,800	21,500	-	1,076,715,300	904,392,300	385,687,000
2015	127,961,100	4,495,846,500	21,500	-	1,079,794,800	934,318,300	385,687,000
2016	123,956,600	4,505,085,800	21,500	-	1,066,092,500	941,348,900	423,345,800
2017	118,113,900	4,514,156,800	21,500	-	1,049,012,000	960,164,300	421,038,400
2018	110,765,600	4,537,471,500	21,500	-	1,037,523,300	985,777,300	421,098,400
2019	112,334,500	4,555,103,000	14,600	-	1,050,210,000	1,001,824,600	421,062,100
2020	117,169,300	4,576,640,200	14,600	-	1,055,954,300	1,015,239,200	423,752,100
2021	119,748,350	4,600,896,200	9,700	-	1,054,359,700	1,021,513,000	461,956,800
2022	130,153,700	4,605,065,900	13,000	-	1,049,489,700	1,021,960,800	469,101,500
2023	104,283,500	4,623,239,800	13,600	-	1,084,712,800	1,064,653,000	469,293,900

	Total Assessed Value	Less: Tax - Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
R \$	6,989,411,100	\$ 802,582,800	\$ 8,475,734	\$ 6,997,886,834	\$ 7,800,469,634	2.668
2015	7,023,629,200	804,283,500	6,974,696	6,226,320,396	7,030,603,896	2.733
2016	7,059,851,100	804,265,100	6,934,622	6,262,520,622	7,066,785,722	2.820
2017	7,062,506,900	804,137,500	6,439,352	6,264,808,752	7,068,946,252	2.932
2018	7,092,657,600	807,916,600	6,341,083	6,291,082,083	7,098,998,683	2.978
2019	7,140,548,800	810,168,100	6,286,427	6,336,667,127	7,146,835,227	3.045
2020	7,188,769,700	821,986,200	6,056,065	6,372,839,565	7,194,825,765	3.108
2021	7,258,483,750	817,750,000	-	6,440,733,750	7,258,483,750	3.166
2022	7,275,784,600	951,863,000	-	6,323,921,600	7,275,784,600	3.228
2023	7,346,196,900	984,894,500	5,762,100	6,367,064,500	7,275,799,540	3.228

a Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation.
b Reassessment (R) occurs when the County Board of Taxation requests Treasury to order a reassessment.

R Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
N/A Tax rates are per \$100

Reassessment of property values
At the time of CAFR Completion, this data was not yet available

**TOWNSHIP OF EDISON SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$100 OF ASSESSED VALUE)**

Unaudited

Year Ending December 31,	School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct School Tax Rate	Township of Edison	Middlesex County		
2014	2.625	0.043	2.668	1.126	0.687		4.481
2015	2.695	0.038	2.733	1.205	0.788		4.726
2016	2.787	0.033	2.820	1.235	0.809		4.864
2017	2.906	0.026	2.932	1.269	0.855		5.056
2018	2.957	0.021	2.978	1.288	0.890		5.156
2019	3.029	0.016	3.045	1.306	0.921		5.272
2020	3.103	0.005	3.108	1.360	0.940		5.408
2021	3.161	0.005	3.166	1.431	1.032		5.629
2022	3.223	0.005	3.228	1.470	0.985		5.683
2023	3.184	0.007	3.191	1.441	0.895		5.703

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

Note: N.J.S.A. 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy, when added to other components of the District's net budget, may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable.

Rates for debt service are based on each year's requirements.

At the time of ACFR Completion, this data was not yet available

a

b

N/A

**TOWNSHIP OF EDISON SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**
Unaudited

	2023			2014		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Taxpayer 1		1			1	
Taxpayer 2		2			2	
Taxpayer 3		3			3	
Taxpayer 4		4			4	
Taxpayer 5		5			5	
Taxpayer 6		6			6	
Taxpayer 7		7			7	
Taxpayer 8		8			8	
Taxpayer 9		9			9	
Taxpayer 10		10			10	
Total	\$ -			\$ -		

DATA NOT AVAILABLE

Source: Municipal Tax Assessor

**TOWNSHIP OF EDISON SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
*Unaudited***

Year Ended December 31,	Taxes Levied for the Fiscal Year	Collector Within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 188,235,708	\$ 188,235,708	100%	-
2015	190,191,009	190,191,009	100%	-
2016	193,997,198	192,094,103	99.02%	1,903,095
2017	204,366,861	204,366,861	100%	-
2018	210,003,178	210,003,178	100%	-
2019	212,588,827	212,588,827	100%	-
2020	222,425,321	222,425,321	100%	-
2021	224,700,742	224,700,742	100%	-
2022	234,538,072	234,538,072	100%	-
2023	235,013,168	235,013,168	100%	-

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

- a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

DEBT CAPACITY INFORMATION

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

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TOWNSHIP OF EDISON SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
Unaudited

Fiscal Year Ending June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	Type II General Obligation Bonds ^b	Lease Purchase Agreements	Capital Leases			
2014	\$ 8,100,000	\$ 10,806,000	\$ 154,843	\$ 19,060,843	N/A	\$ 375
2015	7,230,000	9,036,000	366,531	16,632,531	N/A	319
2016	6,320,000	7,195,000	1,156,502	14,671,502	0.47%	271
2017	5,385,000	4,930,000	4,428,647	14,743,647	N/A	263
2018	4,440,000	7,580,000	4,375,922	16,395,922	N/A	396
2019	3,480,000	3,459,077	3,286,806	10,225,883	N/A	239
2020	2,500,000	-	1,746,999	4,246,999	N/A	N/A
2021	1,500,000	-	2,630,926	4,130,926	N/A	N/A
2022	1,000,000	-	1,746,999	2,746,999	N/A	N/A
2023	515,000	-	2,490,756	3,005,756	N/A	N/A

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan ("ERIP") refunding

N/A At the time of CAFR completion, data was not yet available

TOWNSHIP OF EDISON SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
Unaudited

Fiscal Year <u>Ending June 30.</u>	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of <u>Property</u>	Per <u>Capita</u> ^b
	Type II General Obligation <u>Bonds</u>	<u>Deductions</u>	Net General Bonded Debt <u>Outstanding</u>		
2014	\$ 8,100,000	\$ -	\$ 8,100,000	0.12%	\$ 160
2015	7,255,000	-	7,255,000	0.12%	139
2016	6,320,000	-	6,320,000	0.10%	117
2017	5,385,000	-	5,385,000	0.09%	96
2018	4,440,000	-	4,440,000	0.07%	107
2019	3,480,000	-	3,480,000	0.05%	81
2020	2,500,000	-	2,500,000	0.04%	N/A
2021	1,500,000	-	1,500,000	0.02%	N/A
2022	1,000,000	-	1,000,000	0.02%	N/A
2023	515,000	-	515,000	0.02%	N/A

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

**TOWNSHIP OF EDISON SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023
*Unaudited***

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Township of Edison	-	100.00%	\$ -
Middlesex County General Obligation Debt:			
Township of Edison	-	-	-
Subtotal, Overlapping Debt			-
Edison Township School District Direct Debt			515,000
Total Direct and Overlapping Debt			\$ 515,000

Sources: 2023 Annual Debt Statement of Township of Edison, Edison Township Finance Office, 2022 Annual Debt Statement of the County of Middlesex.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Edison Township. This process recognized that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

N/A At the time of ACFR Completion, this data was not yet available

TOWNSHIP OF EDISON SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
Unaudited

	<u>Edison Township</u>				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Legal Debt Margin Calculation for Fiscal Year 2023					
Equalized Valuation Basis					
2022	\$ 19,266,897,129				
2021	18,027,033,665				
2020	18,977,744,720				
(A)	<u>\$ 56,271,675,514</u>				
(A/3)	\$ 18,757,225,171				
Average Equalized Valuation of Taxable Property					
Debt Limit (3% of Average Equalization Value) a	562,716,755				
Total Net Debt Applicable To Limit	<u>515,000</u>				
Legal Debt Margin	<u>\$ 562,201,755</u>				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt Limit	\$ 595,132,099	\$ 572,536,174	\$ 568,837,499	\$ 403,038,459	\$ 614,096,880
Total Net Debt Applicable To Limit	8,100,000	7,230,000	6,320,000	5,385,000	4,440,000
Legal Debt Margin	<u>\$ 587,032,099.00</u>	<u>\$ 565,306,174.00</u>	<u>\$ 562,517,499.00</u>	<u>\$ 397,653,459.00</u>	<u>\$ 609,656,880.00</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.36%	1.26%	1.11%	1.34%	0.72%
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt Limit	\$ 638,615,522	\$ 450,285,423	\$ 703,322,020	\$ 724,904,257	\$ 7,380,897,129
Total Net Debt Applicable To Limit	3,480,000	2,500,000	1,500,000	1,000,000	515,000
Legal Debt Margin	<u>\$ 635,135,522</u>	<u>\$ 447,785,423</u>	<u>\$ 701,822,020</u>	<u>\$ 723,904,257</u>	<u>\$ 7,380,382,129</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.54%	0.56%	0.21%	0.14%	0.01%

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

a Limit set by N.J.S.A. 18A:24-19 for a 9 through 12 District; other percentage limits would be applicable for other District types.

DEMOGRAPHIC AND ECONOMIC STATISTICS

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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**TOWNSHIP OF EDISON SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
*Unaudited***

0.00

Year	Population ^a	Personal Income	Per Capita Personal Income ^c	Unemployment Rate ^d
2014	100,921	\$ 5,124,465,617	\$ 50,777	8.20%
2015	101,054	5,261,982,834	52,071	6.80%
2016	100,948	5,460,983,956	54,097	5.80%
2017	100,631	5,633,323,380	55,980	5.00%
2018	100,605	4,169,171,805	41,441	4.60%
2019	100,287	4,299,203,403	42,869	4.10%
2020	99,758	N/A	N/A	3.60%
2021	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A
2023	107,588	5,843,565,819	50,579	3.80%

Source:

a Population information provided by US Bureau of Census, Population Division - Estimates

b Personal income has been estimated based upon the municipal population and per capita personal income presented.

c Per Capita Data represents County of Middlesex available through 2018

d Unemployment data provided by the NJ Dept of Labor and Workforce Development

N/A - At the time of ACFR completion, data was not yet available

**TOWNSHIP OF EDISON SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO
*Unaudited***

<u>Employer</u>	2023			2014		
	<u>Employees</u>	Rank (Optional)	Percentage of Total Municipal Employment	<u>Employees</u>	Rank (Optional)	Percentage of Total Municipal Employment
		1			1	
		2			2	
		3			3	
		4			4	
		5			5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
			DATA NOT AVAILABLE			
Total	-		-			-

Source: _____

OPERATING INFORMATION

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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TOWNSHIP OF EDISON SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
Unaudited

Function/Program	FISCAL YEAR ENDING JUNE 30,									
	2014	2015	2016	2017	2018	2019	2020	2022	2022	2023
Instruction:										
Teachers	888	890	918	921	921	926	946	965	969	969
Special Education	224	225	214	213	211	213	219	219	215	221
Other Special Education	28	28	27	26	25	24	24	24	26	30
Classroom Aides	138	138	147	145	146	150	153	158	158	152
Other Instruction	14	14	11	11	14	14	16	17	15	13
Support Services:										
Student and Instruction Related Services	166	167	167	172	176	178	181	182	191	185
General Administration Services	10	10	10	9	9	9	9	11	11	10
School Administrative Services	80	80	83	85	85	84	93	93	94	96
Other Administrative Services	18	17	17	16	16	17	19	19	19	18
Administrative Information Technology	10	11	12	15	15	13	13	14	15	15
Plant Operations and Maintenance	138	143	140	142	141	141	157	177	180	178
Pupil Transportation	43	44	52	52	52	46	42	46	46	48
Other Support Services	2	2	2	2	2	2	2	2	2	2
Total	1,759	1,769	1,800	1,809	1,813	1,817	1,874	1,927	1,941	1,937

Source: District Personnel Records

**TOWNSHIP OF EDISON SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**
Unaudited

School Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary School	Middle School	High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^d	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
2014	14,475	\$ 226,760,365	\$ 15,666	7.28%	1,154	24:1	26:1	26:1	13,844.0	14,367.0	1.06%	96.36%
2013	14,878	226,252,392	15,207	1.18%	1,157	25:1	26:1	26:1	13,984.0	14,497.0	0.90%	96.46%
2016	15,168	258,266,112	17,027	8.69%	1,170	25:1	26:1	26:1	14,162.0	14,697.0	1.38%	96.36%
2017	15,479	241,561,310	15,606	2.62%	1,171	26:1	26:1	27:1	14,553.0	15,096.0	2.71%	96.40%
2018	15,550	251,367,899	16,165	-5.06%	1,171	27:1	26:1	27:1	14,941.0	15,532.0	2.89%	96.19%
2019	16,152	264,387,167	16,369	4.89%	1,177	27:1	27:1	28:1	15,415.0	16,081.0	3.53%	95.86%
2020	16,475	276,760,143	16,799	3.92%	1,205	27:1	28:1	29:1	15,695.0	16,344.0	1.64%	96.03%
2021	16,687	285,584,049	17,114	4.55%	1,225	27:1	29:1	29:1	16,022.0	16,490.0	0.89%	97.16%
2022	16,893	259,396,062	15,355	-8.59%	1,333	27:1	29:1	29:1	15,948.0	16,333.0	-0.95%	97.64%
2023	17,010	293,015,158	13,355	-15.00%	1,341	26:1	28:1	28:1	16,645.0	15,701.0	1.23%	97.80%

Note: Enrollment based on annual October District count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

TOWNSHIP OF EDISON SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS
Unaudited

District/Building	FISCAL YEAR ENDING JUNE 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Elementary Schools:										
Benjamin Franklin (1960, 1965, 1990, 2003)										
Square Feet	52,696	52,696	52,696	52,696	52,696	52,696	52,696	52,696	52,696	52,696
Capacity (Students)	580	580	580	580	580	580	580	580	580	580
Enrollment	598	609	606	632	592	618	592	576	601	601
Early Learning Center (2004)										
Square Feet	7,297	7,297	7,297	7,297	7,297	7,297	7,297	7,297	7,297	7,297
Capacity (Students)	100	100	100	100	100	100	100	100	100	100
Enrollment	91	75	95	95	97	99	103	98	67	67
Franklin D. Roosevelt (1968)										
Square Feet	17,712	17,712	17,712	17,712	17,712	17,712	17,712	17,712	17,712	17,712
Capacity (Students)	150	150	150	150	150	150	150	150	150	150
Enrollment	103	114	130	133	163	160	136	193	144	144
James Madison Intermediate (1959, 1968)										
Square Feet	42,768	42,768	42,768	42,768	42,768	42,768	42,768	42,768	42,768	42,768
Capacity (Students)	540	540	540	540	540	540	540	540	540	540
Enrollment	605	643	596	621	636	685	687	674	647	647
James Madison Primary (1971, 1998, 2003)										
Square Feet	46,294	46,294	46,294	46,294	46,294	46,294	46,294	46,294	46,294	46,294
Capacity (Students)	600	600	600	600	600	600	600	600	600	600
Enrollment	522	516	581	581	568	620	557	540	489	489
James Monroe (2017)										
Square Feet	41,100	41,100	92,560	92,560	67,775	67,775	67,775	67,775	67,775	67,775
Capacity (Students)	400	400	850	850	675	675	675	675	675	675
Enrollment	468	481	438	445	474	502	512	517	531	531
John Marshall (1961, 1990, 2003, 2007)										
Square Feet	62,517	62,517	62,517	62,517	62,517	62,517	62,517	62,517	62,517	62,517
Capacity (Students)	690	690	690	690	690	690	690	690	690	690
Enrollment	602	577	613	705	783	811	813	800	746	746

TOWNSHIP OF EDISON SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS
Unaudited

	FISCAL YEAR ENDING JUNE 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Lincoln (1951, 1956, 1962, 1972, 2003)										
Square Feet	55,315	55,315	55,315	55,315	55,315	55,315	55,315	55,315	55,315	55,315
Capacity (Students)	680	680	680	680	680	680	680	680	680	680
Enrollment	701	720	703	741	758	822	898	895	921	921
Lindeneau (1966, 1968, 2000, 2003, 2004)										
Square Feet	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219
Capacity (Students)	450	450	450	450	450	450	450	450	450	450
Enrollment	447	446	418	442	443	468	437	442	455	455
Martin Luther King (1970, 1991, 2000)										
Square Feet	54,136	54,136	54,136	54,136	54,136	54,136	54,136	54,136	54,136	54,136
Capacity (Students)	620	620	620	620	620	620	620	620	620	620
Enrollment	586	609	640	666	704	707	698	682	699	699
Menlo Park (1962, 1965, 1991, 2003, 2016)										
Square Feet	54,601	54,601	54,601	54,601	73,836	73,836	73,836	73,836	73,836	73,836
Capacity (Students)	720	720	720	720	920	920	920	920	920	920
Enrollment	800	832	819	848	878	877	864	866	849	849
Washington (1952, 1958, 1972, 2003)										
Square Feet	56,410	56,410	56,410	56,410	56,410	56,410	56,410	56,410	56,410	56,410
Capacity (Students)	680	680	680	680	680	680	680	680	680	680
Enrollment	574	566	599	580	602	610	583	605	588	588
Woodbrook (1965, 1969, 2000, 2003, 2017)										
Square Feet	57,204	57,204	57,204	57,204	57,204	85,954	85,954	85,954	85,954	85,954
Capacity (Students)	700	700	700	700	700	1,020	1,020	1,020	1,020	1,020
Enrollment	915	921	1,004	974	999	981	973	968	989	989
Middle Schools:										
Herbert Hoover (1967, 2000, 2007)										
Square Feet	132,625	132,625	132,625	132,625	132,625	132,625	132,625	132,625	132,625	132,625
Capacity (Students)	980	980	980	980	980	980	980	980	980	980
Enrollment	824	834	931	817	808	818	924	947	974	974
John Adams (1960, 2003)										
Square Feet	95,740	95,740	95,740	95,740	95,740	95,740	95,740	95,740	95,740	95,740
Capacity (Students)	920	920	920	920	920	920	920	920	920	920
Enrollment	843	833	887	913	953	969	959	972	988	988
Thomas Jefferson (1959, 1968, 2003)										
Square Feet	80,366	80,366	80,366	80,366	80,366	80,366	80,366	80,366	80,366	80,366
Capacity (Students)	770	770	770	770	770	770	770	770	770	770
Enrollment	730	692	740	743	744	727	794	818	855	855
Woodrow Wilson (1973, 2000)										
Square Feet	102,781	102,781	102,781	102,781	102,781	102,781	102,781	113,181	113,181	113,181
Capacity (Students)	900	900	900	900	900	900	900	1,150	1,150	1,150
Enrollment	922	977	1,007	1,061	1,138	1,208	1,275	1,275	1,208	1,208

**TOWNSHIP OF EDISON SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
*Unaudited***

	FISCAL YEAR ENDING JUNE 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
High Schools:										
Edison (1954, 1992, 1986, 2000, 2013)										
Square Feet	233,811	250,291	250,291	250,291	250,291	250,291	250,291	250,291	250,291	250,291
Capacity (Students)	1,184	2,024	2,024	2,024	2,024	2,024	2,024	2,024	2,024	2,024
Enrollment	1,960	1,924	1,885	1,932	1,949	1,973	2,018	2,068	2,090	2,090
J.P. Stevens (1962, 1967, 1979, 1990, 2000, 2003, 2010)										
Square Feet	219,582	220,287	220,287	220,287	220,287	220,287	220,287	220,287	220,287	220,287
Capacity (Students)	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160
Enrollment	2,151	2,111	2,173	2,248	2,344	2,495	2,522	2,602	2,653	2,653
Other:										
Education Center (1962)										
Square Feet	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Grounds (1999)										
Square Feet	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000

Number of Schools at June 30, 2022
 Elementary Schools = 13
 Middle Schools = 4
 High Schools = 2
 Other = 2

Source: District Records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October District count.

TOWNSHIP OF EDISON SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES

School Number	School Facilities	FISCAL YEAR ENDING JUNE 30,									
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
100	Lincoln Elementary	\$239,142	\$134,372	\$98,251	\$196,003	\$253,904	\$203,310	\$219,865	\$361,934	\$156,401	\$164,221
150	Washington Elementary	125,934	132,558	101,793	200,719	160,922	156,221	233,951	158,460	158,331	166,248
090	Madison Intermediate	84,049	102,501	192,190	176,118	124,254	78,071	105,016	165,545	127,460	133,833
065	Ben Franklin Elementary	167,569	145,435	132,406	131,092	154,953	145,388	97,977	214,626	165,822	174,113
095	Marshall Elementary	146,644	130,178	165,704	175,462	177,314	213,670	153,593	216,024	131,667	138,250
105	Menlo Park Elementary	153,343	127,875	106,952	171,145	222,693	210,786	154,599	133,381	133,033	139,685
093	Monroe Elementary	106,875	114,622	231,178	104,149	304,866	123,753	114,874	136,867	129,256	135,719
103	Lindeneau Elementary	112,568	104,083	109,552	251,718	189,184	153,619	165,278	90,062	114,441	120,163
160	Woodbrook Elementary	139,952	206,588	117,833	135,786	120,890	240,777	242,211	148,208	243,786	255,975
104	M.L. King Elementary	123,710	106,855	139,503	121,021	117,481	131,292	167,568	117,941	148,804	156,244
092	Madison Primary	97,589	94,892	115,237	181,239	95,172	124,292	70,821	67,406	96,062	100,865
057	Herbert Hoover Middle	225,318	240,650	268,896	320,798	243,692	263,893	204,893	378,181	404,685	424,919
055	John Adams Middle	230,335	196,399	225,450	304,218	248,424	276,674	233,180	407,551	320,929	336,975
060	Thomas Jefferson Middle	230,650	221,590	309,931	231,302	189,107	253,172	233,945	297,289	172,844	181,486
063	Woodrow Wilson Middle	219,479	229,233	252,734	222,897	297,551	241,927	259,073	307,777	511,783	537,372
050	Edison High	300,892	650,316	1,001,872	797,927	732,339	590,343	598,091	858,796	882,207	926,317
053	J.P. Stevens High	580,603	644,393	579,724	856,039	539,938	523,771	460,043	776,191	635,842	667,634
300	Early Learning Center	16,866	20,490	23,135	80,175	31,441	57,333	19,500	37,408	77,649	81,531
302	F.D. Roosevelt	30,140	25,860	24,630	139,539	24,910	30,157	42,999	94,540	69,270	72,734
GRAND TOTAL		\$ 3,331,658	\$ 3,628,890	\$ 4,196,971	\$ 4,797,347	\$ 4,229,035	\$ 4,018,449	\$ 3,777,477	\$ 4,968,187	\$ 4,680,272	\$ 4,914,286

Source: District Records

TOWNSHIP OF EDISON SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
Unaudited

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

Source: District Insurance Records

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SINGLE AUDIT SECTION

Fourth Section

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EXHIBIT K-1

**INDEPENDENT AUDITOR'S 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***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Edison Township School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated February 12, 2024.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding No. 2023-001 to be a significant deficiency.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be a significant deficiency as Finding No. 2023-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

The Township of Edison School District's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2470

Lakewood, New Jersey
February 12, 2024

EXHIBIT K-2

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Edison Township School District's compliance with types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2023. The Edison Township School District'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 Edison Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the 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; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 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 Edison Township School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the School District'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, regulations, rules and provisions of contracts of grant agreements applicable to the Edison Township School District'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 Edison Township School District'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, the Uniform Guidance and New Jersey OMB's Circular 15-08 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey 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 omissions, misrepresentations, or the override of internal control. Noncompliance with compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District'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*, the Uniform Guidance and New Jersey OMB's Circular 15-08, we:

- Exercise professional judgment 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 School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District'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 Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which are required to be reported in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as items Finding No. 2023-001. 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 procedures on the School District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding No. 2023-001 to be a significant deficiency.

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.

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty

Certified Public Accountant

Public School Accountant, No. 2470

Lakewood, New Jersey

February 12, 2024

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TOWNSHIP OF EDISON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM/TITLE OR CLUSTER	ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE 6/30/22	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	UNEARNED REVENUE	BALANCE JUNE 30, 2023	
												(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
U.S. Department of Health and Human Services Passed Through New Jersey Department of Human Services Medical Cluster: FCCRAS/SEMI Total Medicaid Cluster	93-778 93-778	2106NSMAP 2106NSMAP	100-034-5064-2111 100-034-5064-2111	\$ 351,122 26,623	7/1/22-6/30/23 7/1/22-6/30/23	\$ - -	\$ 351,122 377,745	\$(351,122) \$(377,745)	- -	\$ - -	\$ - -	\$ - -	\$ - -
Total U.S. Department of Health and Human Services							\$ 377,745	\$(377,745)	-	-	-	\$ 13,041	\$ -
U.S. Department of Agriculture Passed Through New Jersey Department of Agriculture: Child Nutrition Cluster: Food Distribution Program - Non-Cash Assistance National School Lunch Program National School Breakfast Program National School Breakfast Program National School Breakfast Program SCA Funding (Supply Chain Assistance) SCA Funding (Supply Chain Assistance) Total Child Nutrition Cluster:	10-555 10-555 10-555 10-555 10-555 10-555 10-555	221NF04N1099 221NF04N1099 211NF04N1099 211NF04N1099 211NF04N1099 221NF04N8903 221NF04N8903	Unavailable 100-034-5064-0228 100-034-5064-0228 100-034-5064-0228 100-034-5064-0228 100-034-5064-0228 100-034-5064-0228	561,999 2,479,502 7,008,687 1,570,495 1,570,495 313,399 415,519	7/1/22-6/30/23 7/1/22-6/30/23 7/1/22-6/30/23 7/1/22-6/30/23 7/1/22-6/30/23 10/1/22-9/30/23 10/1/22-9/30/24	12,132 -	561,999 2,025,200 517,908 1,570,495 1,570,495 313,399 415,519	\$(561,999) \$(2,479,502) \$(17,908) -	- -	- -	13,041	- -	-(654,302) -
Total U.S. Department of Agriculture							\$ 3,777,450	\$(3,777,450)	-	-	13,041	\$ -	\$ -
U.S. Department of Education Passed Through New Jersey Department of Education: Title I - Title I Title I - SIA Title I - SIA Title I - SIA Title II, Part A - Teacher/Principal Training Title II, Part A - Teacher/Principal Training Title II, Part A - Teacher/Principal Training Title III - Language Instruction Title III - Language Instruction Title III - Immigrant Title III - Immigrant Title IV, Part A - Student Support and Academic Enrichment Title IV, Part A - Student Support and Academic Enrichment	84-010 84-010 84-010 84-010 84-367A 84-367A 84-367A 84-365 84-365 84-365 84-365 84-424 84-424	S010A220030 S010A210030 S010A220030 S010A210030 S010A20030 S367A210029 S367A210029 S367A200029 S365A210030 S365A210030 S365A210030 S424A220031 S424A210031	100-034-5064-194 100-034-5064-194 100-034-5064-194 100-034-5064-194 100-034-5064-194 100-034-5063-290 100-034-5063-290 100-034-5064-187 100-034-5064-187 100-034-5064-187 100-034-5063-348 100-034-5063-348	1,664,651 1,617,189 51,800 10,000 38,893 311,709 312,822 349,812 136,582 92,631 27,360 213,104 135,489 117,969	7/1/22-6/30/23 7/1/22-6/30/23 7/1/22-6/30/23 7/1/22-6/30/23 7/1/20-6/30/21 7/1/22-6/30/23 7/1/21-6/30/22 7/1/20-6/30/21 7/1/22-6/30/23 7/1/18-6/30/19 7/1/22-6/30/23 7/1/21-6/30/22	- -	747,534 920,329 4,706 11,811 9,829 176,110 96,482 272,792	\$(1,537,903) -	- -	- -	13,041	-(700,369) -	
Total U.S. Department of Education							\$ 3,777,450	\$(3,777,450)	-	-	13,041	\$ -	\$ -
Special Education Cluster: L.D.E.A. Part B, Basic Regular L.D.E.A. Part B, Basic Regular L.D.E.A. Part B, Basic Regular L.D.E.A. Part B, Preschool L.D.E.A. Part B, Preschool L.D.E.A. Part B, Preschool Total Special Education Cluster	84-027X 84-027A 84-027A 84-173 84-173 84-173	H027A20100 H027A20100 H027A20100 H173A20114 H173A20114 H173A180114	100-034-5064-094 100-034-5065-016 100-034-5065-016 100-034-5065-020 100-034-5065-020 100-034-5065-020	830,454 3,875,415 3,825,526 4,187,102 137,657 240,216	7/1/22-9/30/23 7/1/22-6/30/23 7/1/22-6/30/23 7/1/18-6/30/19 7/1/22-6/30/23 7/1/18-6/30/19	651,191	718,271 2,549,395 4,007,355 23,549 37,855 120,590	\$(248,700) \$(3,626,883) -	- -	- -	-	51,129 1,077,488 -	-(51,129) -
Temporary Emergency Impact Aid for Displaced Students	84-938	S938C17005	Not Available	45,375	7/1/17-6/30/18	(45,375)	-	45,375	-	45,375	-	-	-
CARES Act: COVID-19 CARES Emergency Relief Grant	84-425D	S425D220027	100-034-5120-5117	1,222,281	3/13/20-9/30/22	(598)	-	-	-	-	-	(598)	-
Education Stabilization Fund: ARP - ESSER I COVID-19 CARES Act CRMA Health COVID-19 CARES Act CR Learning Acceleration ARP - ESSER III ARP - Accelerated Learning Coach and Educator Support ARP - Evidence Based Summer Learning and Enrichment ARP - Evidence Based Comprehensive Beyond the School Day ARP - Mental Health Support	84-425D 84-425D 84-425D 84-425D 84-425U 84-425U 84-425U 84-425U	S425D220027 S425D220027 S425D220027 S425D220027 S425D220027 S425D220027 S425D220027 S425D220027	100-034-5120-5118 100-034-5120-5118 100-034-5120-5118 100-034-5120-5118 100-034-5120-5118 100-034-5120-5118 100-034-5120-5118 100-034-5120-5118	4,407,650 87,790 280,287 9,815,787 1,449,630 98,833 45,000 339,264	3/13/20-9/30/23 3/13/20-9/30/23 3/13/20-9/30/23 3/13/20-9/30/24 3/13/20-9/30/24 3/13/20-9/30/24 3/13/20-9/30/24 7/1/22-6/30/23	(4,235,108)	777,111 163,478 223,231 402,707	\$(163,471) \$(67,700) -	- -	- -	-	433,752	-(3,621,868) -
Coronavirus Relief Fund (CRF): COVID-19 School Reopening and Remote Learning COVID-19 Nonpublic Technology Initiative	21-019 21-019	N/A N/A	100-034-5120-5117 100-034-5120-5115	832,483 87,612	3/1/20-12/30/20 3/1/20-12/30/20	27,571 147	339,264 27,718	- -	- -	- -	27,571 147	433,752	- -
Total U.S. Department of Education							\$ 11,249,772	\$(13,625,716)	-	-(17,381)	461,470	\$ -	-(13,654,665)
Total Expenditures of Federal Awards							\$ 16,453,927	\$(18,690,576)	-	-(17,381)	474,511	\$ -	-(14,278,314)

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

TOWNSHIP OF EDISON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023

STATE GRANTOR/ PROGRAM TITLE	GRANTOR PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEARS' BALANCES	ADJUSTMENT	UNEARNED REVENUE	MEMO	
											BALANCE, JUNE 30, 2023 (ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
New Jersey Department of Education:												
General Fund:												
State Aid Public:												
Categorical Special Education Aid	495-034-5120-089	\$ 8,719,977	7/1/22-6/30/23	-	\$ -	(8,719,977)	-	\$ -	\$ -	\$ -	\$ -	\$ 8,719,977
Equalization Aid	495-034-5120-078	32,832,597	7/1/22-6/30/23	-	32,832,597	(32,832,597)	-	-	-	-	-	32,832,597
Categorical Security Aid	495-034-5120-084	1,078,233	7/1/22-6/30/23	-	1,078,233	(1,078,233)	-	-	-	-	-	1,078,233
Total State Aid Public												42,630,807
Categorical Transportation Aid	495-034-5120-014	4,964,654	7/1/22-6/30/23	-	4,964,654	(4,964,654)	-	-	-	-	-	4,964,654
Transportation Aid	495-034-5120-024	3,590,192	7/1/22-6/30/23	-	3,590,192	(3,590,192)	-	-	-	-	-	3,590,192
Expendable Aid	495-034-5120-044	3,872,949	7/1/21-6/30/22	(3,872,949)	3,872,949	-	-	-	-	-	-	-
Non-Public Transportation Aid	495-034-5120-078	381,264	7/1/22-6/30/23	-	-	(381,264)	-	-	-	-	-	381,264
Non-Public Transportation Aid	495-034-5094-078	228,230	7/1/21-6/30/22	(228,230)	228,230	-	-	-	-	-	-	-
Homeless Children Aid	495-034-5120-005	488,732	7/1/22-6/30/23	-	-	(488,732)	-	-	-	-	-	488,732
Lead Testing for School Aid	495-034-5120-104	28,600	7/1/22-6/30/23	-	28,600	(28,600)	-	-	-	-	-	28,600
Reimbursed TPAF Social Security Contributions	495-034-5094-003	9,307,804	7/1/22-6/30/23	-	8,840,385	(9,307,804)	-	(467,419)	-	-	-	9,307,804
Reimbursed TPAF Social Security Contributions	495-034-5094-003	9,078,896	7/1/21-6/30/22	(851,080)	451,080	-	-	-	-	-	-	11,910,491
TPAF - Post Retirement Medical (Noncash Assistance)	495-034-5094-001	11,910,491	7/1/22-6/30/23	-	11,910,491	(11,910,491)	-	-	-	-	-	11,910,491
TPAF - Long Term Disability (Noncash Assistance)	495-034-5094-002	45,313,284	7/1/22-6/30/23	-	45,313,284	(45,313,284)	-	-	-	-	-	45,313,284
TPAF - Long Term Disability Insurance (Noncash Assistance)	495-034-5094-004	13,284	7/1/22-6/30/23	-	13,284	(13,284)	-	-	-	-	-	13,284
Total General Fund				(4,552,259)	118,768,385	(118,971,001)	-	(4,754,875)	-	-	4,690,127	118,971,001
Special Revenue Fund:												
Non-Public Aid:												
Textbooks	100-034-5120-064	107,434	7/1/21-6/30/22	8,996	116,952	(116,952)	(8,996)	-	-	-	-	116,952
Non-Public Services	100-034-5120-070	18,863	7/1/22-6/30/23	12,863	18,864	(18,863)	-	-	-	-	-	18,864
Nursing Services	100-034-5120-070	198,464	7/1/22-6/30/23	1,914	198,464	(178,977)	-	-	21,487	-	-	178,977
Technology Initiative	100-034-5120-074	75,180	7/1/21-6/30/22	1,914	74,424	(74,424)	(1,914)	-	-	-	-	74,424
Technology Initiative	100-034-5120-074	74,424	7/1/22-6/30/23	77,413	74,424	(77,413)	-	-	-	-	-	74,424
Security Aid	100-034-5120-509	313,250	7/1/21-6/30/22	77,413	363,260	(363,260)	-	-	-	-	-	363,260
Security Aid	100-034-5120-509	363,260	7/1/22-6/30/23	-	363,260	-	-	-	-	-	-	363,260
Auxiliary Services Aid (Chapter 192):												
Compensatory Education	100-034-5120-067	121,560	7/1/21-6/30/22	11,875	139,550	(139,550)	(11,875)	-	-	-	-	139,550
Compensatory Education	100-034-5120-067	139,550	7/1/22-6/30/23	-	139,550	(139,550)	-	-	-	-	-	139,550
English as Second Language	100-034-5120-067	28,382	7/1/22-6/30/23	-	28,382	(28,382)	-	-	-	-	-	28,382
Transportation	100-034-5120-067	6,151	7/1/22-6/30/23	-	6,151	(6,970)	-	-	-	-	-	6,151
Home Instruction	100-034-5120-067	6,151	7/1/22-6/30/23	-	6,151	(6,970)	-	-	-	-	-	6,151
Handicapped Services (Chapter 193):												
Examination and Classification	100-034-5120-066	123,978	7/1/21-6/30/22	381	130,258	(107,713)	(381)	-	-	-	-	107,713
Examination and Classification	100-034-5120-066	130,258	7/1/22-6/30/23	12,090	142,348	(142,348)	(12,090)	-	-	-	-	142,348
Corrective Speech	100-034-5120-066	48,360	7/1/22-6/30/23	36,270	48,360	(48,360)	-	-	-	-	-	48,360
Corrective Speech	100-034-5120-066	36,270	7/1/22-6/30/23	495	36,765	(36,270)	-	-	-	-	-	36,765
Supplemental Instruction	100-034-5120-066	81,444	7/1/22-6/30/23	495	81,444	(81,195)	(495)	-	-	-	-	81,195
Supplemental Instruction	100-034-5120-066	81,444	7/1/22-6/30/23	-	81,444	-	-	-	-	-	-	81,444
FCCLA Grant	22E00095	158,500	9/1/21-8/31/22	(128,037)	128,037	-	-	-	-	-	-	128,037
FCCLA Grant	22E00095	158,500	9/1/22-8/31/23	-	107,111	(158,500)	-	-	-	-	-	107,111
SDA Emergent Needs Grant	Not Available	393,418	7/1/22-6/30/23	393,418	393,418	(393,418)	-	-	-	-	-	393,418
Climate Change	Not Available	6,660	7/1/22-6/30/23	6,660	6,660	(6,660)	-	-	-	-	-	6,660
FHA/Hero Grant	100-034-5062-032	158,490	7/1/20-6/30/21	(50,109)	50,109	-	-	-	50,109	-	-	50,109
Total Special Revenue Fund				341,299	1,424,981	(1,666,902)	(126,027)	-	50,109	-	74,889	1,666,902
New Jersey Department of Agriculture:												
Enterprise Fund:												
National School Lunch Program	495-010-3350-001	166,251	7/1/21-6/30/22	(11,919)	11,512	-	-	-	407	-	-	-
National School Lunch Program	495-010-3350-001	109,854	7/1/22-6/30/23	-	90,216	(109,854)	-	-	-	-	-	109,854
National School Breakfast Program	495-010-3350-002	70,889	7/1/22-6/30/23	-	57,069	(70,889)	-	-	-	-	-	70,889
Total Enterprise Fund				(11,919)	158,797	(180,743)	-	-	407	-	-	180,743
Total State Financial Assistance				(4,222,879)	120,152,163	(120,818,646)	-	-	50,516	-	4,690,127	120,818,646
State Financial Assistance Programs not Subject to Calculation for Major Program Determination:												
TPAF - Post Retirement	495-034-5094-001	\$ -	7/1/22-6/30/23	-	\$ -	11,910,491	-	-	-	-	-	11,910,491
Medical (Noncash Assistance)	495-034-5094-002	45,339,173	7/1/22-6/30/23	-	45,339,173	(45,339,173)	-	-	-	-	-	45,339,173
Contributions (Noncash Assistance)	495-034-5094-004	13,284	7/1/22-6/30/23	-	13,284	(13,284)	-	-	-	-	-	13,284
Insurance (Noncash Assistance)												
Total State Financial Assistance Subject to Calculation for Major Program Determination												

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Township of Edison School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

TOWNSHIP OF EDISON SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023 (Continued)

Note 3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$1,175,859) for the general fund and (\$6,969,035) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 377,745	\$ 117,795,142	\$ 118,172,887
Special Revenue Fund	6,813,061	1,575,309	8,388,370
Food Service Fund	4,687,115	180,743	4,867,858
Total Awards & Financial Assistance	<u>\$ 11,877,921</u>	<u>\$ 119,551,194</u>	<u>\$ 131,429,115</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Township of Edison School District had no loan balances outstanding at June 30, 2023.

**TOWNSHIP OF EDISON SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

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

2) Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

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

2) Significant deficiency(ies) identified? X yes 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 2 CFR 200 section .516(a) of Uniform Guidance? X yes no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425D/84.425U</u>	<u>S425D210027/S425U210027</u>	<u>Education Stabilization Fund</u>
<u>84.010</u>	<u>S010A220030</u>	<u>Title I- Part A/SIA</u>
<u>84.027A/84.027X/84.173</u>	<u>H027X220100/H027A220100/H 173A220114</u>	<u>Special Education Cluster</u>
<u>10.553/10.555</u>	<u>221NJ304N1099/ 221NJ344N8903</u>	<u>Child Nutrition Cluster</u>

Dollar threshold used to determine Type A programs \$ 750,000

Auditee qualified as low-risk auditee? yes X no

**TOWNSHIP OF EDISON SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results (Continued)

State Financial Assistance

Dollar threshold used to determine Type A programs	\$	1,906,671
Auditee qualified as low-risk auditee?	_____ yes	_____ <u>X</u> no
Internal control over major programs:		
1) Material weakness(es) identified?	_____ yes	_____ <u>X</u> no
2) Significant deficiency(ies) identified?	_____ <u>X</u> yes	_____ 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 New Jersey OMB Circular 15-08?	_____ <u>X</u> yes	_____ no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5120-089	State Aid Public Cluster:
495-034-5120-078	Categorical Special Education Aid
495-034-5120-084	Equalization Aid
	Categorical Security Aid
495-034-5120-044	
495-034-5120-014	Extraordinary Aid
	Categorical Transportation Aid

**TOWNSHIP OF EDISON SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Finding 2023-001*:

Criteria or Specific Requirement:

N.J.A.C. 6A:23A-6.4 requires that the District's internal control policies promote operational efficiency and effectiveness, provide reliable financial information, safeguard assets and records, encourage adherence to prescribed policies and comply with laws and regulations.

Condition

During our audit we noted that the District is not maintaining a complete and accurate general ledger in accordance with accounting principles generally accepted in the United States of America.

Context

Numerous entries were required to bring the District's general ledger into compliance at year-end including cancellation and removal of stale outstanding items from the District's general ledger.

Cause

Lack of oversight over the financial reporting process.

Effect or Potential Effect:

Failure to maintain a complete and accurate general ledger led to inaccurate financial reporting.

Recommendation

That the District implement internal controls to ensure that a complete and accurate general ledger is maintained and financial reports are reviewed regularly for accuracy.

View of Responsible Officials & Planned Corrective Actions

The District will address this finding in the Corrective Action Plan.

**TOWNSHIP OF EDISON SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section III - Federal Awards & State Financial Assistance Findings & 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

Finding 2023-001*

Information on the Federal Programs:

93.778- Medicaid Cluster; 10.553/10.555 - Child Nutrition Cluster; 84.010 - Title I; 84.367A - Title II; 84.365 - Title III; 84.424 - Title IV; 84.027X - COVID ARP IDEA; 84.027A - IDEA Part B; 84.173 - IDEA Pre-K; 84.938 - Temporary Emergency Impact Aid; 84.425D/84.425U - CRRSA/ARP; 21.019 - Corona Virus Relief Fund

Criteria or Specific Requirement:

N.J.A.C. 6A:23A-6.4 requires that the District's internal control policies promote operational efficiency and effectiveness, provide reliable financial information, safeguard assets and records, encourage adherence to prescribed policies and comply with laws and regulations.

Condition

During our audit we noted that the District is not maintaining a complete and accurate general ledger in accordance with accounting principles generally accepted in the United States of America.

Context

Numerous entries were required to bring the District's general ledger into compliance at year-end including cancellation and removal of stale outstanding items from the District's general ledger.

Cause

Lack of oversight over the financial reporting process.

Effect or Potential Effect:

Failure to maintain a complete and accurate general ledger led to inaccurate financial reporting.

Recommendation

That the District implement internal controls to ensure that a complete and accurate general ledger is maintained and financial reports are reviewed regularly for accuracy.

View of Responsible Officials & Planned Corrective Actions

The District will address this finding in the Corrective Action Plan

STATE FINANCIAL ASSISTANCE

Finding 2023-001*

Information on the State Programs

495-034-5120-089 - Categorical Special Education Aid; 495-034-5120-078 - Equalization Aid; 495-034-5120-084 - Categorical Security Aid; 495-034-5120-014 - Categorical Transportation Aid; 495-034-5120-044 - Extraordinary Aid; 495-034-5094-078 - Non-Public Transportation Aid; 495-034-5120-005 - Homeless Children Aid; 495-034-5120-104 - Lead Testing for School Aid

Criteria or Specific Requirement:

N.J.A.C. 6A:23A-6.4 requires that the District's internal control policies promote operational efficiency and effectiveness, provide reliable financial information, safeguard assets and records, encourage adherence to prescribed policies and comply with laws and regulations.

Condition

During our audit we noted that the District is not maintaining a complete and accurate general ledger in accordance with accounting principles generally accepted in the United States of America.

Context

Numerous entries were required to bring the District's general ledger into compliance at year-end including cancellation and removal of stale outstanding items from the District's general ledger.

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View of Responsible Officials & Planned Corrective Actions

The District will address this finding in the Corrective Action Plan

**TOWNSHIP OF EDISON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
YEAR ENDED JUNE 30, 2023**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with Government Auditing Standards, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

Finding 2022-001

Condition

Issue identified with respect to financial transactions' and maintaining a general ledger.

Current Status

This finding has not been corrected and is marked with an asterisk and repeated as Finding 2023-001

Finding 2022-002

Condition

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

Current Status

The finding has been corrected.

Finding 2022-003

Condition

The client could not provide a student listing in relation to their state submitted DRTRS report.

Current Status

The finding has been corrected.

Finding 2022-004

Condition

The client could not provide an up to date appraisal report to properly account for fixed assets.

Current Status

The finding has been corrected.

Finding 2022-005

Condition

The District did not properly break out any encumbrances during the school year. All encumbrances were included within accounts payable.

Current Status

The finding has been corrected.

Finding 2022-006

Condition

The District over-expended certain line items in its budget.

Current Status

The finding has been corrected.

**TOWNSHIP OF EDISON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
YEAR ENDED JUNE 30, 2023**

Federal Awards

Finding 2022-001

Condition

Issue identified with respect to financial transactions' and maintaining a general ledger.

Current Status

This finding has not been corrected and is marked with an asterisk and repeated as Finding 2023-001

State Financial Assistance

Finding 2022-001

Condition

Issue identified with respect to financial transactions' and maintaining a general ledger.

Current Status

This finding has not been corrected and is marked with an asterisk and repeated as Finding 2023-001

Finding 2022-006

Condition

The District over-expended certain line items in its budget.

Current Status

The finding has been corrected.