

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

**River Edge, New Jersey**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**of the**

**River Edge Board of Education**

**River Edge, New Jersey**

**For The Fiscal Year Ended June 30, 2023**

**Prepared by:**

**River Edge Board of Education  
Business Office**

**RIVER EDGE BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**INTRODUCTORY SECTION**

Letter of Transmittal	1
Organizational Chart	6
Roster of Officials	8
Consultants and Advisors	9

**FINANCIAL SECTION**

Independent Auditors' Report	10
------------------------------	----

**REQUIRED SUPPLEMENTARY INFORMATION- PART I**

Management's Discussion and Analysis	14
--------------------------------------	----

**Basic Financial Statements**

**A. District-wide Financial Statements**

A-1	Statement of Net Position	24
A-2	Statement of Activities	25

**B. Fund Financial Statements**

*Governmental Funds*

B-1	Balance Sheet	26
B-2	Statement of Revenues, Expenditures, and Changes in Fund Balances	27
B-3	Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statements	28

*Proprietary Funds*

B-4	Statement of Net Position	29
B-5	Statement of Revenues, Expenses, and Changes in Net Position	30
B-6	Statement of Cash Flows	31

*Fiduciary Funds*

B-7	Statement of Fiduciary Net Position	32
B-8	Statement of Changes in Fiduciary Net Position	33

<b>Notes to the Financial Statements</b>	34
--	----

**RIVER EDGE BOARD OF EDUCATION  
TABLE OF CONTENTS**

	<u>Page</u>
<b>REQUIRED SUPPLEMENTARY INFORMATION - PART II</b>	
<b>C. Budgetary Comparison Schedules</b>	
C-1 Budgetary Comparison Schedule – General Fund	65
C-2 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - Special Revenue Fund	71
<b>NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II</b>	
C-3 Budgetary Comparison Schedule – Note to Required Supplementary Information	72
<b>REQUIRED SUPPLEMENTARY INFORMATION - PART III</b>	
<b>L. Schedules Related to Accounting and Reporting for Pensions and OPEB (GASB 68 and 75)</b>	
L-1 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	73
L-2 Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	74
L-3 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	75
L-4 Notes to Required Supplementary Information – Net Pension Liability	76
L-5 Required Supplementary Information – Schedule of Changes in the District’s Proportionate Share of Total OPEB Liability	77
L-6 Notes to Required Supplementary Information – OPEB Liability	78
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
<b>D. School Level Schedules – Not Applicable</b>	
<b>E. Special Revenue Fund</b>	
E-1 Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	79
E-2 Schedule of Receipts and Disbursements	81
<b>F. Capital Projects Fund – Not Applicable</b>	
<b>G. Proprietary Funds</b>	
<i>Enterprise Fund</i>	
G-1 Combining Statement of Net Position	82
G-2 Combining Statement of Revenues, Expenses and Changes in Net Position	83
G-3 Combining Statement of Cash Flows	84

**RIVER EDGE BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**H. Fiduciary Funds – Not Applicable**

**I. Long-Term Debt**

I-1	Schedule of Serial Bonds	85
I-2	Debt Service Fund Budgetary Comparison Schedule	86

**J. STATISTICAL SECTION (Unaudited)**

*Financial Trends:*

J-1	Net Position by Component	87
J-2	Changes in Net Position	88
J-3	Fund Balances – Governmental Funds	89
J-4	Changes in Fund Balances - Governmental Funds	90
J-5	General Fund Other Local Revenue by Source	91

*Revenue Capacity:*

J-6	Assessed Value and Actual Value of Taxable Property	92
J-7	Property Tax Rates - Direct and Overlapping Governments	93
J-8	Principal Property Taxpayers	94
J-9	Property Tax Levies and Collections	95

*Debt Capacity:*

J-10	Ratios of Outstanding Debt by Type	96
J-11	Ratios of Net General Bonded Debt Outstanding	97
J-12	Computation of Direct and Overlapping Outstanding Bonded Debt	98
J-13	Legal Debt Margin Information	99

*Demographic and Economic Statistics:*

J-14	Demographic Statistics	100
J-15	Principal Employers	101

*Operating Information:*

J-16	Full-Time Equivalent District Employees by Function/Program	102
J-17	Operating Statistics	103
J-18	School Building Information	104
J-19	Schedule of Required Maintenance for School Facilities	105
J-20	Insurance Schedule	106

**RIVER EDGE BOARD OF EDUCATION  
TABLE OF CONTENTS**

	<u>Page</u>
<b>K.</b>	
<b>SINGLE AUDIT SECTION</b>	
K-1 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> – Independent Auditors’ Report	107
K-2 Report on Compliance for Each Major Federal and State Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance as Required by the Uniform Guidance and New Jersey OMB Circular 15-08 – Independent Auditors’ Report	109
K-3 Schedule of Expenditures of Federal Awards	112
K-4 Schedule of Expenditures of State Financial Assistance	113
K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	114
K-6 Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	117
K-6 Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	119
K-6 Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	120
K-7 Summary Schedule of Prior Year Findings	N/A

## **Introductory Section**



410 Bogert Road, River Edge, NJ 07661

201-261-3404 [www.riveredgeschools.org](http://www.riveredgeschools.org)

Ms. Lisa Bernardo  
Acting Superintendent of Schools

Louise A. Napolitano  
Board Secretary/Business Administration

January 23, 2024

Honorable President and  
Members of the Board of Education  
River Edge School District  
River Edge, NJ 07661

Dear Board Members:

The annual comprehensive financial report the (ACFR) of the River Edge School 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. 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 result of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the Districts' financial activities have been included.

The Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the "Independent Auditors' Report".

The ACFR is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the "Independent Auditors' Report", management's discussion and analysis (MD&A), the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the financial statements and required supplementary information (RSI). 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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to the single audits, including the auditors' 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:** River Edge School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. as amended. All funds of the District are included in this report. The River Edge 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 K through 6. These include regular, as well as special education for students with individualized education plans. The District completed the 2022-2023 fiscal year with an enrollment of 1164 students, which is 12 less students than the previous year's enrollment. The following details show the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-2023	1,164	(1.02)
2021-2022	1,176	(3.7)
2020-2021	1,222	(2.8)
2019-2020	1,258	1.27
2018-2019	1,242	2.9
2017-2018	1,205	1.8
2016-2017	1,183	1.1
2015-2016	1,170	(2.9)
2014-2015	1,205	3.5
2013-2014	1,164	(3.2)

**2.) ECONOMIC CONDITION AND OUTLOOK:** River Edge is a stable community with a growing number of new residences each year. In anticipation of increased enrollment due to new development in town the BOE engaged in a new demographic study and commissioned the architects to evaluate the current use of facilities and make recommendations for optimal use of space. No action was taken at the time to change grade configurations, school enrollment lines, or initiate a referendum; the district remains vigilant about the enrollment situation. For the 2019-20 school year the CHS Media Center was modified to allow space for one additional classroom. The Mayor and Council are actively engaged in developing plans for the redevelopment of the business district which will include additional housing. A new luxury apartment complex was completed prior to the 2019-20 school year. It has 69 units including 7 senior living spaces and 26-1 bedroom and 36-2 bedroom. As of June 30, 2020, this project was completed and has increased enrollment by an additional 2 students during the 2019-20 school year for a total of 9 students since the project was started. This number can obviously change based on tenants moving in and out as leases expire. The 2020-2021 school year saw a decrease in enrollment which is attributable to the COVID pandemic and students moving and/or transferring to private schools. We have completed a demographic study and are in process of looking into reconfiguration of our schools to a PreK-3 and 4-6 model to model a least restrictive environment for our students needing additional support. This initiative has been recommended to be paused for 2024-2025 by the Acting Superintendent as of January 2024 for further review and strategic planning to prioritize the needs of the students, staff and community.

**3.) MAJOR INITIATIVES:**

The River Edge Public School District continues to strive to educate all children within the district. Beginning in September 2007 when New Bridge Center was opened, the building has housed the Early Childhood wing and several special education classes. 2011-2012 brought the creation of a third special education class that serves a slightly different student population. These classes are educationally appropriate for the students and have provided the district with cost savings. In addition, the classes are a source of revenue by accepting students from other districts to join the classes on a tuition basis. In 2012-2013 River Edge implemented a full day Kindergarten that has been very successful and is currently serving 173 students in 9 classes. Due to the increase in K enrollment starting in the 2014-15 school year the Kindergarten classes were transferred to their home schools (RS and CHS) thus relieving some classroom space for the growing enrollment in CHS.

Our community continues to attract new residents seeking an excellent school system. Curriculum and staff development are guided by a district administration and the Director of Curriculum and Instruction. The River Edge Schools have also included the position of a Literacy Coach to guide the implementation of Reading/Writing Workshop programs and implement the NJ Student Learning Standards as well as a Math and Supervisor of Steam and Assessment to increase rigor in these subject areas. During the 2012-13 school year River Edge updated its technology InfraStructure and added technological devices to better prepare students for the 21st Century. Since the 2013-14 School year and on, every year the River Edge School District has also upgraded its safety provisions and protocols for students, including the addition of new and replacement of old safety cameras in school buildings. A

new telephone system was installed for classrooms as well as an updated paging system with additional speakers, an alarm and blue light warning system. To comply with Alyssa's Law we are also connected to the police department enabling them to view the output of our cameras and receive school alarms. We are currently completing an electrical upgrade to allow us to upgrade our univents and controllers. In 2023-2024, we have received a ROD grant to upgrade our boilers in both buildings and for a partial roof replacement at Roosevelt School. We are moving forward to enhance our security with cloud based door entry systems and cameras to monitor our buildings and keep them secure using monies from the COPS grant which we applied for and were one of three New Jersey schools to obtain in the amount of \$322,917. In the summer of 2023, our technology infrastructure was updated with access points and switches to enhance connectivity in the buildings for all staff and students. We have also installed repeaters on each of our buildings for better cell phone reception for emergencies and ongoing medical monitoring through the use of ARP ESSER Funds.

We also continued our one-on-one technology initiatives that were begun a few years ago to provide technological devices for students and staff. During the 2019-20 school year all students and staff had access to one-on-one devices that include chromebooks, Mac laptops, and ipads which are used for meaningful technology. During the closure of schools caused by the pandemic, individual devices were given out to families who couldn't afford their own so that students could study virtually from home. The Board of Education continues to support professional development efforts in order to maintain instructional excellence in the district. To this end we added a position of a second technology coach to help guide teachers and students. A great deal of PD was devoted during the 2019-20 school closure to support teachers in interactive virtual teaching. In 2020-2021 our technology coaches continued to support staff with infusing technology into all areas of the curriculum. In the 2022-2023 budget technology coaches were replaced by STEAM coaches to enhance our STEAM initiatives.

We updated and improved our curriculum to include 21st Century and Technology skills and financial Literacy standards and integrated them into the curriculum. Math and Social Studies online resources were added. Our staff worked hard over the summer to prepare differentiation resources for all students in English Language Arts and Math to add rigor to the curriculum, enhance students' higher-order thinking in all areas of the curriculum. As recipients of the three year NJTSS grant (Tiered Systems of Support) in Literacy, starting in 2018-19 all students in grades K-3 received the support of a State Coach and Literacy coaches to establish a universal assessment and implemented interventions in targeted skills.

The River Edge School district is committed to a philosophy and practice of differentiation. During the 2015-16 school year the Post-dismissal Instructional Academy was added to help struggling students to reach their academic potential. This program was improved and continued to serve students during 2018-2019 with increased rigor and benchmark assessments being administered to better monitor growth. During the 2019-20 school year, the W.I.N. (What I Need) program augmented the district's efforts towards differentiation, requiring additional staffing. We continue to enhance differentiation by providing small group instruction for all students through NJTSS and our W.I.N. period. This develops students' skills and competencies, leading to greater academic independence and confidence in learning. The Interventionists and Enrichment teachers teach literacy and math skills, identified by multiple measures, in a positive, supportive environment. The individual student's interest and motivation for the subject matter is maintained. The aim is to create an atmosphere where the child can succeed and gain confidence.

Students in River Edge enjoy a wide variety of educational experiences that extend and broaden the curriculum. During the 2016-17 school year we began to develop and implement our STEAM program. To this end we started the conversion of two Discovery Labs to STEAM Labs and provided PD for teachers to support the development of the program in grades K-6. The project was completed during the 2017-18 school year and enhanced during the 2018-19 school year. We have also formed an active partnership with Liberty Science Center to pursue STEAM Goals. The collaboration with Liberty Science was expanded in 2018-19 to include all grade levels on a rotating schedule and continued in 2019-20 up to the point of school closures. The STEAM labs will again be updated and used for enhanced learning experiences in the 2022-2023 school year. We reopened our STEAM labs and purchased new up to date equipment and supplies and our students are using the labs as they were originally created along with our STEAM coaches to enhance our student learning. through the purchase of new printers, podcasting, coding and improving audio and visual arts. In the 2022-2023 budget we have purchased cameras and studio equipment for morning announcements by our students.

Students enjoy an excellent fine arts program that includes general music instruction for all and instrumental music opportunities for older students. Several performance opportunities for Chorus and Band groups are offered each year. Musically talented and art talented students are given special opportunities to develop their skills through club programs that meet at lunchtime. The physical education program develops students' physical skills and introduces them to lifelong activities that will contribute to their physical well-being in the future. Developmental physical education is offered to students who need extra time and attention to demonstrate good skill development.

Character development is an important part of the school program. Pupil Assistance Counselors provide social/emotional support to students in crisis and design proactive programs for building students' self-confidence and resilience. The school nurses and principals work closely with the counselors to identify students and design intervention and Anti-bullying programs that are proactive, meaningful, and appropriate. Mindfulness and flexible seating also became part of our program supporting the mind and body connection during the 2019-20 school year. Multiculturalism became an important staple of our program. It was integrated and pursued through literature, lessons, and activities. Special programs were held for students and families new to the district in September 2019 and they continued to receive support throughout the year. A mental health clinician was added to the budget in 2019-2020 to support all students and our pupil assistance counselors in this time of need in our schools and community. In 2022-2023 we did fund PDIA SEL using CRRSA-ESSER II Funding for afterschool to support students with social emotional learning.

Teachers and students from the River Edge Schools are often recognized for excellence by national, state and local educational agencies. During multiple years from 2009-19 students were recognized for achievements in the New Jersey Stock Market Game and the County Poster Contest. In subsequent years students ranked very high in the NJ Math Olympics. Student artwork is often displayed at local cultural centers and musical groups perform for local community groups. Teachers lead staff development courses, teach at universities in the area and serve as consultants to other districts on science and authentic assessment topics. We added a .5 Gifted and Talented teacher to our staff to join our existing full time Gifted and Talented teacher to enhance our offerings to all students. In addition, our administrators serve on the executive boards of their local professional organizations.

Parents are actively involved in our schools; Parent Teacher Organizations take an active role in supporting instructional decisions and activities by communicating school goals and programs to parents and by fundraising to help finance field trips, assemblies, and the purchase of additional instructional, enrichment materials and technological devices. In addition, parents serve on committees to consider new programs or initiatives for the district, to establish school goals, and to provide valuable input for technology decisions, Wellness, School Climate, and the development of security procedures for the schools.

**4.) INTERNAL CONTROL STRUCTURE:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of 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 part of the District's single audits described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

**5.) BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General, Special Revenue and Debt Service Funds. 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 re appropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assigned fund balance at June 30.

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

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

**8.) 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, and fidelity bonds.

**9.) OTHER INFORMATION:**

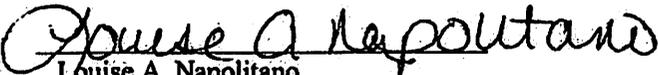
**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of PKF O'Connor Davies, LLP, was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. The auditors' report on the basic financial statements and individual fund financial statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

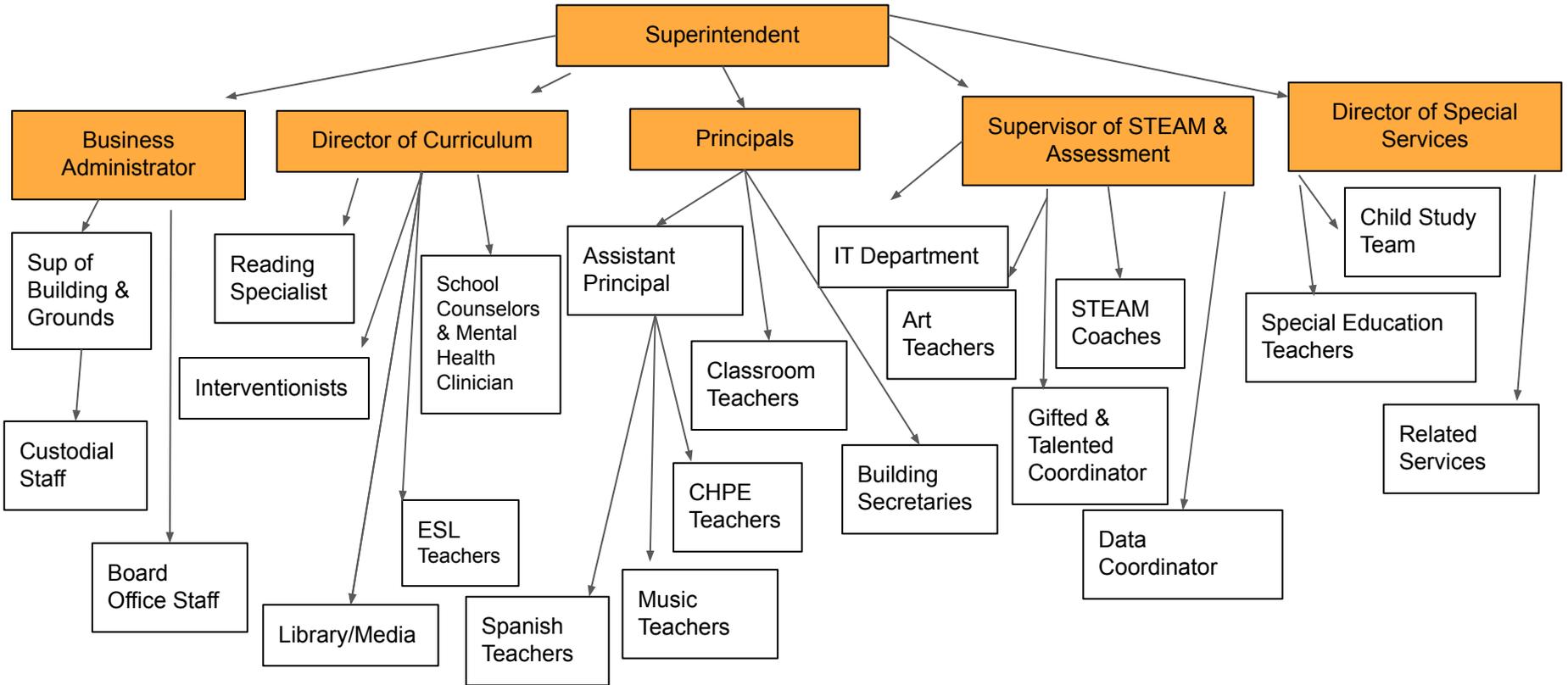
**11.) ACKNOWLEDGMENTS:**

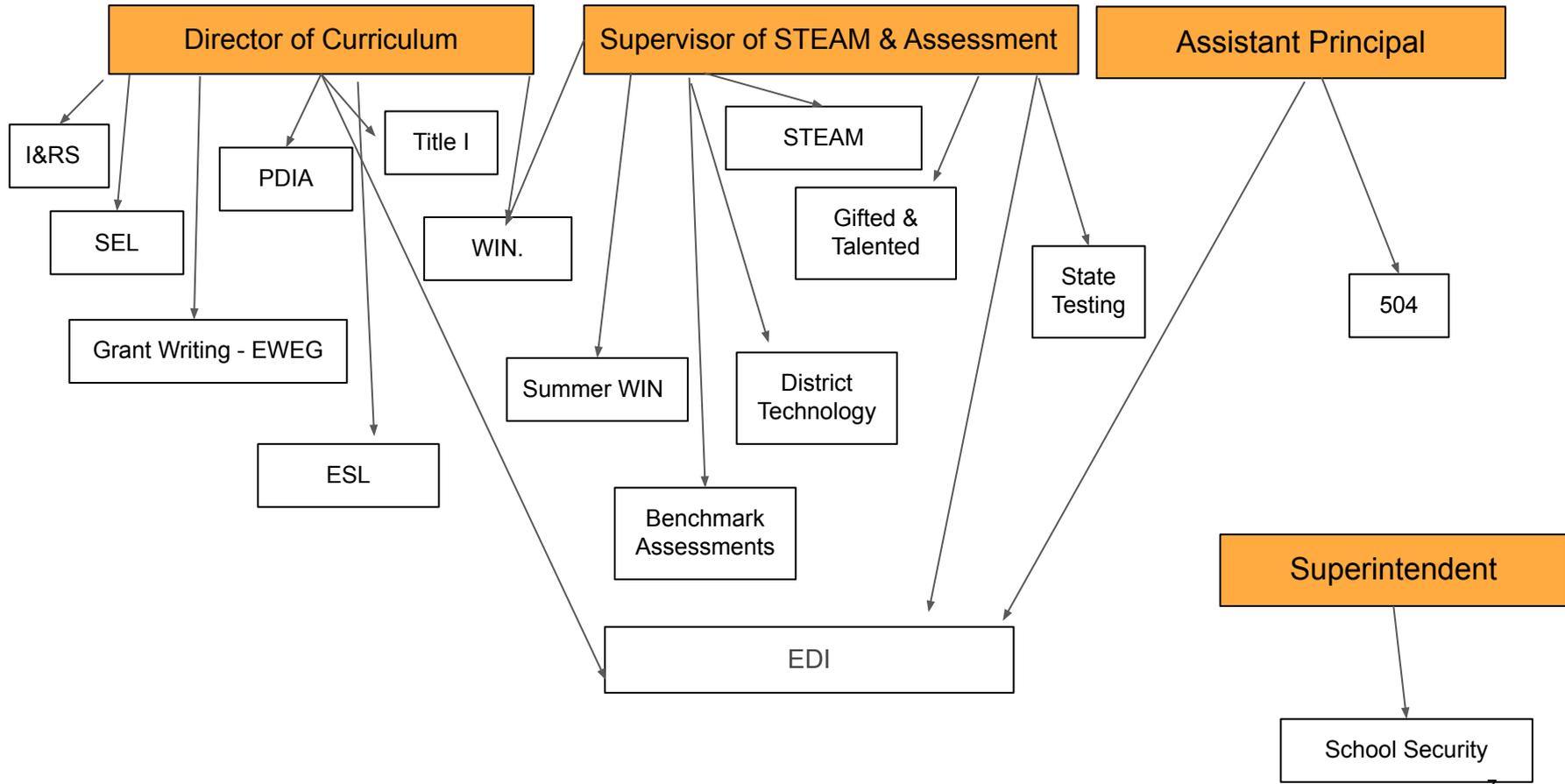
We would like to express our appreciation to the members of the River Edge School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,

  
\_\_\_\_\_  
Lisa Bernardo  
Acting Superintendent of Schools

  
\_\_\_\_\_  
Louise A. Napolitano  
Board Secretary/Business Administrator





RIVER EDGE BOARD OF EDUCATION  
River Edge, New Jersey

Roster of Officials

June 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires January</u>
Eun Kang, President	2025
Gyuchang Sim, Vice President	2025
Bobby Kuriakose	2024
Elizabeth Brown	2024
Alethia Crespo	2026
Eric Langley	2026
Dimitrios Papiris	2025

Other Officials

Catherine Danahy, Superintendent

Louise Napolitano, Business Administrator

Antoinette Kelly, Treasurer

**RIVER EDGE BOARD OF EDUCATION**  
River Edge, New Jersey

Independent Auditors and Advisors

**Auditor**

PKF O'Connor Davies, LLP  
20 Commerce Drive  
Suite 301  
Cranford, NJ 07016

**Attorney**

Stephen Fogarty, Esq.  
Fogarty & Hara  
16-00 Route 208 S  
Fair Lawn, NJ 07410

Cleary Giacobbe Alfieri Jacobs  
955 State Route 34  
Suite 200  
Matawan, NJ 07747

**Official Depository**

Columbia Bank  
5-22 Saddle River Road  
Fair Lawn, NJ 07410

## **Financial Section**



## **Independent Auditors' Report**

**The Honorable President and Members  
of the Board of Trustees  
River Edge Board of Education  
River Edge, New Jersey**

### **Report on the Audit of 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 River Edge Board of Education (the "Board"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 aggregate remaining fund information of the Board as of June 30, 2023, and the respective changes in 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 (GAAS); audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards and requirements are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

PKF O'CONNOR DAVIES, LLP  
300 Tice Blvd., Suite 315, Woodcliff Lake, NJ 07677 | Tel: 201.712.9800 | Fax: 201.712.0988 | [www.pkfod.com](http://www.pkfod.com)

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

**The Honorable President and Members  
of the Board of Trustees  
River Edge Board of Education**

Page 2

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards* 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 GAAS, the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards*, 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 Board'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board'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.

**The Honorable President and Members  
of the Board of Trustees  
River Edge Board of Education**

Page 3

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 Board's basic financial statements. The combining and individual fund financial statements, long-term debt schedules, and the 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* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for 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 GAAS. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2023. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' 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.

**The Honorable President and Members  
of the Board of Trustees  
River Edge Board of Education**

Page 4

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2024 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Woodcliff Lake, New Jersey  
January 23, 2024



Gary W. Higgins, CPA  
Licensed Public School Accountant, No. 814

## **Required Supplementary Information – Part I**

### **Management's Discussion and Analysis**

**RIVER EDGE BOARD OF EDUCATION  
RIVER EDGE, NEW JERSEY**

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

This discussion and analysis of the River Edge School District's financial performance provides an overall review of its financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements including the notes to the financial statements to enhance their understanding of the District's financial performance.

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 and Management's Discussion and Analysis for State and Local Governments. Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for 2023 is as follows:

- General revenues accounted for \$18,234,540 or 68 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$8,431,515 or 32 percent of total revenues of \$26,666,055.
- The School District had \$24,528,953 in expenses; only \$8,431,515, of these expenses are offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$18,234,540 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$25,826,923 in revenues and \$25,185,495 in expenditures. The General Fund's fund balance (modified accrual) increased by \$641,428 from the fiscal year ended June 30, 2022.

**RIVER EDGE BOARD OF EDUCATION  
RIVER EDGE, NEW JERSEY**

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

**Using this Annual Comprehensive Financial Report (ACFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provides information about the activities of the entire District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements show how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at significant funds with all other non-major funds presented in one total column. The General Fund is by far the most significant fund.

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document reports on all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and ask the question, "How did we do financially during the fiscal year ended June 30, 2023?" The Statement of Net Position and the Statement of Activities answer that question. These statements include all assets, liabilities and deferred outflows/inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those positions. This change is important because it tells the reader that, for the school district as a whole, its financial position improved or diminished. The causes of this change may be the result of many factors. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

**RIVER EDGE BOARD OF EDUCATION  
RIVER EDGE, NEW JERSEY**

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

**Reporting the School District as a Whole (Continued)**

**Statement of Net Position and the Statement of Activities (Continued)**

In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

- Governmental activities – All programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type activities – These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Summer Enrichment Program enterprise funds are reported as business-type activities.

**Reporting the District's Most Significant Funds**

**Fund Financial Statements**

Fund financial reports provide detailed information about the District's funds. The District's governmental funds include the General, Special Revenue and Debt Service Funds. The District's Enterprise Funds include the Food Service Fund and Summer Enrichment Program Fund.

**Governmental Funds**

The District's activities are reported in governmental funds. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Enterprise Funds**

The enterprise funds use the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

**Custodial Funds**

The District maintains a custodial trust fund to account for the fiduciary activities for Region V to which the District provides accounting services. These assets are for the benefit of the Region V and are not derived from services provided by the District. This fund is not included in the district-wide financial statements.

**RIVER EDGE BOARD OF EDUCATION  
RIVER EDGE, NEW JERSEY**

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

**The District as a Whole**

The Statement of Net Position provides one perspective of the District as a whole.

Table 1 provides a summary of the District's net position as of June 30, 2023 and 2022.

**Table 1  
Net Position**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Assets</b>						
Current and other assets	\$ 7,608,767	\$ 6,636,670	\$ 60,816	\$ 70,821	\$ 7,669,583	\$ 6,707,491
Capital assets, net	16,645,533	17,126,658	-	-	16,645,533	17,126,658
Total assets	<u>24,254,300</u>	<u>23,763,328</u>	<u>60,816</u>	<u>70,821</u>	<u>24,315,116</u>	<u>23,834,149</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amount on Refunding of Debt	222,305	258,703			222,305	258,703
Deferred Amounts on Net Pension Liability	1,005,409	932,294	-	-	1,005,409	932,294
Total Deferred Outflows of Resources	<u>1,227,714</u>	<u>1,190,997</u>	<u>-</u>	<u>-</u>	<u>1,227,714</u>	<u>1,190,997</u>
Total Assets and Deferred Outflow of Resources	<u>25,482,014</u>	<u>24,954,325</u>	<u>60,816</u>	<u>70,821</u>	<u>25,542,830</u>	<u>25,025,146</u>
<b>Liabilities</b>						
Long-term liabilities	16,690,000	16,718,055			16,690,000	16,718,055
Other liabilities	1,521,596	1,176,210	26,168	25,425	1,547,764	1,201,635
Total Liabilities	<u>18,211,596</u>	<u>17,894,265</u>	<u>26,168</u>	<u>25,425</u>	<u>18,237,764</u>	<u>17,919,690</u>
<b>Deferred Inflows of Resources</b>						
Deferred Amount on Refunding of Debt	168,219	219,978			168,219	219,978
Deferred Amounts on Net Pension Liability	1,241,234	3,127,427	-	-	1,241,234	3,127,427
Total Deferred Inflows of Resources	<u>1,409,453</u>	<u>3,347,405</u>	<u>-</u>	<u>-</u>	<u>3,347,405</u>	<u>3,347,405</u>
Total Liabilities and Deferred Inflow of Resources	<u>19,621,049</u>	<u>21,241,670</u>	<u>26,168</u>	<u>25,425</u>	<u>21,585,169</u>	<u>21,267,095</u>
<b>Net Position</b>						
Net Investment in Capital Assets	5,529,406	4,897,660			5,529,406	4,897,660
Restricted	5,668,032	4,793,080			5,668,032	4,793,080
Unrestricted	<u>(5,336,473)</u>	<u>(5,978,085)</u>	<u>34,648</u>	<u>45,396</u>	<u>(5,301,825)</u>	<u>(5,932,689)</u>
Total net position	<u>\$ 5,860,965</u>	<u>\$ 3,712,655</u>	<u>\$ 34,648</u>	<u>\$ 45,396</u>	<u>\$ 5,895,613</u>	<u>\$ 3,758,051</u>

The District's combined net position were \$5,895,613 and \$3,758,051, as of June 30, 2023 and 2022, respectively. The District's net position increased \$2,137,562 during the fiscal year ended June 30, 2023.

**RIVER EDGE BOARD OF EDUCATION  
RIVER EDGE, NEW JERSEY**

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

Table 2 shows changes in net position for fiscal years ended June 30, 2023 and 2022.

**Table 2  
Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 346,112	\$ 530,704	\$ 51,911	\$ 41,038	\$ 398,023	\$ 571,742
Operating grants and contributions	8,033,492	9,705,971			8,033,492	9,705,971
<b>General revenues</b>						
Property Taxes	17,804,200	17,546,525			17,804,200	17,546,525
Other revenues	430,058	518,799	282	\$ 81	430,340	518,880
Total revenues	<u>26,613,862</u>	<u>28,301,999</u>	<u>52,193</u>	<u>41,119</u>	<u>26,666,055</u>	<u>28,343,118</u>
<b>Program Expenses</b>						
Instruction	15,581,297	15,439,807			15,581,297	15,439,807
Support services						
Student and Instructional Related Services	3,468,553	3,688,817			3,468,553	3,688,817
General administration, school administration, business/central	2,733,110	3,036,358			2,733,110	3,036,358
Plant Operation and Maintenance	2,188,398	2,252,890			2,188,398	2,252,890
Pupil Transportation	231,278	113,879			231,278	113,879
Interest on debt	262,916	1,117,301			262,916	1,117,301
Food service and summer enrichment	-	-	62,941	47,908	62,941	47,908
Total expenses	<u>24,465,552</u>	<u>25,649,052</u>	<u>62,941</u>	<u>47,908</u>	<u>24,528,493</u>	<u>25,696,960</u>
Change in net position	2,148,310	2,652,947	(10,748)	(6,789)	2,137,562	2,646,158
Net Position Beginning of Year	<u>3,712,655</u>	<u>1,059,708</u>	<u>45,396</u>	<u>52,185</u>	<u>3,758,051</u>	<u>1,111,893</u>
Net Position End of Year	<u>\$ 5,860,965</u>	<u>\$ 3,712,655</u>	<u>\$ 34,648</u>	<u>\$ 45,396</u>	<u>\$ 5,895,613</u>	<u>\$ 3,758,051</u>

**Governmental Activities**

Property taxes made up 67 and 62 percent of revenues for governmental activities for the River Edge School District in fiscal years 2023 and 2022, respectively. The District's total revenues were \$26,613,862 and \$28,301,999 for the fiscal years ended June 30, 2023 and 2022, respectively. Federal, state, and local grants accounted for 30 and 34 percent of revenue for 2023 and 2022, respectively. The total cost of all programs and services was \$24,465,552 and \$25,649,052 for the fiscal years ended June 30, 2023 and 2022, respectively. Instruction comprises 64 and 60 percent of District expenses for the fiscal years ended June 30, 2023 and 2022, respectively.

**RIVER EDGE BOARD OF EDUCATION  
RIVER EDGE, NEW JERSEY**

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

**Business-Type Activities**

Revenues for the District’s business-type activities (Food Service Fund and Summer Enrichment Program Fund) were comprised of charges for services.

- Total business-type activities expenses exceeded revenues by \$10,748 in fiscal year 2022/2023.
- Charges for services of \$51,911 represent 99 percent of revenue. This represents amounts paid for daily milk service and for summer enrichment program services.

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District’s taxpayers by each of these functions.

**Table 3  
Total Cost and Net Cost of Sales**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction	\$ 15,581,297	\$ 15,439,807	\$ 9,044,021	\$ 7,955,543
Support services				
Student and Instructional Related Services	3,468,553	3,688,817	2,532,549	2,670,798
General administration, school administration, Business/Central	2,733,110	3,036,358	2,289,347	2,324,524
Plant Operation and Maintenance	2,188,398	2,252,890	1,754,496	1,718,151
Pupil Transportation	231,278	113,879	202,619	87,298
Interest and fiscal charges	<u>262,916</u>	<u>1,117,301</u>	<u>262,916</u>	<u>1,117,301</u>
 Total Expenses	 <u>\$ 24,465,552</u>	 <u>\$ 25,649,052</u>	 <u>\$ 16,085,948</u>	 <u>\$ 15,873,615</u>

**RIVER EDGE BOARD OF EDUCATION  
RIVER EDGE, NEW JERSEY**

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

**Governmental Activities (Continued)**

Instruction expenses include activities directly dealing with the teaching of pupils and the interactions between teacher and student, including extracurricular activities.

Student and instructional related services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business/central services include expenses associated with administration and financial supervision of the District.

Plant operation and maintenance involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the District.

**The District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$28,612,664 and \$28,854,814 and expenditures were \$27,973,048 and \$27,059,123 during the fiscal years ended June 30, 2023 and 2022, respectively.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal years ended June 30, 2023 and 2022.

	<u>Year Ended June 30,</u>		<u>Amount of</u>	<u>Percent</u>
	<u>2023</u>	<u>2022</u>	<u>Increase</u>	<u>Increase</u>
			<u>(Decrease)</u>	<u>(Decrease)</u>
Local Sources	\$ 18,319,549	\$ 18,276,305	\$ 43,244	0.24%
State Sources	9,600,019	9,671,094	(71,075)	-0.73%
Federal Sources	<u>693,096</u>	<u>907,415</u>	<u>(214,319)</u>	-23.62%
Total Revenues	<u>\$ 28,612,664</u>	<u>\$ 28,854,814</u>	<u>\$ (242,150)</u>	-0.84%

**RIVER EDGE BOARD OF EDUCATION  
RIVER EDGE, NEW JERSEY**

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

**The District's Funds (Continued)**

The following schedule represents a summary of governmental fund expenditures for the fiscal years ended June 30, 2023 and 2022.

	<u>Year Ended June 30,</u>		<u>Amount of</u>	<u>Percent</u>
	<u>2023</u>	<u>2022</u>	<u>Increase</u>	<u>Increase</u>
			<u>(Decrease)</u>	<u>(Decrease)</u>
Current:				
Instruction	\$ 17,415,130	\$ 16,682,152	\$ 732,978	4.39%
Undistributed Expenditures	8,836,247	8,643,873	192,374	2.23%
Capital Outlay	332,071	247,279	84,792	34.29%
Debt Service:				
Principal	975,000	1,005,000	(30,000)	-2.99%
Interest and Other Charges	414,600	480,819	(66,219)	-13.77%
	<u>\$ 27,973,048</u>	<u>\$ 27,059,123</u>	<u>\$ 913,925</u>	3.38%
Total Expenditures				

**General Fund Budgeting Highlights**

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

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

**RIVER EDGE BOARD OF EDUCATION  
RIVER EDGE, NEW JERSEY**

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

**Capital Assets**

At the end of fiscal years 2023 and 2022, the District had \$16,645,533 and \$17,126,658 (net of depreciation), respectively, in land, improvements other than buildings, buildings and building improvements, furniture, equipment and vehicles. Table 4 shows the capital assets balances, net of depreciation at June 30, 2023 and 2022.

**Table 4  
Capital Assets at June 30, 2023 and 2022**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Land	\$ 28,106	\$ 28,106			\$ 28,106	\$ 28,106
Improvements Other Than Buildings	91,294	45,075			91,294	45,075
Buildings and Building Improvements	29,678,280	29,424,420			29,678,280	29,424,420
Machinery and Equipment	<u>746,259</u>	<u>714,267</u>	\$ 2,589	\$ 2,589	<u>748,848</u>	<u>716,856</u>
	30,543,939	30,211,868	2,589	2,589	30,546,528	30,214,457
Less Accumulated Depreciation	<u>(13,898,406)</u>	<u>(13,085,210)</u>	<u>(2,589)</u>	<u>(2,589)</u>	<u>(13,900,995)</u>	<u>(13,087,799)</u>
Capital Assets, Net	<u>\$ 16,645,533</u>	<u>\$ 17,126,658</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,645,533</u>	<u>\$ 17,126,658</u>

Additional information relating to the District's capital assets can be found in Note 3 to the financial statements.

**Debt Administration**

At June 30, 2023 and 2022, the District had \$16,690,000 and \$16,718,055 of outstanding long-term liabilities, respectively.

Table 5 shows an analysis of the outstanding liabilities.

	<u>2023</u>	<u>2022</u>
Bonds Payable (Including Unamortized Premium)	\$ 11,170,213	\$ 12,267,723
Net Pension Liability	<u>5,519,787</u>	<u>4,450,332</u>
	<u>\$ 16,690,000</u>	<u>\$ 16,718,055</u>

At June 30, 2023, the District's overall legal remaining debt margin was \$40,120,875.

Additional information pertaining to the District's long term debt can be found in Note 3 to the financial statements.

**RIVER EDGE BOARD OF EDUCATION  
RIVER EDGE, NEW JERSEY**

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

**For the Future**

Currently, the District is in sound financial condition. Everyone associated with the River Edge School District is grateful for the community support of the schools. The District's major concerns are continued enrollment growth and the ability to maintain optimum class sizes and excellent services. This, in an environment of uncertain state aid support, means an ever-increasing reliance on local property taxes.

In conclusion, the River Edge School District has committed itself to financial excellence for many years. Its system for financial planning, budgeting, and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many challenges ahead.

**Contacting the District's Financial Management**

If you have questions about this report or need additional information, contact the School Business Administrator at the River Edge Board of Education, 410 Bogert Road, River Edge, NJ 07661.

## **Basic Financial Statements**

## **Government-wide Financial Statements**

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2023.

RIVER EDGE BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2023

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,365,282	\$ 60,816	\$ 6,426,098
Receivables, net			
Receivables from Other Governments	1,185,463		1,185,463
Receivables from Other	58,022		58,022
Capital Assets, net			
Not Being Depreciated	28,106		28,106
Being Depreciated and Amortized	16,617,427		16,617,427
Total assets	<u>24,254,300</u>	<u>60,816</u>	<u>24,315,116</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding of Debt	222,305		222,305
Deferred Amounts on Net Pension Liability	1,005,409		1,005,409
Total Deferred Outflow of Resources	<u>1,227,714</u>	<u>-</u>	<u>1,227,714</u>
Total Assets and Deferred Outflows of Resources	<u>25,482,014</u>	<u>60,816</u>	<u>25,542,830</u>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Salaries	814,903	743	815,646
Payable to State Government	112,370		112,370
Payroll deductions and withholdings payable	14,056		14,056
Accrued Interest Payable	117,812		117,812
Unearned Revenue	462,455	25,425	487,880
Net Pension Liability	5,519,787		5,519,787
Noncurrent Liabilities			
Due within one year	1,135,734		1,135,734
Due beyond one year	10,034,479		10,034,479
Total Liabilities	<u>18,211,596</u>	<u>26,168</u>	<u>18,237,764</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	1,241,234		1,241,234
Deferred Amount on Refunding of Debt	168,219		168,219
Total Deferred Inflows of Resources	<u>1,409,453</u>		<u>1,409,453</u>
Total Liabilities and Deferred Inflows of Resources	<u>19,621,049</u>	<u>26,168</u>	<u>19,647,217</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	5,529,406		5,529,406
Restricted for:			
Excess Surplus	1,000,000		1,000,000
Capital Reserve	4,117,298		4,117,298
Maintenance Reserve	331,428		331,428
Debt Service Reserve	34,325		34,325
Unemployment Compensation	180,459		180,459
Student Activities	4,522		4,522
Unrestricted	<u>(5,336,473)</u>	<u>34,648</u>	<u>(5,301,825)</u>
Total net position	<u>\$ 5,860,965</u>	<u>\$ 34,648</u>	<u>\$ 5,895,613</u>

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

RIVER EDGE BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities</b>						
Instruction						
Regular	\$ 9,773,488		\$ 3,906,053	\$ (5,867,435)		\$ (5,867,435)
Special Education	4,515,737	\$ 346,112	2,127,797	(2,041,828)		(2,041,828)
Other Instruction	1,250,128		152,175	(1,097,953)		(1,097,953)
School Sponsored Activities	41,944		5,139	(36,805)		(36,805)
Support Services						
Student and Instruction Related Services	3,468,553		936,004	(2,532,549)		(2,532,549)
General Administration Services	784,231		171,730	(612,501)		(612,501)
School Administration Services	1,278,798		170,007	(1,108,791)		(1,108,791)
Business/Central Services	670,081		102,026	(568,055)		(568,055)
Plant Operations and Maintenance	2,188,398		433,902	(1,754,496)		(1,754,496)
Pupil Transportation	231,278		28,659	(202,619)		(202,619)
Interest and Other Charges on Debt	262,916			(262,916)		(262,916)
Total Governmental Activities	<u>24,465,552</u>	<u>346,112</u>	<u>8,033,492</u>	<u>(16,085,948)</u>	<u>-</u>	<u>(16,085,948)</u>
<b>Business-type activities</b>						
Food Service	11,990	11,095			\$ (895)	(895)
Summer Enrichment Program	50,951	40,816			(10,135)	(10,135)
Total Business-Type Activities	<u>62,941</u>	<u>51,911</u>	<u>-</u>	<u>-</u>	<u>(11,030)</u>	<u>(11,030)</u>
Total Primary Government	<u>\$ 24,528,493</u>	<u>\$ 398,023</u>	<u>\$ 8,033,492</u>	<u>\$ (16,085,948)</u>	<u>\$ (11,030)</u>	<u>\$ (16,096,978)</u>
<b>General Revenues</b>						
Property Taxes, levied for General Purposes				\$ 16,679,059		\$ 16,679,059
Property Taxes, levied for Debt Service				1,125,141		1,125,141
State Aid Restricted for Debt Service				264,459		264,459
Interest on Deposits				52,178	\$ 282	52,460
Miscellaneous Income				113,421		113,421
Total General Revenues				<u>18,234,258</u>	<u>282</u>	<u>18,234,540</u>
Change in Net Position				2,148,310	(10,748)	2,137,562
Net Position, Beginning of Year				<u>3,712,655</u>	<u>45,396</u>	<u>3,758,051</u>
Net Position, End of Year				<u>\$ 5,860,965</u>	<u>\$ 34,648</u>	<u>\$ 5,895,613</u>

The accompanying notes to the financial statements are an integral part of this statement

## **Fund Financial Statements**

## **Governmental Funds**

RIVER EDGE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>Assets</b>				
Cash and Cash Equivalents	\$ 6,236,585	\$ 94,372	\$ 34,325	\$ 6,365,282
Receivables, Net				
Due from Other Funds	25,833			25,833
Receivables from Other Governments	565,594	619,869		1,185,463
Other	58,022			58,022
Total Assets	<u>\$ 6,886,034</u>	<u>\$ 714,241</u>	<u>\$ 34,325</u>	<u>\$ 7,634,600</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities</b>				
Accounts payable and Accrued Salaries and Benefits	\$ 203,636	\$ 123,311		\$ 326,947
Due to Other Funds		25,833		25,833
Payable to State Government		112,370		112,370
Payroll Deductions & Withholdings Payable	14,056			14,056
Unearned Revenue	14,250	448,205		462,455
Total Liabilities	<u>231,942</u>	<u>709,719</u>	<u>-</u>	<u>941,661</u>
<b>Fund Balances</b>				
<b>Restricted</b>				
Excess Surplus-Designated for Subsequent Year's Expenditures	500,000			500,000
Excess Surplus	500,000			500,000
Capital Reserve	4,117,298			4,117,298
Maintenance Reserve	331,428			331,428
Debt Service Reserve			\$ 34,325	34,325
Unemployment Compensation Reserve	180,459			180,459
Student Activities		4,522		4,522
<b>Assigned:</b>				
Year- end Encumbrances	195,871			195,871
Designated for subsequent year's Expenditures	386,758			386,758
<b>Unassigned</b>				
General Fund	442,278			442,278
Total Fund Balances	<u>6,654,092</u>	<u>4,522</u>	<u>34,325</u>	<u>6,692,939</u>
Total Liabilities and Fund Balances	<u>\$ 6,886,034</u>	<u>\$ 714,241</u>	<u>\$ 34,325</u>	

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 \$30,543,939 and the accumulated depreciation and amortization is \$13,898,406.	16,645,533
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(117,812)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(11,170,213)
Amounts resulting from the refunding of debt are reported as deferred outflows and inflows of resources on the statement of net position and amortized over the life of the debt.	54,086
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(235,825)
Accrued pension contributions for the June 30, 2023 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in the accounts payable in the government-wide statement of net position.	(487,956)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	<u>(5,519,787)</u>
Net position of governmental activities	<u>\$ 5,860,965</u>

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

RIVER EDGE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local Sources				
Property Taxes	\$ 16,679,059		\$ 1,125,141	\$ 17,804,200
Tuition	346,112			346,112
Interest on Investments	52,178			52,178
Miscellaneous	113,421	\$ 3,638		117,059
Total - Local Sources	<u>17,190,770</u>	<u>3,638</u>	<u>1,125,141</u>	<u>18,319,549</u>
State Sources	8,636,153	699,407	264,459	9,600,019
Federal Sources		693,096		693,096
Total revenues	<u>25,826,923</u>	<u>1,396,141</u>	<u>1,389,600</u>	<u>28,612,664</u>
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	10,860,472	640,536		11,501,008
Special Education Instruction	4,333,912			4,333,912
Other Instruction	1,528,854			1,528,854
School Sponsored Activities	51,356			51,356
Support Services and Undistributed Costs:				
Student and Instruction Related Services	3,339,353	628,683		3,968,036
General Administration Services	703,707			703,707
School Administration Services	1,375,283			1,375,283
Business/Central Services	572,923			572,923
Plant Operations and Maintenance	1,958,558	26,462		1,985,020
Pupil Transportation	231,278			231,278
Debt Service:				
Principal			975,000	975,000
Interest			414,600	414,600
Capital Outlay	229,799	102,272		332,071
Total expenditures	<u>25,185,495</u>	<u>1,397,953</u>	<u>1,389,600</u>	<u>27,973,048</u>
Net change in fund balances	641,428	(1,812)	-	639,616
Fund Balance, Beginning of Year	6,012,664	6,334	34,325	6,053,323
Fund Balance, End of Year	<u>\$ 6,654,092</u>	<u>\$ 4,522</u>	<u>\$ 34,325</u>	<u>\$ 6,692,939</u>

The reconciliation of the fund balances of governmental funds to the net position of governmental activities in the statement of net position is presented in an accompanying schedule (B-3).

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

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

**Total net change in fund balances - governmental funds (Exhibit B-2)** \$ 639,616

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

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

Capital Outlays	\$ 332,071	
Depreciation and Amortization Expense	<u>(813,196)</u>	(481,125)

The Issuance of Long Term Debt (e.g. bonds, leases) provides current financial resources to governmental funds while the repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect

Principal Repayments		975,000
----------------------	--	---------

Governmental Funds report the effect of issuance costs, premiums and deferred amounts on refundings pertaining to bonds issued when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Premium	122,510	
Amortization of Deferred Amount on Refunding of Debt	<u>15,361</u>	137,871

In the statement of activities, certain operating expenses - pension expense is measured by the amounts accrued during the year. In the governmental funds, however, expenditures for this item is measured by the amount of financial resources used (paid):

Decrease in Pension Expense		863,135
-----------------------------	--	---------

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in Accrued Interest		<u>13,813</u>
------------------------------	--	---------------

**Change in net position of governmental activities (Exhibit A-2)** \$ 2,148,310

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

## **Proprietary Funds**

RIVER EDGE BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2023

	Non-Major Enterprise Funds <u>Totals</u>
<b>ASSETS</b>	
Current Assets	
Cash and cash equivalents	\$ 60,816
Total current assets	60,816
Capital Assets	
Machinery and Equipment	2,589
Less: Accumulated Depreciation	(2,589)
Total capital assets, net	-
Total assets	60,816
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	743
Unearned Revenue	25,425
Total Liabilities	26,168
<b>NET POSITION</b>	
Unrestricted	34,648
Total Net Position	\$ 34,648

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

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

	Non-Major Enterprise Funds <u>Totals</u>
<b>OPERATING REVENUES</b>	
Local sources:	
Daily sales - Special Milk Program	\$ 11,095
Tuition	40,816
Total operating revenues	51,911
Operating expenses:	
Salaries	43,207
Supplies and materials	7,744
Cost of sales - program	11,990
Total operating expenses	62,941
Operating loss	(11,030)
<b>NONOPERATING REVENUES</b>	
Interest on Deposits	282
Total Non-Operating Revenues	282
Change in Net Position	(10,748)
Net Position Beginning of Year	45,396
Net Position End of Year	\$ 34,648

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

RIVER EDGE BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Non-Major Enterprise Funds <u>Totals</u>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 51,911
Payments to employees	(43,207)
Payments to suppliers	(18,991)
Net Cash Used For Operating Activities	<u>(10,287)</u>
<b>Cash Flows from Investing Activities</b>	
Interest on Deposits	282
Net Cash Provided by Investing Activities	<u>282</u>
Net Decrease in Cash and Cash Equivalents	(10,005)
Cash and Cash Equivalents, Beginning of Year	70,821
Cash and Cash Equivalents, End of Year	<u>\$ 60,816</u>
<b>Reconciliation of Operating Loss to Net Cash Used For</b>	
<b>Operating Activities</b>	
Operating (Loss)	\$ (11,030)
Change in Assets and Liabilities	
Increase in accounts payable	743
Total Adjustments	<u>743</u>
Net Cash Used For Operating Activities	<u>\$ (10,287)</u>

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

## **Fiduciary Funds**

RIVER EDGE BOARD OF EDUCATION  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET POSITION  
 AS OF JUNE 30, 2023

	<b>Custodial Trust Fund</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 163,102
Intergovernmental Receivable- Other Governments	2,381,974
Total Assets	2,545,076
<b>LIABILITIES</b>	
Accounts Payable	1,828,864
Intergovernmental Payable- Other Governments	203
Total Liabilities	1,829,067
<b>NET POSITION</b>	
Held in Trust for:	
Other Purposes	\$ 716,009

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

RIVER EDGE BOARD OF EDUCATION  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<b>Custodial Trust Fund</b>
<b>OPERATING REVENUES</b>	
Charges for Services and Assessments	\$ 15,721,153
Other Miscellaneous Revenues	50,911
Total Additions	15,772,064
<b>OPERATING EXPENSES</b>	
Salaries and Wages	381,737
Employee Benefits	93,564
Contracted Services - Transportation	9,527,596
Consultants Related Services	5,159,922
Miscellaneous	307,960
Total Deductions	15,470,779
Change in Net Position	301,285
Net Position Beginning of Year	414,724
Net Position End of Year	\$ 716,009

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The River Edge Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of seven elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade six (6) school district.

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

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

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

**B. New Accounting Standards**

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

- The GASB No. 96, *Subscription-Based Information Technology Arrangements* in May 2020. This Statement provides guidance on accounting and financial reporting for subscription-based technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has reviewed the requirements of the statement and the impact of the Statement on the financial statements was deemed not material.
- The GASB issued Statement No. 99, *Omnibus 2022* in April 2022.. the objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has implemented the Statement.

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

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

**B. New Accounting Standards (Continued)**

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

- The GASB issued Statement No. 101, *Compensated Absences* in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not yet determined the impact of the Statement on the financial statements.

**C. Basis of Presentation - Financial Statements**

**District-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

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

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

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

The District reports the following major governmental funds:

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

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

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

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

The *food service fund* accounts for the activities of the school cafeteria, which provides milk to students.

The *summer enrichment program fund* accounts for the activities of the District's summer enrichment program.

Additionally, the District reports the following fund type:

The *custodial funds* account for fiduciary activities for monies held for Region V to which the District provides accounting services which are not held in a trust. These assets are for the benefit of the Region V and are not derived from services provided by the District.

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

**Reclassifications**

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

**D. Measurement Focus and Basis of Accounting**

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position.

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

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

**D. Measurement Focus and Basis of Accounting (Continued)**

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

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

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

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

**2. *Receivables***

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

**3. *Inventories***

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

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

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

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

**4. *Capital Assets***

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

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

<u>Assets</u>	<u>Years</u>
Improvements Other than Buildings	20
Buildings and Building Improvements	20-45
Machinery and Equipment	5-20

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

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

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

**6. *Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. Payments to employees based upon resignations and retirements are restricted to amounts available and established per contract and the current annual budget appropriation.

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

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

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

**7. *Pensions***

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

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

**8. *Long-Term Obligations***

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

**9. *Net Position/Fund Balance***

**District-Wide Statements**

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

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

**Governmental Fund Statements**

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

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

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

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

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

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

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

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

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

Debt Service Reserve – This restriction was created from debt service operations and will be used to retire any outstanding debt obligations or finance debt service expenditures of the District in accordance with NJAC 6A:23A-14.4(A)2.

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

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

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

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

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

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

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

**10. Fund Balance Policies**

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

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

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

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

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

**10. *Fund Balance Policies (Continued)***

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

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

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

**2. *Property Taxes***

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

**3. *Tuition Revenues and Expenditures***

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

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

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

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

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The budget is submitted to the county superintendent for review and approval prior to adoption. On February 1, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2022/2023. Also, during 2022/2023 the Board increased the original General Fund budget by \$231,284 and increased the original Special Revenue Fund budget by \$1,152,234. The General Fund increase was the result of the reappropriation of prior year encumbrances. The Special Revenue Fund increase was funded by additional grant awards and student activity revenues.

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

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

**B. Capital Reserve**

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

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Capital Reserve (Continued)**

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

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

Balance, July 1, 2022		\$ 3,376,775
Increased by:		
Interest Earnings	\$ 43,068	
Deposits of Unexpended Capital Projects	1,091,808	
Deposits Approved by Board Resolution on June 28, 2023	<u>873,147</u>	
Total Increases		<u>2,008,023</u>
		5,384,798
Decreased by:		
Withdrawals Approved in District Budget	<u>1,267,500</u>	
Total Decreases		<u>1,267,500</u>
Balance, June 30, 2023		<u><u>\$ 4,117,298</u></u>

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

**C. Maintenance Reserve**

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

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

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

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

**C. Maintenance Reserve (Continued)**

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

Balance, July 1, 2022		\$ 231,378
Increased by:		
Interest Earnings	\$ 50	
Deposits Approved by Board Resolution on June 28, 2023	<u>100,000</u>	
Total Increases		<u>100,050</u>
Balance, June 30, 2023		<u>\$ 331,428</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$946,202.

**D. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2023 is \$1,000,000. Of this amount, \$500,000 was designated and appropriated in the 2023/2024 original budget certified for taxes and the remaining amount of \$500,000 will be appropriated in the 2024/2025 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2023, the book value of the Board's deposits were \$6,589,200 and bank and brokerage firm balances of the Board’s deposits amounted to \$8,478,721. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” are categorized as:

**Depository Account**

Insured	<u>\$ 8,478,721</u>
---------	---------------------

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

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

**Cash Deposits (Continued)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2023 none of the Board’s bank balances were exposed to custodial credit risk.

**Investments**

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

As of June 30, 2023, the Board had no outstanding investments.

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

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

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

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

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

**Investments (Continued)**

**B. Receivables**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Custodial Trust</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Federal		\$ 619,869		\$ 619,869
State	\$ 565,594			565,594
Other	<u>58,022</u>	<u>-</u>	<u>\$ 2,381,974</u>	<u>2,439,996</u>
Gross Receivables	623,616	619,869	2,381,974	3,625,459
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 623,616</u>	<u>\$ 619,869</u>	<u>\$ 2,381,974</u>	<u>\$ 3,625,459</u>

**C. Unearned Revenue**

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

General Fund	
Tuition Charges Prepaid	\$ 14,250
Special Revenue Fund	
Grant Draw Downs Reserved for Encumbrances	435,063
Unencumbered Grant Draw Downs	<u>13,142</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 462,455</u>

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

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

**D. Capital Assets**

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

	Balance, <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 28,106	\$ -	\$ -	\$ 28,106
Total capital assets, not being depreciated	<u>28,106</u>	<u>-</u>	<u>-</u>	<u>28,106</u>
Capital assets, being depreciated:				
Improvements other than buildings	45,075	\$ 46,219		91,294
Buildings and Building Improvements	29,424,420	253,860		29,678,280
Machinery and equipment	<u>714,267</u>	<u>31,992</u>	<u>-</u>	<u>746,259</u>
Total capital assets being depreciated	<u>30,183,762</u>	<u>332,071</u>	<u>-</u>	<u>30,515,833</u>
Less accumulated depreciation for:				
Improvements other than buildings	(23,406)	(4,663)		(28,069)
Buildings and building improvements	(12,555,823)	(766,840)		(13,322,663)
Machinery and equipment	<u>(505,981)</u>	<u>(41,693)</u>	<u>-</u>	<u>(547,674)</u>
Total accumulated depreciation	<u>(13,085,210)</u>	<u>(813,196)</u>	<u>-</u>	<u>(13,898,406)</u>
Total capital assets, being depreciated, net	<u>17,098,552</u>	<u>(481,125)</u>	<u>-</u>	<u>16,617,427</u>
Governmental activities capital assets, net	<u>\$ 17,126,658</u>	<u>\$ (481,125)</u>	<u>\$ -</u>	<u>\$ 16,645,533</u>
	Balance <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2023</u>
<b>Business-type Activities:</b>				
Capital assets, being depreciated:				
Machinery and equipment	\$ 2,589	\$ -	\$ -	\$ 2,589
Total capital assets being depreciated	<u>2,589</u>	<u>-</u>	<u>-</u>	<u>2,589</u>
Less accumulated depreciation for:				
Machinery and equipment	<u>(2,589)</u>	<u>-</u>	<u>-</u>	<u>(2,589)</u>
Total accumulated depreciation	<u>(2,589)</u>	<u>-</u>	<u>-</u>	<u>(2,589)</u>
Total capital assets, being depreciated, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

**D. Capital Assets (Continued)**

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

**Governmental activities:**

Instruction	
Regular	\$ 54,219
Special Education	370,892
Total Instruction	<u>425,111</u>
Support Services	
Student and Instruction Related Services	17,192
General Administration Services	65,701
School Administration Services	59,979
Business / Central Services	79,273
Plant Operations and Maintenance	165,940
Total Support Services	<u>388,085</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 813,196</u>

**E. Interfund Receivables and Payables**

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

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	<u>\$ 25,833</u>

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

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

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

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

**F. Long-Term Debt**

**General Obligation Bonds**

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

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

\$7,310,000, 2014 Refunding Bonds, due in annual installments of \$455,000 to \$905,000 through October 15, 2031, interest at 3.00% to 4.50%	\$ 5,750,000
\$5,100,000, 2021 Refunding Bonds, due in annual installments of \$560,000 to \$580,000 through February 1, 2031, interest at 4.00%	<u>4,540,000</u>
Total	<u>\$ 10,290,000</u>

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

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>Bonds Payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 1,015,000	\$ 377,075	\$ 1,392,075
2025	1,060,000	340,038	1,400,038
2026	1,100,000	298,125	1,398,125
2027	1,145,000	253,250	1,398,250
2028	1,190,000	209,425	1,399,425
2029-2032	<u>4,780,000</u>	<u>364,187</u>	<u>5,144,187</u>
Total	<u>\$ 10,290,000</u>	<u>\$ 1,842,100</u>	<u>\$ 12,132,100</u>

**Statutory Borrowing Power**

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

2.5% of Equalized Valuation Basis (Municipal)	\$ 50,376,550
Less: Net Debt	<u>10,255,675</u>
Remaining Borrowing Power	<u>\$ 40,120,875</u>

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

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

**G. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

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

	<u>Balance,</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2023</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<b>Governmental activities:</b>					
Bonds payable	\$ 11,265,000	\$ -	\$ 975,000	\$ 10,290,000	\$ 1,015,000
Add: Unamortized Premium	1,002,723		122,510	880,213	120,734
Net Bonds Payable	<u>12,267,723</u>	<u>-</u>	<u>1,097,510</u>	<u>11,170,213</u>	<u>1,135,734</u>
Net Pension Liability	<u>4,450,332</u>	<u>1,069,455</u>	<u>-</u>	<u>5,519,787</u>	<u>-</u>
Governmental activity Long-term liabilities	<u>\$ 16,718,055</u>	<u>\$ 1,069,455</u>	<u>\$ 1,097,510</u>	<u>\$ 16,690,000</u>	<u>\$ 1,135,734</u>

For the governmental activities, the liability for the net pension liability is generally liquidated by the general fund and bonds payable are liquidated by the debt service fund.

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against various risks.

The relationship between the Board and the Group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the Group attributable to a membership year during which they were a member. NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the Group are on file with the School's Business Administrator.

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

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

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

Fiscal Year Ended <u>June 30,</u>	<u>Beginning Balance</u>	<u>Interest Earnings</u>	<u>Ending Balance</u>
2023	\$ 178,593	\$ 1,866	\$ 180,459
2022	178,255	338	178,593
2021	177,576	679	178,255

**B. Contingent Liabilities**

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

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2023, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2023, the District has not estimated its arbitrage earnings due to the IRS, if any.

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

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans**

**Description of Systems**

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

**Teachers' Pension and Annuity Fund**

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

**Public Employees' Retirement System**

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60,60, and 62, respectively with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Funding Policy**

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contribution rates for TPAF and PERS are 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2023, the State of New Jersey contributed \$4,116,720 to the TPAF for on-behalf medical, non-contributory insurance and pension and post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$681,345 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries.

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2023, 2022 and 2021 were \$461,238, \$439,949, and \$423,682, respectively.

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the 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.

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

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

At June 30, 2023, the District reported a liability of \$5,519,787 for its proportionate share of the net pension liability. 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 July 1, 2021, which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2022, the District's proportion was 0.0365757681 percent, which was a decrease of 0.0009908705 from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized full accrual pension (benefit) of (\$401,896) in the government-wide financial statements. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 39,839	\$ 35,133
Changes of assumptions	17,102	826,531
Net difference between projected and actual earnings on pension plan investments	228,459	
Changes in proportion		379,570
Changes in proportion and differences between District contributions and proportionate share of contributions	232,053	
District contributions subsequent to the measurement date	487,956	
	<u>\$ 1,005,409</u>	<u>\$ 1,241,234</u>

\$487,956 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2024	\$ (767,106)
2025	(151,181)
2026	(27,446)
2027	224,135
2028	(2,183)
	<u>\$ (723,781)</u>

*Actuarial Assumptions*

The total collective 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:

<b>Inflation rate:</b>	
Price	2.75%
Wage	3.25%
<b>Salary increases:</b>	
	2.75 - 6.55%
	based on years of service
<b>Investment rate of return</b>	<b>7.00%</b>

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

*Mortality Rates*

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2022.

*Long-Term 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 Pension 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 expecting 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:

<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 Market 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>	

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate*

The following presents the District's proportionate share of the net pension liability as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
District's proportionate share of the net pension liability	\$ 7,091,309	\$ 5,519,787	\$ 4,182,358

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees' Retirement System.

*Additional Information*

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

Deferred outflows of resources	\$ 1,660,772,008
Deferred inflows of resources	\$ 3,236,303,935
Net pension liability	\$ 15,219,184,920
District's Proportion	0.0365757681%

Collective pension (benefit) for the Local Group for the measurement period ended June 30, 2022 is (\$1,032,778,934).

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2022, 2021, 2020, 2019, 2018, 2017 and 2016 is 5.04, 5.13, 5.16, 5.21, 5.63, 5.48, and 5.57 years, respectively.

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

*Teachers Pensions and Annuity Fund (TPAF) – Special Funding Situation*

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, these local participating employers are 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 local participating employers do 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. 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 net pension liability that is associated with the local participating employer.

The State’s proportionate share of the TPAF net pension liability associated with the District as of June 30, 2023 was \$39,739,662. The 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 a 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’s proportionate share of the TPAF net pension liability associated with the District was 0.0770231850 percent, which was a decrease of 0.0009711195 from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$1,069,505 for contributions incurred by the State

*Actuarial assumptions*

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	2.75 - 5.65%
	Based on years of service
Investment Rate of Return	7.00%

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

*Mortality Rates*

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2022.

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, 2015 to June 30, 2018.

*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 Investment 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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
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%
	100.00%	

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

*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 the actuarially determined contributions for the State. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

*Sensitivity of the State’s proportionate share of the net pension liability associated with the District to changes in the discount rate*

The following presents the State’s proportionate share of the net pension liability associated with the District as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the State’s proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<b>At 1% Decrease (6.00%)</b>	<b>At Current Discount Rate (7.00%)</b>	<b>At 1% Increase (8.00%)</b>
State's proportionate share of the net pension liability associated with the District	<u>\$ 46,595,598</u>	<u>\$ 39,739,662</u>	<u>\$ 33,964,397</u>

*Pension plan fiduciary net position*

Detailed information about the pension plan’s fiduciary net position is available in the separately issued TPAF financial report.

**Additional Information**

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

Deferred outflows of resources	\$ 4,996,491,160
Deferred inflows of resources	\$ 19,532,696,776
Net pension liability	\$ 51,594,415,806

State's proportionate share associated with the District 0.0770231850%

Collective pension expense of the Local Group for the plan for the measurement period ended June 30, 2022 is \$1,424,884,581.

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 is 7.83, 7.93, 7.99, 8.04, 8.29, 8.30, 8.30 and 8.50 years, respectively.

**E. Post-Retirement Medical Benefits**

**State Health Benefit State Retired Employees Plan**

**Plan description and benefits provided**

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan 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. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as “the employers”) for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen’s Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L.1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan 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. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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: TPAF, PERS, PFRS, or ABP.

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2022 total OPEB liability of \$50,646,462,966 for this special funding situation.

The State’s contributions to the SHBP Fund for TPAF retirees’ post-retirement medical benefits on behalf of the District for the years ended June 30, 2023, 2022 and 2021 were \$856,092, \$751,274, and \$724,024, respectively, which equaled the required contributions for each year.

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments.

Additional information on Pensions and OPEB can be accessed at [state.nj.us/treasury/pensions/financial-reports.shtml](http://state.nj.us/treasury/pensions/financial-reports.shtml).

**Total OPEB Liability**

*Changes in Total OPEB Liability*

Below represents the changes in the District’s total OPEB liability for the year ended June 30, 2022:

Balance at June 30, 2021		\$	41,247,499
Increased by:			
Service cost	\$	2,319,531	
Interest cost		944,968	
Diff. between expected and actual exp.		1,617,154	
Member contributions		<u>30,028</u>	
			<u>4,911,681</u>
			46,159,180
Decreased by:			
Changes of benefit terms		-	
Changes of assumptions		9,565,490	
Gross benefit payments		<u>936,018</u>	
			<u>10,501,508</u>
Balance at June 30, 2022		\$	<u><u>35,657,672</u></u>

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

*Employees covered by benefit terms*

The following employees were covered by the benefit terms:

<u>Local Education</u>	<u>June 30, 2022</u>
Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>151,669</u>
Total Plan Members	<u><u>364,817</u></u>

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective OPEB liability on the Statement of Net Position. The State's proportionate share of the OPEB liability associated with the District as of June 30, 2022 was \$35,657,672. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

*Actuarial assumptions and other inputs*

The total nonemployer OPEB liability in the June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022 and included in the June 30, 2022 audited financial statements of the State Health Benefit Local Education Retired Employees Plan. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%	
	<u>TPA/ABP</u>	<u>PERS</u>
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%
	based on years of service	based on years of service

*Mortality Rates*

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2022. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the actual experience studies for the periods July 1, 2015 – June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

*Discount Rate*

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

*Health Care Trend Assumptions*

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

*The following represents sensitivity of total non-employer OPEB liability to changes in the discount rate and health care cost rate*

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2022 calculated using a discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

	1% Decrease (2.54%)	At Current Discount Rate (3.54%)	1% Increase (4.54%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	<u>\$ 41,911,843</u>	<u>\$ 35,657,672</u>	<u>\$ 30,645,267</u>

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2021 calculated using a healthcare cost trend rate as disclosed above as well as what the total non-employer 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 healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability (Allocable to the District and the responsibility of the State)	<u>\$ 29,473,245</u>	<u>\$ 35,657,672</u>	<u>\$ 43,781,292</u>

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

For the year ended June 30, 2023, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$1,902,693 for OPEB expenses incurred by the State.

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

Deferred outflows of resources	\$ 20,104,625,333
Deferred inflows of resources	\$ 34,996,842,046
Collective OPEB expense	\$ 1,595,653,562

*Special Funding Situation*

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey

**F. Tax Abatements**

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

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

**Required Supplementary Information – Part II**

**Budgetary Comparison Schedules**

RIVER EDGE BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments/ Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 16,679,059		\$ 16,679,059	\$ 16,679,059	
Tuition from Individuals	410,616		410,616	346,112	\$ (64,504)
Interest Earned on Maint. Reserve	50		50	50	
Interest Earned on Capital Reserve	550		550	43,068	42,518
Unrestricted Miscellaneous	174,353		174,353	122,481	(51,872)
<b>Total revenues - local sources</b>	<b>17,264,628</b>	<b>-</b>	<b>17,264,628</b>	<b>17,190,770</b>	<b>(73,858)</b>
State sources:					
Categorical Special Education aid	1,011,024		1,011,024	1,011,024	
Equalization aid	2,263,849		2,263,849	2,263,849	
Categorical Transportation aid	19,622		19,622	19,622	
Extraordinary aid	130,000		130,000	491,046	361,046
Categorical Security aid	91,647		91,647	91,647	
Additional non public transportation aid				9,048	9,048
TPAF pension contributions (non-budgeted)				3,258,850	3,258,850
TPAF post-retirement medical contributions (non-budgeted)				856,092	856,092
TPAF long-term disability insurance contributions (non-budgeted)				1,778	1,778
Reimbursed TPAF social security contributions (non-budgeted)				681,345	681,345
<b>Total revenues - State sources</b>	<b>3,516,142</b>	<b>-</b>	<b>3,516,142</b>	<b>8,684,301</b>	<b>5,168,159</b>
<b>Total revenues</b>	<b>20,780,770</b>	<b>-</b>	<b>20,780,770</b>	<b>25,875,071</b>	<b>5,094,301</b>
<b>Expenditures</b>					
Current expenditures:					
Instruction - Regular Programs					
Salaries of teachers:					
Preschool	\$ 77,651	\$ 233	\$ 77,884	\$ 77,884	
Kindergarten	657,738	(85,632)	572,106	522,693	\$ 49,413
Grades 1-5	4,315,251	(135,429)	4,179,822	4,159,159	20,663
Grades 6-8	877,879	(24,684)	853,195	847,895	5,300
Regular Program- Home Instruction					
Salaries of Teachers	1,500	(1,200)	300		300
Other Salaries for Instruction	67,746		67,746	65,892	1,854
Purchased Professional-Educational Services	2,000		2,000	2,000	
General Supplies	2,300		2,300	705	1,595
Regular Programs- Undistributed Instruction					
Other Salaries for Instruction	159,096	37,543	196,639	191,567	5,072
Purchased Professional-Educational Services	25,000	(8,220)	16,780	13,613	3,167
Other Purchased Services	66,520	164,840	231,360	204,857	26,503
General Supplies	397,665	42,372	440,037	371,844	68,193
Textbooks	42,785	19,596	62,381	59,580	2,801
Other Objects	95,955	3,362	99,317	83,503	15,814
<b>Total instruction - regular programs</b>	<b>6,789,086</b>	<b>12,781</b>	<b>6,801,867</b>	<b>6,601,192</b>	<b>200,675</b>

RIVER EDGE BOARD OF EDUCATION  
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments/ Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Special Education					
Multiple Disabilities					
Salaries of teachers	\$ 300,923	\$ 51,161	\$ 352,084	\$ 339,048	\$ 13,036
Other Salaries for Instruction	1,313,654	(97,772)	1,215,882	1,060,269	155,613
Purchased Technical Services	42,000		42,000	42,000	
General Supplies	9,800		9,800	8,158	1,642
Other Objects	3,000	(100)	2,900	2,040	860
<b>Total Multiple Disabilities</b>	<b>1,669,377</b>	<b>(46,711)</b>	<b>1,622,666</b>	<b>1,451,515</b>	<b>171,151</b>
Resource Room/Resource Center					
Salaries of Teachers	690,099	84,711	774,810	746,084	28,726
General Supplies	5,700		5,700	5,073	627
<b>Total Resource Room/Resource Center</b>	<b>695,799</b>	<b>84,711</b>	<b>780,510</b>	<b>751,157</b>	<b>29,353</b>
Autism					
Salaries of Teachers	99,431	75	99,506	99,506	
Other Salaries for Instruction	455,573	(75)	455,498	361,879	93,619
General supplies	2,500		2,500	2,356	144
<b>Total Autism</b>	<b>557,504</b>	<b>-</b>	<b>557,504</b>	<b>463,741</b>	<b>93,763</b>
Home Instruction					
Salaries of Teachers	3,500	3,459	6,959	6,958	1
<b>Total Home Instruction</b>	<b>3,500</b>	<b>3,459</b>	<b>6,959</b>	<b>6,958</b>	<b>1</b>
<b>Total special education</b>	<b>2,926,180</b>	<b>41,459</b>	<b>2,967,639</b>	<b>2,673,371</b>	<b>294,268</b>
Basic Skills/Remedial					
Salaries of Teachers	573,038	153,861	726,899	678,721	48,178
General Supplies	6,390	-	6,390	4,930	1,460
<b>Total Basic Skills/Remedial</b>	<b>579,428</b>	<b>153,861</b>	<b>733,289</b>	<b>683,651</b>	<b>49,638</b>
Bilingual Education					
Salaries of Teachers	190,426	2,100	192,526	192,526	
General Supplies	2,066	1,027	3,093	3,076	17
<b>Total Bilingual Education</b>	<b>192,492</b>	<b>3,127</b>	<b>195,619</b>	<b>195,602</b>	<b>17</b>
School Spon. Co/Extra Curr. Actvts-Inst					
Salaries	30,000		30,000	29,420	580
<b>Total School Spon. Co/Extra Curr. Actvts-Inst</b>	<b>30,000</b>	<b>-</b>	<b>30,000</b>	<b>29,420</b>	<b>580</b>
<b>Total Instruction</b>	<b>10,517,186</b>	<b>211,228</b>	<b>10,728,414</b>	<b>10,183,236</b>	<b>545,178</b>
Undistributed Expenditures					
Instruction					
Tuition to LEA's - Special		64,372	64,372	55,176	9,196
Tuition to CSSD & Reg Day Schools	147,000		147,000	132,128	14,872
Tuition to Priv. Sch. For Disabled and Other LEA's Spl, O/S	105,000	(89,372)	15,628		15,628
Tuition- Other	2,300		2,300		2,300
<b>Total Undistributed Expenditures - Instruction</b>	<b>254,300</b>	<b>(25,000)</b>	<b>229,300</b>	<b>187,304</b>	<b>41,996</b>

RIVER EDGE BOARD OF EDUCATION  
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments/ Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Attendance and Social Work Services					
Salaries	\$ 500	\$ (419)	\$ 81		\$ 81
Purchased Professional- Educational Services	18,800	5,400	24,200	\$ 15,457	8,743
Total Attendance and Social Work Services	19,300	4,981	24,281	15,457	8,824
Health Services					
Salaries	210,355	5,447	215,802	215,408	394
Supplies and Materials	14,944	(4,527)	10,417	9,648	769
Total Health Services	225,299	920	226,219	225,056	1,163
Speech, OT, PT & Related Services					
Salaries	198,994	(11,994)	187,000	187,000	
Purchased Professional - Educational Services	230,000		230,000	215,635	14,365
Supplies and Materials	5,050		5,050	3,626	1,424
Other Objects	40,000	(106)	39,894	13,820	26,074
Total Speech, OT, PT & Related Services	474,044	(12,100)	461,944	420,081	41,863
Other Support Services- Extra Services					
Salaries	296,936	(47,487)	249,449	247,885	1,564
Total Other Support Services -Students - Extra Services	296,936	(47,487)	249,449	247,885	1,564
Other Support Services- Students- Guidance					
Salaries of Other Professional Staff	222,676	1,800	224,476	224,476	-
Supplies and Materials	1,200	664	1,864	1,077	787
Total Other Support Services- Students- Guidance	223,876	2,464	226,340	225,553	787
Other Support Services- Students- Child Study Team					
Salaries of Other Professional Staff	394,388	17,953	412,341	408,785	3,556
Salaries of Secretarial and Clerical Assistants	57,760	1,402	59,162	59,162	
Purchased Professional- Educational Services	43,735		43,735	43,735	
Supplies and Materials	20,000	2,594	22,594	18,368	4,226
Total Other Support Services- Students- Child Study Team	515,883	21,949	537,832	530,050	7,782
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	103,299	18,001	121,300	121,200	100
Salaries of Other Professional Staff	28,450		28,450	22,475	5,975
Other Purchased Services	32,000	(1,050)	30,950	7,596	23,354
Supplies and Materials	40,000	(25,536)	14,464	5,309	9,155
Total Improvement of Instructional Services	203,749	(8,585)	195,164	156,580	38,584

RIVER EDGE BOARD OF EDUCATION  
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments/ Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Educational Media Services/School Library					
Salaries	\$ 147,634	\$ (4,000)	\$ 143,634	\$ 125,351	\$ 18,283
Salaries of Technology Coordinators	143,911	(85,943)	57,968	57,967	1
Supplies and materials	11,000	120	11,120	9,997	1,123
Total Educational Media Services/School Library	302,545	(89,823)	212,722	193,315	19,407
Staff Training Services					
Salaries of Other Professional Staff	55,000	(3,982)	51,018	44,750	6,268
Purchased Professional - Educational Services	17,000	7,382	24,382	24,382	
Total Staff Training Services	72,000	3,400	75,400	69,132	6,268
Support Services General Administration					
Salaries	314,900	(2,613)	312,287	311,982	305
Legal Services	25,000	9,942	34,942	34,934	8
Audit Fees	23,000	11,010	34,010	34,010	
Architectural/Engineering Services	11,850	(11,620)	230		230
Other Purchased Professional Services	6,000	22,346	28,346	28,345	1
Communications/Telephone	23,000	(762)	22,238	22,238	
Travel	5,000	(1,617)	3,383	1,998	1,385
Miscellaneous Purchased Services	42,079	(14,125)	27,954	26,918	1,036
General Supplies	16,000	(1,270)	14,730	13,342	1,388
Miscellaneous Expenditures	16,000	3,682	19,682	13,024	6,658
BOE Membership Dues and Fees	6,000	(4,535)	1,465	1,462	3
Total Support Services General Administration	488,829	10,438	499,267	488,253	11,014
Support Services School Administration					
Salaries of Principals/Assistant Principals	363,021		363,021	363,021	
Salaries of Other Professional Staff	181,728		181,728	168,357	13,371
Salaries of Secretarial and Clerical Assistants	194,949		194,949	192,002	2,947
Other Salaries	109,110	(100)	109,010	92,811	16,199
Travel	5,000		5,000	4,415	585
Supplies and Materials	16,200	(2,900)	13,300	12,904	396
Other Objects	7,500	3,000	10,500	10,190	310
Total Support Services School Administration	877,508	-	877,508	843,700	33,808
Support Services Central Services					
Salaries	381,139		381,139	376,432	4,707
Misc. Purchased Services	3,000		3,000	(8,920)	11,920
Supplies and Materials	15,846		15,846	10,021	5,825
Total Support Services Central Services	399,985	-	399,985	377,533	22,452
Admin. Info. Technology					
Other Purchased Services	24,500		24,500	16,450	8,050
Total Admin. Info. Technology	24,500	-	24,500	16,450	8,050

RIVER EDGE BOARD OF EDUCATION  
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments/ Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 95,106	\$ 21,415	\$ 116,521	\$ 116,521	
Cleaning, Repair and Maintenance	210,000	71,850	281,850	249,704	\$ 32,146
General Supplies	1,075		1,075	1,075	
Total Required Maintenance for School Facilities	306,181	93,265	399,446	367,300	32,146
Custodial Services					
Salaries	658,602	(34,343)	624,259	622,951	1,308
Salaries for Non-Instructional Aides	56,000	(7,382)	48,618	48,502	116
Cleaning, Repair and Maintenance Services	68,685	4,766	73,451	54,479	18,972
Other Purchased Property Services	11,800	8,329	20,129	19,852	277
Insurance	110,666	20,000	130,666	129,756	910
Travel	1,000		1,000	462	538
General Supplies	62,000	19,900	81,900	72,535	9,365
Energy (Natural Gas)	182,644	(10,000)	172,644	87,888	84,756
Energy (Electricity)	166,000	9,700	175,700	175,700	
Other Objects	6,000		6,000	4,564	1,436
Total Custodial Services	1,323,397	10,970	1,334,367	1,216,689	117,678
Student Transportation Services					
Salaries for Non-Instructional Aides	18,450	(2,686)	15,764		15,764
Salaries for Pupil Transportation (Bet Home & Sch) Sp Ed	40,000		40,000		40,000
Contracted Services- Aid in Lieu Pymts- Non Pub	24,000	2,686	26,686	26,685	1
Contracted Services (Spl. Ed. Students)- Joint Agreements	115,000	100,000	215,000	201,568	13,432
Other Objects	12,000		12,000	3,025	8,975
Total Student Transportation Services	209,450	100,000	309,450	231,278	78,172
Unallocated Benefits- Employee Benefits					
Social Security Contributions	365,825	(10,522)	355,303	341,673	13,630
Other Retirement Contributions - PERS	450,716	10,522	461,238	461,238	
Other Retirement Contributions - Regular	25,091		25,091	24,828	263
Worker's Compensation	107,999		107,999	74,956	33,043
Health Benefits	3,426,699	(123,126)	3,303,573	3,234,623	68,950
Tuition Reimbursement	12,000		12,000	3,135	8,865
Other Employee Benefits	30,000	7,063	37,063	37,063	
Unused Sick Payment to Terminated/Retired Staff	107,389	(74,219)	33,170	10,000	23,170
Total Unallocated Benefits -Employee Benefits	4,525,719	(190,282)	4,335,437	4,187,516	147,921
Interest Earned on Maintenance Reserve					
	50		50		50
On-behalf TPAF Pension System Payments					
Normal Cost (Non-Budget)				3,258,850	(3,258,850)
On-Behalf TPAF Post-Retirement Medical (Non-Budget)				856,092	(856,092)
On-Behalf TPAF Long-Term Disability Insurance (Non-Budget)				1,778	(1,778)
On-Behalf TPAF Social Security Payments (Non-Budget)				681,345	(681,345)
Total Undistributed Expenditures	10,743,501	(124,890)	10,618,611	14,797,197	(4,178,586)
Total Expenditures- Current Expense	21,260,737	86,338	21,347,075	24,980,433	(3,633,358)

RIVER EDGE BOARD OF EDUCATION  
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments/ Transfers	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY</b>					
Facilities Acquisition and Construction Services					
Architectual/Engineering Services	\$ 292,500		\$ 292,500	\$ 5,059	\$ 287,441
Construction Services	975,000	\$ 144,946	1,119,946	180,520	939,426
Assessment for Debt Service on SDA Funding	19,483		19,483	19,483	
Total Facilities Acquis. And Const. Services	<u>1,286,983</u>	<u>144,946</u>	<u>1,431,929</u>	<u>205,062</u>	<u>1,226,867</u>
Interest Deposit to Capital Reserve	550		550		550
Total Capital Outlay	<u>1,287,533</u>	<u>144,946</u>	<u>1,432,479</u>	<u>205,062</u>	<u>1,227,417</u>
Total Expenditures	<u>22,548,270</u>	<u>231,284</u>	<u>22,779,554</u>	<u>25,185,495</u>	<u>(2,405,941)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,767,500)	(231,284)	(1,998,784)	689,576	2,688,360
Fund Balance, Beginning of Year	6,300,081		6,300,081	6,300,081	
Fund Balance, End of Year	<u>\$ 4,532,581</u>	<u>\$ (231,284)</u>	<u>\$ 4,301,297</u>	<u>\$ 6,989,657</u>	<u>\$ 2,688,360</u>
<b>Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)</b>					
Budgeted general fund balance	\$ (500,000)		\$ (500,000)	\$ 2,188,360	\$ 2,688,360
Withdrawal from capital reserve	(1,267,500)		(1,267,500)	(1,267,500)	
Adjustment for prior year encumbrances, net		\$ (231,284)	(231,284)	(231,284)	
Total	<u>\$ (1,767,500)</u>	<u>\$ (231,284)</u>	<u>\$ (1,998,784)</u>	<u>\$ 689,576</u>	<u>\$ 2,688,360</u>
<b>Recapitulation of Fund Balance</b>					
Restricted:					
Capital Reserve				\$ 4,117,298	
Maintenance Reserve				331,428	
Excess Surplus				500,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				500,000	
Unemployment Reserve				180,459	
Assigned:					
Year-End Encumbrances				195,871	
Designated for Subsequent Year's Expenditures				386,758	
Unassigned				<u>777,843</u>	
				6,989,657	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Payments not Recognized on Budgetary Basis:					
Deferred State Aid Payments				(335,565)	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 6,654,092</u>	

RIVER EDGE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Intergovernmental					
State	\$ 673,816	\$ 138,000	\$ 811,816	\$ 672,457	\$ (139,359)
Federal	573,126	998,351	1,571,477	1,063,183	(508,294)
Other		15,883	15,883	3,638	(12,245)
Total revenues	1,246,942	1,152,234	2,399,176	1,739,278	(659,898)
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	36,521	139,682	176,203	64,865	111,338
Other Purchased Services	358,315	155,113	513,428	428,114	85,314
Supplies and Materials	76,957	231,667	308,624	247,119	61,505
Other objects		9,770	9,770	7,655	2,115
Total Instruction	471,793	536,232	1,008,025	747,753	260,272
Support Services					
Personnel Services – Employee Benefits		27,336	27,336	16,155	11,181
Purchased professional - educational services	498,746	78,974	577,720	289,572	288,148
Other Purchased Services	276,403	66,492	342,895	290,266	52,629
Supplies and Materials		13,784	13,784	11,823	1,961
Student activities - Non Budget				2,679	(2,679)
Total Support Services	775,149	186,586	961,735	610,495	351,240
Required maintenance for school facilities					
Supplies and materials		26,462	26,462	26,462	
Total required maintenance for school facilities		26,462	26,462	26,462	
Capital outlay:					
Facilities acquisition and construction services:					
Instructional equipment		402,954	402,954	356,380	46,574
Total facilities acquisition and construction services		402,954	402,954	356,380	46,574
Total Expenditures	1,246,942	1,152,234	2,399,176	1,741,090	658,086
Deficiency of revenues over expenditures	-	-	-	(1,812)	(1,812)
Fund Balances, Beginning of Year	6,334		6,334	6,334	
Fund Balances, End of Year	\$ 6,334	\$ -	\$ 6,334	\$ 4,522	\$ (1,812)
Recapitulation of Fund Balance:					
Restricted:					
Student Activities				\$ 4,522	
				\$ 4,522	

RIVER EDGE BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibit C-1 and C-2)	\$ 25,875,071	\$ 1,739,278
Differences - 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)		(435,063)
Prior Year		91,926
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. (Current Year)	(335,565)	
State Aid payments recognized for GAAP statements, not recognized for budgetary statements (prior year)	287,417	
	<u>\$ 25,826,923</u>	<u>\$ 1,396,141</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule ( Exhibits C-1 and C-2)	\$ 25,185,495	\$ 1,741,090
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. (Current Year)		(435,063)
Prior Year		91,926
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 25,185,495</u>	<u>\$ 1,397,953</u>

## **Required Supplementary Information – Part III**

### **Pension and OPEB Schedules**

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

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
Last Ten Fiscal Years \***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03658 %	0.03756 %	0.03873 %	0.03629 %	0.03769 %	0.03760 %	0.03573 %	0.03456 %	0.03268 %	0.03037 %
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 5,519,787</u>	<u>\$ 4,450,332</u>	<u>\$ 6,315,766</u>	<u>\$ 6,538,819</u>	<u>\$ 7,421,275</u>	<u>\$ 8,754,643</u>	<u>\$ 10,582,561</u>	<u>\$ 7,758,672</u>	<u>\$ 6,118,767</u>	<u>\$ 5,804,444</u>
District's Covered Payroll	<u>\$ 2,789,540</u>	<u>\$ 2,687,394</u>	<u>\$ 2,689,438</u>	<u>\$ 2,698,289</u>	<u>\$ 2,656,870</u>	<u>\$ 2,633,343</u>	<u>\$ 2,563,059</u>	<u>\$ 2,406,632</u>	<u>\$ 2,275,030</u>	<u>\$ 2,203,935</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	198%	166%	235%	242%	279%	332%	413%	322%	269%	263%
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.

**RIVER EDGE BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

	PUBLIC EMPLOYEES' RETIREMENT SYSTEM									
	Last Ten Fiscal Years *									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 461,238	\$ 439,949	\$ 423,682	\$ 352,990	\$ 374,909	\$ 348,402	\$ 317,431	\$ 260,627	\$ 269,417	\$ 228,837
Contributions in Relation to the Contractually Required Contributions	<u>461,238</u>	<u>439,949</u>	<u>423,682</u>	<u>352,990</u>	<u>374,909</u>	<u>348,402</u>	<u>317,431</u>	<u>260,627</u>	<u>269,417</u>	<u>228,837</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	<u>\$ 2,528,770</u>	<u>\$ 2,789,540</u>	<u>\$ 2,687,394</u>	<u>\$ 2,689,438</u>	<u>\$ 2,698,289</u>	<u>\$ 2,656,870</u>	<u>\$ 2,633,343</u>	<u>\$ 2,563,059</u>	<u>\$ 2,406,632</u>	<u>\$ 2,275,030</u>
Contributions as a Percentage of Covered Payroll	18.24%	15.77%	15.77%	13.13%	13.89%	13.11%	12.05%	10.17%	11.19%	10.06%

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

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

**TEACHERS PENSION AND ANNUITY FUND  
Last Ten Fiscal Years \***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	-	-	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 39,739,662</u>	<u>\$ 37,495,909</u>	<u>\$ 47,544,740</u>	<u>\$ 47,181,320</u>	<u>\$ 48,628,419</u>	<u>\$ 50,470,552</u>	<u>\$ 61,819,569</u>	<u>\$ 50,399,597</u>	<u>\$ 38,293,955</u>	<u>\$ 38,852,868</u>
Total	<u>\$ 39,739,662</u>	<u>\$ 37,495,909</u>	<u>\$ 47,544,740</u>	<u>\$ 47,181,320</u>	<u>\$ 48,628,419</u>	<u>\$ 50,470,552</u>	<u>\$ 61,819,569</u>	<u>\$ 50,399,597</u>	<u>\$ 38,293,955</u>	<u>\$ 38,852,868</u>
District's Covered Payroll	<u>\$ 9,572,993</u>	<u>\$ 8,785,541</u>	<u>\$ 8,726,357</u>	<u>\$ 8,320,775</u>	<u>\$ 7,844,903</u>	<u>\$ 7,951,060</u>	<u>\$ 7,601,792</u>	<u>\$ 7,641,947</u>	<u>\$ 7,722,649</u>	<u>\$ 7,576,844</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

**RIVER EDGE BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Change of Benefit Terms:**

None.

**Change of Assumptions:**

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

**RIVER EDGE BOARD OF EDUCATION**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF**  
**TOTAL OPEB LIABILITY**  
**POSTEMPLOYMENT HEALTH BENEFIT PLAN**  
**Last Six Fiscal Years\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>						
Service Cost	\$ 2,319,531	\$ 2,786,183	\$ 1,475,233	\$ 1,444,526	\$ 1,682,711	\$ 2,062,243
Interest on Total OPEB Liability	944,968	1,070,004	1,025,933	1,202,553	1,286,250	1,090,541
Differences Between Expected and Actual Experience	1,617,154	(8,839,014)	8,517,052	(4,041,920)	(3,330,222)	-
Changes of Assumptions	(9,565,490)	40,694	8,594,243	420,924	(3,447,891)	(4,575,186)
Gross Benefit Payments	(936,018)	(842,863)	(819,085)	(866,603)	(803,411)	(1,098,557)
Change of Benefit Terms	-	(43,903)	-	-	-	-
Contribution from the Member	30,028	27,355	24,826	25,689	27,767	40,452
<b>Net Change in Total OPEB Liability</b>	(5,589,827)	(5,801,544)	18,818,202	(1,814,831)	(4,584,796)	(2,480,507)
<b>Total OPEB Liability - Beginning</b>	<u>41,247,499</u>	<u>47,049,043</u>	<u>28,230,841</u>	<u>30,045,672</u>	<u>34,630,468</u>	<u>37,110,975</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 35,657,672</u>	<u>\$ 41,247,499</u>	<u>\$ 47,049,043</u>	<u>\$ 28,230,841</u>	<u>\$ 30,045,672</u>	<u>\$ 34,630,468</u>
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	<u>35,657,672</u>	<u>41,247,499</u>	<u>47,049,043</u>	<u>28,230,841</u>	<u>30,045,672</u>	<u>34,630,468</u>
Total OPEB Liability - Ending	<u>\$ 35,657,672</u>	<u>\$ 41,247,499</u>	<u>\$ 47,049,043</u>	<u>\$ 28,230,841</u>	<u>\$ 30,045,672</u>	<u>\$ 34,630,468</u>
<b>District's Covered Payroll</b>	<u>\$ 12,362,553</u>	<u>\$ 11,472,935</u>	<u>\$ 11,415,795</u>	<u>\$ 11,019,064</u>	<u>\$ 10,501,773</u>	<u>\$ 10,584,403</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%

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

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

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

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

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

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

## **Other Supplementary Information**

## **Special Revenue Fund**

River Edge Board of Education  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures  
Budgetary Basis  
Year ended June 30, 2023

	I.D.E.A.				Title II Regular	Title III Regular	Title IV Regular	Elementary and Secondary School Emergency Relief	Elementary and Secondary School Emergency Relief	Coronavirus Response and Relief Supplemental	Elementary and Secondary School Emergency Relief	Elementary and Secondary School Emergency Relief	Elementary and Secondary School Emergency Relief	Comp Ed Regular Program	Exam & Class Regular Program	Corrective Speech Regular Program		
	Regular Part A	Part B Regular	Part B ARP	Part B Preschool				ARP Mental Health Grant Program	ESSER II Grant Program	Appropriations Act (CRRSA)	American Rescue Plan	Evidence-Based Summer Learning and Enrichment Activities Grant	Evidence-Based Summer Learning and Enrichment Activities Grant				ESSER III	ESSER III
Revenues:																		
State sources																		
Federal sources	\$ 52,491	\$ 380,637	\$ 17,235	\$ 20,333	\$ 15,543	\$ 22,011	\$ 11,187	\$ 14,276	\$ 63,000	\$ 990	\$ 435,100	\$ 26,180	\$ 4,200	\$ 29,139	\$ 10,524	\$ 95,001	\$ 79,980	
Other sources																		
Total revenues	52,491	380,637	17,235	20,333	15,543	22,011	11,187	14,276	63,000	990	435,100	26,180	4,200	29,139	10,524	95,001	79,980	
Expenditures:																		
Current expenditures:																		
Instruction:																		
Salaries of teachers	35,922							9,808					14,935	4,200				
Other Purchased services		135,000												29,139	#####	##	95,001	#####
Supplies and materials	414	72	1,937			19,951	8,977			350	78,720	5,060						
Other objects			5,710															
Total instruction	36,336	135,072	7,647			19,951	8,977	9,808	51,644	350	78,720	19,995	4,200	29,139	10,524	95,001	79,980	
Support services:																		
Personnel services - employee benefits	16,155																	
Purchased professional - educational services		236,600		20,333	15,543	2,060	2,210	4,001		640		6,185						
Other purchased services		8,965	9,588															
Supplies and materials								467	11,356									
Student Activities - Non Budget																		
Other objects																		
Total support services	16,155	245,565	9,588	20,333	15,543	2,060	2,210	4,468	11,356	640	-	6,185	-					
Required maintenance for school facilities:																		
Supplies and materials																		
Total maintenance for school facilities																		
Capital outlay:																		
Facilities acquisition and construction services:												356,380						
Instructional equipment																		
Total facilities acquisition and construction services												356,380						
Total expenditures	52,491	380,637	17,235	20,333	15,543	22,011	11,187	14,276	63,000	990	435,100	26,180	4,200	29,139	10,524	95,001	79,980	
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

River Edge Board of Education  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures  
Budgetary Basis  
Year ended June 30, 2023

	Supple - mentary		Technology	Text - books		Climate Change	NJ SDA Emergent			
	Instruction	Nursing	Initiative	Regular	Security	Grant	Grant	Student	Local	Totals
	Regular	Regular	Regular	Regular	Regular	Regular	Regular	Activities	Programs	
	Program	Program	Program	Program	Program	Program	Program			
Revenues:										
State sources	\$ 78,470	\$ 71,574	\$ 29,433	\$ 45,112	\$ 200,139	\$ 6,623	\$ 26,462			\$ 672,457
Federal sources										1,063,183
Other sources								\$ 867	\$ 2,771	3,638
Total revenues	78,470	71,574	29,433	45,112	200,139	6,623	26,462	867	2,771	1,739,278
Expenditures:										
Current expenditures:										
Instruction:										
Salaries of teachers										64,865
Other purchased services	78,470									428,114
Supplies and materials			29,433	45,112		4,623			826	247,119
Other objects									1,945	7,655
Total instruction	78,470	-	29,433	45,112	-	4,623	-	-	2,771	747,753
Support services:										
Personnel services – employee benefits										16,155
Purchased professional - educational services						2,000				289,572
Other purchased services		71,574			200,139					290,266
Supplies and materials										11,823
Student Activities - Non Budget								2,679		2,679
Other objects										-
Total support services	-	71,574	-	-	200,139	2,000	-	2,679	-	610,495
Required maintenance for school facilities:										
Supplies and materials							26,462			26,462
Total maintenance for school facilities	-	-	-	-	-	-	26,462	-	-	26,462
Capital outlay:										
Facilities acquisition and construction services:										
Instructional equipment										356,380
Total facilities acquisition and construction services										356,380
Total expenditures	78,470	71,574	29,433	45,112	200,139	6,623	26,462	2,679	2,771	1,741,090
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	(1,812)	-	(1,812)
Fund Balance, July 1	-	-	-	-	-	-	-	6,334	-	6,334
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,522	\$ -	\$ 4,522

River Edge Board of Education  
 Special Revenue Fund  
 Student Activities  
 Schedule of Receipts and Disbursements  
 Budgetary Basis

Year ended June 30, 2023

	<u>Balance, July 1, 2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance, June 30, 2023</u>
Elementary Schools:				
Cherry Hill	\$ 3,906	\$ 31		\$ 3,937
Roosevelt	<u>2,428</u>	<u>836</u>	<u>\$ 2,679</u>	<u>585</u>
	<u>\$ 6,334</u>	<u>\$ 867</u>	<u>\$ 2,679</u>	<u>\$ 4,522</u>

## **Proprietary Funds**

## **Enterprise Funds**

RIVER EDGE BOARD OF EDUCATION  
 ENTERPRISE FUNDS- NON-MAJOR  
 COMBINING STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2023

	<b>Food Service Fund</b>	<b>Summer Enrichment Program Fund</b>	<b>Non-Major Enterprise Funds Total</b>
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 7,422	\$ 53,394	\$ 60,816
Total Current Assets	<u>7,422</u>	<u>53,394</u>	<u>60,816</u>
Capital Assets			
Machinery and Equipment	2,589		2,589
Less: Accumulated Depreciation	(2,589)		(2,589)
Total Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>7,422</u>	<u>53,394</u>	<u>60,816</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts Payable	743		743
Unearned Revenue		25,425	25,425
Total Liabilities	<u>743</u>	<u>25,425</u>	<u>26,168</u>
<b>NET POSITION</b>			
Unrestricted	6,679	27,969	34,648
Total Net Position	<u>\$ 6,679</u>	<u>\$ 27,969</u>	<u>\$ 34,648</u>

RIVER EDGE BOARD OF EDUCATION  
 ENTERPRISE FUNDS- NON-MAJOR  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<b>Food Service Fund</b>	<b>Summer Enrichment Program Fund</b>	<b>Non-Major Enterprise Funds Total</b>
<b>OPERATING REVENUES</b>			
Local sources:			
Daily sales - Special Milk Program	\$ 11,095		\$ 11,095
Tuition		\$ 40,816	40,816
Total operating revenues	<u>11,095</u>	<u>40,816</u>	<u>51,911</u>
Operating expenses:			
Salaries		43,207	43,207
Supplies and materials		7,744	7,744
Cost of sales	11,990		11,990
Total operating expenses	<u>11,990</u>	<u>50,951</u>	<u>62,941</u>
Operating (loss)	<u>(895)</u>	<u>(10,135)</u>	<u>(11,030)</u>
<b>NON-OPERATING REVENUES</b>			
Interest on Deposits		282	282
Total Non-Operating Revenues	<u>-</u>	<u>282</u>	<u>282</u>
Change in Net Position	(895)	(9,853)	(10,748)
Total Net Position Beginning of Year	7,574	37,822	45,396
Total Net Position End of Year	<u>\$ 6,679</u>	<u>\$ 27,969</u>	<u>\$ 34,648</u>

RIVER EDGE BOARD OF EDUCATION  
ENTERPRISE FUNDS- NON-MAJOR  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<b>Food Service Fund</b>	<b>Summer Enrichment Program Fund</b>	<b>Non-Major Enterprise Funds Total</b>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 11,095	\$ 40,816	\$ 51,911
Payments to employees		(43,207)	(43,207)
Payments to suppliers	(11,247)	(7,744)	(18,991)
Net Cash used for Operating Activities	<u>(152)</u>	<u>(10,135)</u>	<u>(10,287)</u>
<b>Cash Flows from Investing Activities</b>			
Interest on Deposits	-	282	282
Net Cash Provided by Investing Activities	<u>-</u>	<u>282</u>	<u>282</u>
Net Decrease in Cash and Cash Equivalents	(152)	(9,853)	(10,005)
Cash and Cash Equivalents, Beginning of Year	7,574	63,247	70,821
Cash and Cash Equivalents, End of Year	<u>\$ 7,422</u>	<u>\$ 53,394</u>	<u>\$ 60,816</u>
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</b>			
Operating Loss	\$ (895)	\$ (10,135)	\$ (11,030)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities			
Change Liabilities			
Increase in accounts payable	743	-	743
Total Adjustments	<u>743</u>	<u>-</u>	<u>743</u>
Net Cash Used for Operating Activities	<u>\$ (152)</u>	<u>\$ (10,135)</u>	<u>\$ (10,287)</u>

## **Long-Term Debt**

RIVER EDGE BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Purpose	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2022	Matured	Balance June 30, 2023					
			Date	Amount									
Refunding School Issue	11/25/2014	\$ 7,310,000	10/15/2023	\$ 455,000	3.000%	\$ 6,165,000	\$ 415,000	\$ 5,750,000					
			10/15/2024	500,000	3.125%								
			10/15/2025	520,000	4.500%								
			10/15/2026	570,000	3.500%								
			10/15/2027	620,000	3.500%								
			10/15/2028	675,000	3.500%								
			10/15/2029	725,000	3.500%								
			10/15/2030	780,000	3.500%								
			10/15/2031	905,000	3.500%								
			Refunding School Issue	10/20/2021	5,100,000				2/1/2024	560,000	4.000%	5,100,000	560,000
2/1/2025	560,000	4.000%											
2/1/2026	580,000	4.000%											
2/1/2027	575,000	4.000%											
2/1/2028	570,000	4.000%											
2/1/2029	570,000	4.000%											
2/1/2030	565,000	4.000%											
2/1/2031	560,000	4.000%											
<u>\$ 11,265,000</u>						<u>\$ 975,000</u>	<u>\$ 10,290,000</u>						
Paid by Debt Service Budget						\$ 975,000							
						<u>\$ 975,000</u>							

RIVER EDGE BOARD OF EDUCATION  
 LONG-TERM DEBT  
 DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final Budget to Actual</b>
<b>REVENUES</b>					
Local Sources					
Local tax levy	\$ 1,125,141		\$ 1,125,141	\$ 1,125,141	
State sources:					
Debt Service Aid	264,459		264,459	264,459	
Total Revenues	<u>1,389,600</u>		<u>1,389,600</u>	<u>1,389,600</u>	
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	975,000		975,000	975,000	
Interest	414,600		414,600	414,600	
Total Expenditures	<u>1,389,600</u>		<u>1,389,600</u>	<u>1,389,600</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>		<u>-</u>	<u>-</u>	
Fund Balance, Beginning of Year	34,325		34,325	34,325	
Fund Balance, End of Year	<u>\$ 34,325</u>	<u>\$ -</u>	<u>\$ 34,325</u>	<u>\$ 34,325</u>	<u>\$ -</u>
Designated For Subsequent Year's Expenditures				<u>\$ 34,325</u>	

## **Statistical Section**

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

#### **Demographic and Economic Information**

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

**RIVER EDGE BOARD OF EDUCATION**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	As of June 30,									
	2014	2015	2016	2017	2018	2019	2020 (Restated)	2021	2022	2023
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 2,706,552	\$ 3,085,602	\$ 3,171,066	\$ 3,302,158	\$ 3,599,095	\$ 4,353,219	\$ 4,755,910	\$ 5,086,988	\$ 4,897,660	\$ 5,529,406
Restricted	621,003	771,228	1,059,966	1,026,840	862,532	1,267,722	2,314,283	2,703,240	4,793,080	5,668,032
Unrestricted	<u>(4,790,997)</u>	<u>(4,795,691)</u>	<u>(5,168,198)</u>	<u>(5,940,047)</u>	<u>(6,649,994)</u>	<u>(7,028,819)</u>	<u>(7,188,430)</u>	<u>(6,730,520)</u>	<u>(5,978,085)</u>	<u>(5,336,473)</u>
<b>Total Governmental Activities Net Position</b>	<u>\$ (1,463,442)</u>	<u>\$ (938,861)</u>	<u>\$ (937,166)</u>	<u>\$ (1,611,049)</u>	<u>\$ (2,188,367)</u>	<u>\$ (1,407,878)</u>	<u>\$ (118,237)</u>	<u>\$ 1,059,708</u>	<u>\$ 3,712,655</u>	<u>\$ 5,860,965</u>
<b>Business-Type Activities</b>										
Unrestricted	\$ 11,473	\$ 23,401	\$ 24,432	\$ 29,351	\$ 33,713	\$ 43,121	\$ 52,055	\$ 52,185	\$ 45,396	\$ 34,648
<b>Total Business-Type Activities Net Position</b>	<u>\$ 11,473</u>	<u>\$ 23,401</u>	<u>\$ 24,432</u>	<u>\$ 29,351</u>	<u>\$ 33,713</u>	<u>\$ 43,121</u>	<u>\$ 52,055</u>	<u>\$ 52,185</u>	<u>\$ 45,396</u>	<u>\$ 34,648</u>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 2,706,552	\$ 3,085,602	\$ 3,171,066	\$ 3,302,158	\$ 3,599,095	\$ 4,353,219	\$ 4,755,910	\$ 5,086,988	\$ 4,897,660	\$ 5,529,406
Restricted	621,003	771,228	1,059,966	1,026,840	862,532	1,267,722	2,314,283	2,703,240	4,793,080	5,668,032
Unrestricted	<u>(4,779,524)</u>	<u>(4,772,290)</u>	<u>(5,143,766)</u>	<u>(5,910,696)</u>	<u>(6,616,281)</u>	<u>(6,985,698)</u>	<u>(7,136,375)</u>	<u>(6,678,335)</u>	<u>(5,932,689)</u>	<u>(5,301,825)</u>
<b>Total District Net Position</b>	<u>\$ (1,451,969)</u>	<u>\$ (915,460)</u>	<u>\$ (912,734)</u>	<u>\$ (1,581,698)</u>	<u>\$ (2,154,654)</u>	<u>\$ (1,364,757)</u>	<u>\$ (66,182)</u>	<u>\$ 1,111,893</u>	<u>\$ 3,758,051</u>	<u>\$ 5,895,613</u>

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

**RIVER EDGE BOARD OF EDUCATION  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Unaudited)  
(accrual basis of accounting)**

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 6,861,154	\$ 8,435,228	\$ 9,430,279	\$ 9,955,637	\$ 10,519,387	\$ 9,815,683	\$ 9,954,431	\$ 11,074,425	\$ 9,460,490	\$ 9,773,488
Special Education	3,355,024	3,738,680	4,062,713	4,963,621	5,047,628	4,842,425	4,553,682	4,786,191	4,870,861	4,515,737
Other Instruction	1,082,954	1,311,920	1,392,555	1,445,351	1,564,453	1,433,457	1,539,355	1,690,897	1,069,946	1,250,128
<b>School Sponsored Activities</b>								74	38,510	41,944
<b>Support Services:</b>										
Student and Instruction Related Services	2,341,688	2,529,563	2,681,295	3,174,664	3,564,459	3,488,444	3,434,252	3,486,336	3,688,817	3,468,553
General Administration Services	551,565	641,985	608,418	776,820	809,409	771,999	781,902	858,261	892,537	784,231
School Administration Services	886,780	1,047,441	1,156,852	1,356,528	1,419,337	1,347,533	1,286,182	1,432,000	1,339,865	1,278,798
Business/ Central Services	428,759	529,266	611,193	550,872	646,600	622,841	627,068	643,420	803,956	670,081
Plant Operations And Maintenance	1,966,031	2,009,615	2,191,767	2,427,827	2,531,844	2,415,012	2,470,310	2,662,134	2,252,890	2,188,398
Pupil Transportation	49,428	84,448	99,234	111,639	153,042	141,268	129,175	102,844	113,879	231,278
Interest On Long-Term Debt	725,695	632,909	625,235	596,212	566,638	532,632	496,981	462,966	1,117,301	262,916
<b>Total Governmental Activities Expenses</b>	<b>18,249,078</b>	<b>20,961,055</b>	<b>22,859,541</b>	<b>25,359,171</b>	<b>26,822,797</b>	<b>25,411,294</b>	<b>25,273,338</b>	<b>27,199,548</b>	<b>25,649,052</b>	<b>24,465,552</b>
<b>Business-Type Activities:</b>										
Food Service	16,452	14,222	19,509	11,428	10,135	9,989	6,372	-	9,812	11,990
Summer Enrichment Program	53,046	47,955	50,349	52,120	49,233	57,934	58,331	-	38,096	50,951
<b>Total Business-Type Activities Expense</b>	<b>69,498</b>	<b>62,177</b>	<b>69,858</b>	<b>63,548</b>	<b>59,368</b>	<b>67,923</b>	<b>64,703</b>	<b>-</b>	<b>47,908</b>	<b>62,941</b>
<b>Total District Expenses</b>	<b>\$ 18,318,576</b>	<b>\$ 21,023,232</b>	<b>\$ 22,929,399</b>	<b>\$ 25,422,719</b>	<b>\$ 26,882,165</b>	<b>\$ 25,479,217</b>	<b>\$ 25,338,041</b>	<b>\$ 27,199,548</b>	<b>\$ 25,696,960</b>	<b>\$ 24,528,493</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges For Services:</b>										
Regular					\$ 46,095	\$ 51,965	\$ 48,368	\$ 40,244		
Special Education	\$ 790,310	\$ 929,139	\$ 835,142	\$ 693,242	723,136	608,809	568,772	527,712	\$ 531,544	\$ 346,112
School Sponsored Activities								379		
Student and Instruction Related Services									(840)	
Operating Grants And Contributions	2,891,826	4,875,937	5,999,315	7,676,017	8,545,044	7,782,269	7,422,941	9,136,375	9,705,971	8,033,492
Capital Grants And Contributions	41,669	150,586	9,593	-	-	6,538	25,000	-	-	-
<b>Total Governmental Activities Program Revenues</b>	<b>3,723,805</b>	<b>5,955,662</b>	<b>6,844,050</b>	<b>8,369,259</b>	<b>9,314,275</b>	<b>8,449,581</b>	<b>8,065,081</b>	<b>9,704,710</b>	<b>10,236,675</b>	<b>8,379,604</b>
<b>Business-Type Activities:</b>										
<b>Charges For Services</b>										
Food Service	\$ 16,452	\$ 14,222	\$ 20,240	\$ 12,167	\$ 11,971	\$ 11,352	\$ 9,904	\$ -	\$ 9,185	\$ 11,095
Summer Enrichment Program	57,943	59,763	50,530	56,235	51,717	65,607	63,235	-	31,853	40,816
<b>Total Business Type Activities Program Revenues</b>	<b>74,395</b>	<b>73,985</b>	<b>70,770</b>	<b>68,402</b>	<b>63,688</b>	<b>76,959</b>	<b>73,139</b>	<b>-</b>	<b>41,038</b>	<b>51,911</b>
<b>Total District Program Revenues</b>	<b>\$ 3,798,200</b>	<b>\$ 6,029,647</b>	<b>\$ 6,914,820</b>	<b>\$ 8,437,661</b>	<b>\$ 9,377,963</b>	<b>\$ 8,526,540</b>	<b>\$ 8,138,220</b>	<b>\$ 9,704,710</b>	<b>\$ 10,277,713</b>	<b>\$ 8,431,515</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (14,525,273)	\$ (15,005,393)	\$ (16,015,491)	\$ (16,989,912)	\$ (17,508,522)	\$ (16,961,713)	\$ (17,208,257)	\$ (17,494,838)	\$ (15,412,377)	\$ (16,085,948)
Business-Type Activities	4,897	11,808	912	4,854	4,320	9,036	8,436	-	(6,870)	(11,030)
<b>Total District-Wide Net Expense</b>	<b>\$ (14,520,376)</b>	<b>\$ (14,993,585)</b>	<b>\$ (16,014,579)</b>	<b>\$ (16,985,058)</b>	<b>\$ (17,504,202)</b>	<b>\$ (16,952,677)</b>	<b>\$ (17,199,821)</b>	<b>\$ (17,494,838)</b>	<b>\$ (15,419,247)</b>	<b>\$ (16,096,978)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied For General Purposes	\$ 13,508,217	\$ 13,850,746	\$ 14,308,961	\$ 14,707,943	\$ 15,106,738	\$ 15,408,873	\$ 15,717,050	\$ 16,031,391	\$ 16,352,019	\$ 16,679,059
Property Taxes Levied For Debt Service	1,186,228	1,188,351	1,200,950	1,215,370	1,197,136	1,200,358	1,200,316	1,200,325	1,194,506	1,125,141
Federal and State Aid - Unrestricted					277,149	762,964	997,591	1,091,142		
Federal and State Aid - Restricted	243,431	272,955	274,243	269,763	209,954	212,442	216,384	219,100	221,594	264,459
Interest on Deposits	8,556	5,046	4,595	6,387	15,131	23,888	26,552	-	8,421	52,178
Miscellaneous Income	139,042	202,276	228,437	116,566	125,096	133,677	142,857	130,825	288,784	113,421
Donated Capital Assets	-	10,600	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>15,085,474</b>	<b>15,529,974</b>	<b>16,017,186</b>	<b>16,316,029</b>	<b>16,931,204</b>	<b>17,742,202</b>	<b>18,300,750</b>	<b>18,672,783</b>	<b>18,065,324</b>	<b>18,234,258</b>
<b>Total Business-Type Activities</b>	<b>137</b>	<b>120</b>	<b>119</b>	<b>65</b>	<b>42</b>	<b>372</b>	<b>498</b>	<b>130</b>	<b>81</b>	<b>282</b>
<b>Total District-Wide</b>	<b>\$ 15,085,611</b>	<b>\$ 15,530,094</b>	<b>\$ 16,017,305</b>	<b>\$ 16,316,094</b>	<b>\$ 16,931,246</b>	<b>\$ 17,742,574</b>	<b>\$ 18,301,248</b>	<b>\$ 18,672,913</b>	<b>\$ 18,065,405</b>	<b>\$ 18,234,540</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 560,201	\$ 524,581	\$ 1,695	\$ (673,883)	\$ (577,318)	\$ 780,489	\$ 1,092,493	\$ 1,177,945	\$ 2,652,947	\$ 2,148,310
Business-Type Activities	5,034	11,928	1,031	4,919	4,362	9,408	8,934	130	(6,789)	(10,748)
<b>Total District</b>	<b>\$ 565,235</b>	<b>\$ 536,509</b>	<b>\$ 2,726</b>	<b>\$ (668,964)</b>	<b>\$ (572,956)</b>	<b>\$ 789,897</b>	<b>\$ 1,101,427</b>	<b>\$ 1,178,075</b>	<b>\$ 2,646,158</b>	<b>\$ 2,137,562</b>

**RIVER EDGE BOARD OF EDUCATION**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	As of June 30,										
	2014	2015	2016	2017	2018	2019	2020 (Restated)	2021	2022	2022	2023
General Fund											
Restricted	\$ 1,139,063	\$ 1,696,038	\$ 2,128,666	\$ 1,935,227	\$ 1,843,154	\$ 2,267,722	\$ 3,307,414	\$ 3,696,066	\$ 4,786,746	\$ 4,786,746	\$ 5,629,185
Assigned	213,100	154,208	42,540	113,777	8,725			57,045	231,284	231,284	582,629
Committed						9,218					
Unassigned	<u>134,713</u>	<u>136,602</u>	<u>142,189</u>	<u>157,610</u>	<u>150,943</u>	<u>50,275</u>	<u>32,414</u>	<u>393,303</u>	<u>994,634</u>	<u>994,634</u>	<u>442,278</u>
Total General Fund	<u>\$ 1,486,876</u>	<u>\$ 1,986,848</u>	<u>\$ 2,313,395</u>	<u>\$ 2,206,614</u>	<u>\$ 2,002,822</u>	<u>\$ 2,327,215</u>	<u>\$ 3,339,828</u>	<u>\$ 4,146,414</u>	<u>\$ 6,012,664</u>	<u>\$ 6,012,664</u>	<u>\$ 6,654,092</u>
All Other Governmental Funds											
Restricted	\$ 337,697	\$ 81,431	\$ 6,300	\$ 166,613	\$ 19,378		\$ 6,869	\$ 7,174	\$ 40,659	\$ 40,659	\$ 38,847
Assigned	<u>-</u>										
Total All Other Governmental Funds	<u>\$ 337,697</u>	<u>\$ 81,431</u>	<u>\$ 6,300</u>	<u>\$ 166,613</u>	<u>\$ 19,378</u>	<u>\$ -</u>	<u>\$ 6,869</u>	<u>\$ 7,174</u>	<u>\$ 40,659</u>	<u>\$ 40,659</u>	<u>\$ 38,847</u>

Note 1 - Fund balances at June 30, 2020 is restated to reflect the implementation of GASB No. 84 "Fiduciary Activities".

**RIVER EDGE BOARD OF EDUCATION**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Tax Levy	\$ 14,694,445	\$ 15,039,097	\$ 15,509,911	\$ 15,923,313	\$ 16,303,874	\$ 16,609,231	\$ 16,917,366	\$ 17,231,716	\$ 17,546,525	\$ 17,804,200
Tuition Charges	790,310	929,139	835,142	693,242	769,231	660,774	617,140	567,956	531,544	346,112
Interest Earnings	8,556	5,046	4,595	6,387	15,131	23,888	206,895	134,166	8,421	52,178
Miscellaneous	139,132	204,514	240,118	120,353	131,490	152,398			189,815	117,059
State Sources	2,758,367	3,248,237	3,334,193	3,606,474	4,284,684	5,842,824	6,301,564	7,046,025	9,671,094	9,600,019
Federal Sources	418,469	419,537	489,106	532,620	469,192	475,824	569,686	591,774	907,415	693,096
<b>Total Revenues</b>	<b>18,809,279</b>	<b>19,845,570</b>	<b>20,413,065</b>	<b>20,882,389</b>	<b>21,973,602</b>	<b>23,764,939</b>	<b>24,612,651</b>	<b>25,571,637</b>	<b>28,854,814</b>	<b>28,612,664</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	6,861,154	7,276,076	7,688,490	7,760,867	8,335,373	8,599,358	9,032,332	9,729,750	11,130,238	11,501,008
Special Education Instruction	3,355,024	3,503,625	3,649,064	3,907,483	4,029,114	4,247,629	4,125,729	4,210,059	4,184,713	4,333,912
Other Instruction	1,082,954	1,181,662	1,202,944	1,213,206	1,321,808	1,301,625	1,426,432	1,525,709	1,319,647	1,528,854
School Sponsored Activities								74	47,554	51,356
<b>Support Services:</b>										
Student and Inst. Related Services	2,336,171	2,489,188	2,566,126	2,710,142	2,972,638	3,162,566	3,269,600	3,223,113	4,193,647	3,968,036
General Administration Services	551,565	523,122	585,023	638,475	669,832	693,003	723,566	777,655	689,342	703,707
School Administration Services	886,780	961,048	1,010,852	1,087,474	1,127,880	1,160,251	1,167,442	1,245,208	1,316,512	1,375,283
Business/ Central Services	428,759	458,049	495,774	448,738	521,206	550,721	580,989	573,451	560,757	572,923
Plant Operations And Maintenance	1,281,421	1,289,024	1,438,780	1,519,343	1,567,824	1,548,901	1,653,162	1,766,639	1,769,736	1,985,020
Pupil Transportation	49,428	77,859	90,116	91,978	130,674	127,757	119,095	102,843	113,879	231,278
Capital Outlay	380,509	412,049	22,002	38,770	238,967	655,313	275,270	190,820	247,279	332,071
<b>Debt Service:</b>										
Principal	804,317	770,000	815,000	840,000	865,000	900,000	940,000	975,000	1,005,000	975,000
Interest and Other Charges	689,829	615,162	597,478	572,381	544,313	512,800	476,700	444,425	376,775	414,600
Cost of Issuance of Refunding Bonds	-	111,175	-	-	-	-	-	-	104,044	-
<b>Total Expenditures</b>	<b>18,707,911</b>	<b>19,668,039</b>	<b>20,161,649</b>	<b>20,828,857</b>	<b>22,324,629</b>	<b>23,459,924</b>	<b>23,790,317</b>	<b>24,764,746</b>	<b>27,059,123</b>	<b>27,973,048</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	101,368	177,531	251,416	53,532	(351,027)	305,015	822,334	806,891	1,795,691	639,616
<b>Other Financing Sources (Uses)</b>										
Bond Proceeds		7,325,000								
Payments to Refunding Escrow Agent		(7,746,275)							(5,658,625)	
Refunding Bond Proceeds									5,100,000	
Premium on Issuance of Refunding Bonds		487,450							662,669	
Transfers In	301,245		86,947	200,000		354,920	401,880			
Transfers Out	(301,245)	-	(86,947)	(200,000)	-	(354,920)	(401,880)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>66,175</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>104,044</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 101,368</b>	<b>\$ 243,706</b>	<b>\$ 251,416</b>	<b>\$ 53,532</b>	<b>\$ (351,027)</b>	<b>\$ 305,015</b>	<b>\$ 822,334</b>	<b>\$ 806,891</b>	<b>\$ 1,899,735</b>	<b>\$ 639,616</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	8.15%	7.77%	7.01%	6.79%	6.38%	6.20%	6.02%	5.78%	5.54%	5.03%

\* Noncapital expenditures are total expenditures less capital outlay.

**RIVER EDGE BOARD OF EDUCATION  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Fiscal Year Ended June 30.</u>	<u>Tuition</u>	<u>Interest on Deposits</u>	<u>Misc.</u>	<u>Total</u>
2014	\$ 790,310	\$ 8,322	\$ 139,042	\$ 937,674
2015	929,139	5,046	202,276	1,136,461
2016	835,142	4,595	228,437	1,068,174
2017	693,242	6,387	116,566	816,195
2018	769,231	15,131	125,096	909,458
2019	660,774	23,888	133,677	818,339
2020	617,140	26,552	142,857	786,549
2021	567,956	14,378	116,447	698,781
2022	531,544	8,421	184,740	724,705
2023	346,112	52,178	113,421	511,711

Source: School Districts' Financial Statements

**RIVER EDGE BOARD OF EDUCATION  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS  
 (Unaudited)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2014	\$ 3,019,800	\$ 1,230,540,199	N/A	N/A	\$ 107,300,600	\$ 11,109,500	\$ 77,829,700	\$ 1,429,799,799	\$ 4,544,828	\$ 1,434,344,627	\$ 1,680,254,978	\$ 1.049
2015	3,035,800	1,237,865,699	N/A	N/A	110,334,400	9,957,700	76,839,700	1,438,033,299	4,509,632	1,442,542,931	1,652,674,244	1.075
2016	2,533,300	1,245,022,199	N/A	N/A	113,294,400	9,957,700	76,839,700	1,447,647,299	4,742,304	1,452,389,603	1,687,677,142	1.097
2017	2,533,300	1,247,329,199	N/A	N/A	113,994,900	9,957,700	76,787,900	1,450,602,999	4,715,220	1,455,318,219	1,706,636,057	1.121
2018	2,742,900	1,250,423,299	N/A	N/A	114,618,400	9,957,700	76,737,900	1,454,480,199	4,561,923	1,459,042,122	1,775,381,937	1.138
2019	2,056,800	1,259,335,899	N/A	N/A	113,564,500	9,957,700	76,737,900	1,461,652,799	4,435,777	1,466,088,576	1,853,854,418	1.154
2020	1,926,000	1,274,472,399	N/A	N/A	113,863,300	9,957,700	76,737,900	1,476,957,299	4,295,164	1,481,252,463	1,950,932,269	1.164
2021	1,926,000	1,277,917,699	N/A	N/A	113,327,900	9,882,700	76,987,900	1,480,042,199	4,544,502	1,484,586,701	1,966,879,819	1.182
2022	2,340,400	1,265,740,399	N/A	N/A	113,401,900	9,882,700	90,997,900	1,482,363,299	4,467,427	1,486,830,726	1,987,141,750	1.198
2023	2,362,600	1,278,086,699	N/A	N/A	109,768,600	9,882,700	90,997,900	1,491,098,499	4,467,427	1,495,565,926	2,015,062,011	1.243

Source: County Abstract of Ratables

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

**RIVER EDGE BOARD OF EDUCATION  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
PER \$100 OF ASSESSED VALUATION  
LAST TEN YEARS  
(Unaudited)**

<u>Calendar Year</u>	<u>Total Direct School Tax Rate</u>	<u>Overlapping Rates</u>			<u>Total</u>
		<u>Regional High School District</u>	<u>Municipality</u>	<u>County</u>	
2014	\$ 1.049	\$ 1.039	\$ 0.862	\$ 0.273	\$ 3.223
2015	1.075	0.999	0.868	0.275	3.217
2016	1.097	1.023	0.880	0.286	3.286
2017	1.121	1.052	0.895	0.294	3.362
2018	1.138	1.062	0.897	0.298	3.395
2019	1.154	1.077	0.929	0.308	3.468
2020	1.164	1.136	0.943	0.327	3.570
2021	1.182	1.146	0.966	0.333	3.627
2022	1.198	1.185	0.994	0.323	3.700
2023	1.243	1.240	1.042	0.341	3.866

(1) - Includes Library Tax

Source: Tax Collector

**RIVER EDGE BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Taxpayer	2023		Taxpayer	2014	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
River Terrace Gardens, LLC	\$ 21,816,700	1.46%	1200 E. Ridgewood Ave LLC	\$ 23,000,000	0.40%
River Edge Associates	19,446,100	1.30%	Milridge Realty, LLC	11,516,700	0.20%
Route 4 - Maint Street, LLC	14,402,000	0.96%	Home Properties WMF, LLC	9,705,700	0.17%
New Bride Landing Apartments LLC	14,000,000	0.94%	Ridgewood Mayflower Realty	8,700,600	0.15%
Extra Space Storage, INC.	9,844,800	0.66%	257 Ridgewood Avenue LLC	8,468,300	0.15%
Gainesborough Coop C/O Access Mgmt	8,860,000	0.59%	Cameron Apartments	8,167,200	0.14%
First Real Estate Investment of NJ	8,475,900	0.57%	Lucerne-Ridgewood LLC	8,080,000	0.14%
River Terrace Gardens Associate	8,289,500	0.55%	Pondview Medical Center of Ridgewood	8,063,800	0.14%
Grand Four Associates	6,648,900	0.44%	Kimco Ridgewood 615, Inc	7,452,500	0.13%
Milpau, LLC.	5,427,200	0.36%	Key Management Corporation	7,431,700	0.13%
	<u>\$ 117,211,100</u>	<u>7.84%</u>		<u>\$ 100,586,500</u>	<u>1.75%</u>

Source: Municipal Tax Assessor

**RIVER EDGE BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Local School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 14,694,445	\$ 14,694,445	100.00%	
2015	15,039,097	15,039,097	100.00%	
2016	15,509,911	15,509,911	100.00%	
2017	15,923,313	15,923,313	100.00%	
2018	16,303,874	16,303,874	100.00%	
2019	16,609,231	16,609,231	100.00%	
2020	16,917,366	16,917,366	100.00%	
2021	17,231,716	17,231,716	100.00%	
2022	17,546,525	17,546,525	100.00%	
2023	17,804,200	17,804,200	100.00%	

**RIVER EDGE BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Governmental Activities		Total District	Population	Per Capita
	General Obligation Bonds				
2014	\$ 18,735,000	\$	18,735,000	11,491	\$ 1,630
2015	18,080,000		18,080,000	11,518	1,570
2016	17,265,000		17,265,000	11,513	1,500
2017	16,425,000		16,425,000	11,526	1,425
2018	15,560,000		15,560,000	11,484	1,355
2019	14,660,000		14,660,000	11,436	1,282
2020	13,720,000		13,720,000	11,563	1,187
2021	12,745,000		12,745,000	12,009	1,061
2022	11,265,000		11,265,000	11,986	940
2023	10,290,000		10,290,000	11,986 (1)	859

(1) - Estimated

Source: District records

**RIVER EDGE BOARD OF EDUCATION**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Debt	Deductions			
2014	\$ 18,735,000		\$ 18,735,000	1.31%	\$ 1,630
2015	18,080,000		18,080,000	1.26%	1,570
2016	17,265,000		17,265,000	1.19%	1,500
2017	16,425,000		16,425,000	1.13%	1,425
2018	15,560,000		15,560,000	1.07%	1,355
2019	14,660,000		14,660,000	1.00%	1,282
2020	13,720,000		13,720,000	0.93%	1,187
2021	12,745,000		12,745,000	0.86%	1,061
2022	11,265,000	\$ 34,325	11,230,675	0.76%	937
2023	10,290,000	34,325	10,255,675	0.69%	856

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**RIVER EDGE BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT  
FOR YEAR ENDED DECEMBER 31, 2022  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Borough of River Edge	\$ 21,279,339		\$ 21,279,339
Regional School District	1,250,475	\$ 1,250,475	
Local School District	<u>11,325,000</u>	<u>11,325,000</u>	<u>-</u>
	<u>\$ 33,854,814</u>	<u>\$ 12,575,475</u>	21,279,339
Overlapping Debt Apportioned to the Municipality:			
Bergen County			
County of Bergen (3); (A)			9,944,733
Bergen County Utilities Authority - Water Pollution Control (2); (B)			<u>1,495,730</u>
Total Direct and Overlapping Debt			<u>\$ 32,719,802</u>

(A) The debt for this entity was apportioned to the Borough of River Edge by dividing the Municipality's 2022 equalized value by the total 2022 equalized value for County of Bergen.

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

Sources:

- (1) Borough of River Edge 2022 Annual Debt Statement.
- (2) BCUA 2022 audit.
- (3) County of Bergen 2022 Annual Debt Statement

**RIVER EDGE BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
AS OF JUNE 30, 2023  
(Unaudited)**

**Legal Debt Margin Calculation for Fiscal Year 2023**

Equalized valuation basis	
2022	\$ 2,113,434,986
2021	1,976,552,082
2020	1,955,198,966
	<u>\$ 6,045,186,034</u>
Average equalized valuation of taxable property	<u>\$ 2,015,062,011</u>
Debt limit (2.5% of average equalization value)	\$ 50,376,550
Total Net Debt Applicable to Limit	<u>10,255,675</u>
Legal debt margin	<u>\$ 40,120,875</u>

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	Fiscal Year Ended June 30,		<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
					<u>2018</u>	<u>2019</u>				
Debt limit	\$ 42,423,181	\$ 41,262,018	\$ 41,472,291	\$ 41,667,556	\$ 42,729,914	\$ 44,134,580	\$ 46,034,130	\$ 47,633,936	\$ 48,793,596	\$ 50,376,550
Total net debt applicable to limit	<u>18,735,000</u>	<u>18,080,000</u>	<u>17,265,000</u>	<u>16,425,000</u>	<u>15,560,000</u>	<u>14,660,000</u>	<u>13,720,000</u>	<u>12,745,000</u>	<u>11,230,675</u>	<u>10,255,675</u>
Legal debt margin	<u>\$ 23,688,181</u>	<u>\$ 23,182,018</u>	<u>\$ 24,207,291</u>	<u>\$ 25,242,556</u>	<u>\$ 27,169,914</u>	<u>\$ 29,474,580</u>	<u>\$ 32,314,130</u>	<u>\$ 34,888,936</u>	<u>\$ 37,562,921</u>	<u>\$ 40,120,875</u>
Total net debt applicable to the limit as a percentage of debt limit	44.16%	43.82%	41.63%	39.42%	36.41%	33.22%	29.80%	26.76%	23.02%	20.36%

Source: Annual Debt Statements

**RIVER EDGE BOARD OF EDUCATION  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income (1)</u>	<u>School District Population</u>
2014	4.6	\$ 74,480	11,491
2015	3.6	77,767	11,518
2016	3.4	79,407	11,513
2017	3.3	81,676	11,526
2018	2.8	86,404	11,484
2019	2.5	89,456	11,436
2020	8.4	87,903	11,563
2021	2.7	90,759	12,009
2022	2.7	97,343	11,986
2023	N/A	97,343 (2)	11,986 (2)

N/A - Not Available

Source: United States Bureau of Census  
School District Records

- (1) Represents the County of Bergen's Per Capita Income  
(2) Estimated

RIVER EDGE BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)

Employer	2023		2014	
	Employees	Percentage of Total	Employees	Percentage of Total

INFORMATION NOT AVAILABLE

**RIVER EDGE BOARD OF EDUCATION  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS  
 (Unaudited)**

<b><u>Function/Program</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
Instruction										
Regular	74.0	76.5	77.1	77.4	78.8	78.8	83.5	83.5	84.5	83.0
Special education	47.0	47.0	49.0	49.0	52.0	51.0	50.0	51.0	49.5	53.0
Other instruction	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0
Co-curricular activities										
Support Services:										
Student and instruction related services	17.0	17.5	18.5	17.0	17.0	17.0	18.0	18.0	18.0	19.5
General administration Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School administration Services	6.0	6.0	6.0	6.7	6.7	6.7	8.0	8.0	7.0	6.5
Central services	5.5	5.5	7.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Plant operations and maintenance	9.0	9.0	9.0	10.0	10.0	10.0	12.0	12.0	12.0	10.0
Pupil transportation	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-	-
<b>Total</b>	<b><u>166.5</u></b>	<b><u>169.5</u></b>	<b><u>173.6</u></b>	<b><u>175.1</u></b>	<b><u>179.5</u></b>	<b><u>178.5</u></b>	<b><u>185.5</u></b>	<b><u>186.5</u></b>	<b><u>185.0</u></b>	<b><u>185.0</u></b>

Source: District Personnel Records

RIVER EDGE BOARD OF EDUCATION  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS  
 (Unaudited)

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary					
2014	1,167	\$ 16,833,256	\$ 14,424	2.45%	106.00	01:14.4		1,166	1,121	-2.49%	96.14%
2015	1,205	17,759,653	14,738	2.18%	109.00	01:11.1		1,201	1,169	3.00%	97.34%
2016	1,170	18,727,169	16,006	8.60%	107.00	01:11		1,177	1,133	-2.00%	96.26%
2017	1,183	19,377,706	16,380	2.34%	108.00	01:11		1,188	1,146	0.93%	96.46%
2018	1,192	20,676,349	17,346	5.90%	108.00	01:11		1,201	1,148	1.09%	95.57%
2019	1,237	21,391,811	17,293	-0.30%	109.00	01:13		1,241	1,219	3.33%	98.23%
2020	1,258	22,098,347	17,566	1.58%	111.00	01:11		1,257	1,218	1.29%	96.90%
2021	1,222	23,154,501	18,948	7.87%	112.00	01:11		1,230	1,211	-2.15%	98.46%
2022	1,176	25,326,025	21,536	13.66%	114.00	01:10		1,176	1,126	-4.30%	95.75%
2023	1,181	26,251,377	22,228	3.21%	113.00	01:11		1,193	1,133	1.45%	94.97%

Sources: District records

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

RIVER EDGE BOARD OF EDUCATION  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS  
 (Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b><u>District Building</u></b>										
<u>Cherry Hill Elementary School</u>										
Square Feet	101,900	101,900	101,900	101,900	101,900	101,900	101,900	101,900	101,900	101,900
Capacity (students)	850	850	850	850	850	850	850	850	850	850
Enrollment	730	760	667	690	710	741	755	729	692	720
<u>Roosevelt Elementary School</u>										
Square Feet	63,250	63,250	63,250	63,250	63,250	63,250	63,250	63,250	63,230	63,250
Capacity (students)	596	596	596	596	596	596	596	596	596	596
Enrollment	437	445	503	493	482	496	503	493	472	479

Number of Schools at June 30, 2023  
 Elementary = 2

Source: District Records

**RIVER EDGE BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b><u>School Facilities</u></b>										
Cherry Hill School	\$ 123,998	\$ 124,109	\$ 142,655	\$ 160,014	\$ 146,315	\$ 131,517	\$ 166,292	\$ 153,557	\$ 189,415	\$ 227,725
Roosevelt School	<u>69,959</u>	<u>113,568</u>	<u>155,938</u>	<u>99,321</u>	<u>124,664</u>	<u>111,201</u>	<u>112,087</u>	<u>103,503</u>	<u>74,981</u>	<u>139,575</u>
Total School Facilities	<u>193,957</u>	<u>237,677</u>	<u>298,593</u>	<u>259,335</u>	<u>270,979</u>	<u>242,718</u>	<u>278,379</u>	<u>257,060</u>	<u>264,396</u>	<u>367,300</u>
<b>Grand Total</b>	<u>\$ 193,957</u>	<u>\$ 237,677</u>	<u>\$ 298,593</u>	<u>\$ 259,335</u>	<u>\$ 270,979</u>	<u>\$ 242,718</u>	<u>\$ 278,379</u>	<u>\$ 257,060</u>	<u>\$ 264,396</u>	<u>\$ 367,300</u>

Source: District Records

\* School Facilities as defined under EFCFA.  
(N.J.A.C. 6:26-1.2 and N.J.A.C. 6:24.1.3)

**RIVER EDGE BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2023  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
<u>Package Policy - Great American Insurance</u>		
Property - Building & Contents	\$62,063,764	\$5,000
General Liability	\$1,000,000	
Auto Liability	\$1,000,000	
Boiler and Machinery/Equipment	Blanket Limit Up to \$150,000,000	
Employee Benefit Liability	\$1M/\$2M	
<u>Crime Coverage – National Union</u>		
Employee Theft – incl Faithful Performance	\$500,000	\$5,000
Forgery Alteration	\$250,000	\$5,000
<u>Pollution Coverage – Markel</u>		
Aggregate Sublimit per named insured mold	\$2,000,000 \$4,000,000	\$25,000 \$50,000
<u>Umbrella Liability – Great American Insurance Co.</u>	\$9,000,000	
<u>Excess Liability – Hudson/Allied World/GA</u>	\$30,000,000	
<u>Additional Excess Liability – Fireman’s Fund</u>	\$25,000,000	
<u>Educator’s Professional Liability – Greenwich Ins. Co.</u>	\$1,000,000	\$10,000/25,000
<u>Public Official Bonds – Hartford</u>		
Treasurer of School Monies	\$250,000	
School Business Administrator	\$200,000	

## **Single Audit Section**

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based  
on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards***

**Independent Auditors' Report**

**The Honorable President and Members  
of the Board of Trustees  
River Edge Board of Education  
River Edge, New Jersey**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the River Edge Board of Education as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the River Edge Board of Education's basic financial statements, and have issued our report thereon dated January 23, 2024.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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.

**The Honorable President and Members  
of the Board of Trustees  
River Edge Board of Education**

Page 2

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the River Edge Board of Education's financial statements are free of 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 the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

**Purpose of This Report**

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

*PKF O'Connor Davies, LLP*

Woodcliff Lake, New Jersey  
January 23, 2024



Gary W. Higgins, CPA  
Licensed Public School Accountant, No. 814

**Report on Compliance For Each Major Federal and State Program and  
on Internal Control Over Compliance Required by the  
Uniform Guidance and New Jersey OMB Circular 15-08**

**Independent Auditors' Report**

**The Honorable President and Members  
of the Board of Trustees  
River Edge Board of Education  
River Edge, New Jersey**

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

We have audited the River Edge Board of Education's (the "District") compliance with the types of compliance requirements described 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 District's major federal and state programs for the year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of 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*. Those standards, the Uniform

**The Honorable President and Members  
of the Board of Trustees  
River Edge Board of Education**

Page 2

Guidance and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

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

In our opinion, the 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.

**Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

**The Honorable President and Members  
of the Board of Trustees  
River Edge Board of Education**

Page 3

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

**Purpose of this Report**

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 Circular 15-08. Accordingly, this report is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

Woodcliff Lake, New Jersey  
January 23, 2024



Gary W. Higgins, CPA  
Licensed Public School Accountant, No. 814

River Edge Board of Education  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal A.L. Number	Federal FAIN Number	Award Amount	Grant Period		Balance June 30, 2022			Carryover/Walkover Amount	Cash Received	Budgetary Expenditures	Adjustments	Provided to Subrecipients	Balance June 30, 2023		
				From	To	(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor
<b>U.S. Department of Education—Passed-Through State</b>																
<b>Department of Education</b>																
Special Revenue Fund:																
Title I, Part A	84.010A	S010A230030	\$ 57,806	10/1/2022	9/30/2023				\$ 32,593	\$ (52,491)			\$ (19,898)			
Title I, Part A	84.010A	S010A220030	64,728	10/1/2021	9/30/2022	\$ (27,343)			27,343							
Title II, Part A	84.367A	S367A230029	20,068	10/1/2022	9/30/2023				10,411	(15,543)			(5,132)			
Title II, Part A	84.367A	S367A220029	17,356	10/1/2021	9/30/2022	(8,830)			8,830							
Title III	84.365A	S365A230030	27,159	10/1/2022	9/30/2023				20,594	(22,011)			(1,417)			
Title III	84.365A	S365A220030	27,322	10/1/2021	9/30/2022	(11,831)			11,831							
Title III, Supplemental Immigrant Student Aid	84.365A	S365A220030	927	10/1/2021	9/30/2022	(312)			275				(37)			
Title IV	84.424A	S424A230031	14,370	10/1/2022	9/30/2023				8,754	(11,187)			(2,433)			
Title IV	84.424A	S424A220031	12,648	10/1/2021	9/30/2022	(4,801)			4,801							
Special Education Cluster:																
IDEA Part B	84.027	S027A230100	622,667	10/1/2022	9/30/2023				236,869	(380,637)			(143,768)			
IDEA Part B - ARP	84.027X	H027X10100	102,606	10/1/2021	9/30/2023	(49,470)			49,267	(17,235)			(17,438)			
IDEA Part B	84.027	S027A220100	593,430	10/1/2021	9/30/2022	(157,078)			157,078							
IDEA Preschool	84.173	S173A230114	20,028	10/1/2022	9/30/2023			\$ 3,298	2,814	(20,333)			(14,221)			
IDEA Preschool - ARP	84.173X	H173X210114	8,763	10/1/2021	9/30/2023	(4,763)			4,763							
IDEA Preschool	84.173	S173A220114	23,847	10/1/2021	9/30/2022	(7,863)			11,161							
Subtotal of Special Education Cluster						(219,174)		(3,298)	461,952	(418,205)			(175,427)			
Elementary and Secondary School Emergency Relief Funds																
CARES Act Education Stabilization Fund	84.425D	S425D210027	87,496	3/13/2020	9/30/2023	(11,081)				(990)			(12,071)			
ESSER III Grant Program	84.425D	S425D220027	515,890	3/13/2020	9/30/2024	(35,941)			164,000	(435,100)			(307,041)			
ESSER II Grant Program	84.425D	S425D210027	229,546	3/13/2020	9/30/2023	(9,944)			9,944	(63,000)			(63,000)			
Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)																
Evidence-Based Summer Learning and Enrichment Activities Grant	84.425D	S425D220027	40,000	3/13/2020	9/30/2024	(39,992)			39,992							
Evidence-Based Comprehensive Beyond the School Day Activities Grant	84.425D	S425D220027	40,000	3/13/2020	9/30/2024	(4,300)			3,300	(4,200)			(5,200)			
Learning Acceleration Grant Program	84.425D	S425D220027	109,642	3/13/2020	9/30/2024				2,060	(26,180)			(24,120)			
Mental Health Grant	84.425D	S425D220027	45,000	3/13/2020	9/30/2024	(8,200)			8,200							
Mental Health Grant	84.425D	S425D210027	45,000	3/13/2020	9/30/2023	(10,806)			20,989	(14,276)			(4,093)			
Subtotal of Elementary and Secondary School Emergency Relief Funds						(120,264)			248,485	(543,746)			(415,525)			
Coronavirus Relief Fund (CRF)																
Coronavirus Relief Fund (CRF) - Passthrough - County of Bergen	21.019	N/A	25,000	7/1/2020	6/30/2021		\$ 200				\$ (200)					
COVID-19 - Nonpublic Digital Divide	21.019	S377A130031	32,235	7/16/2020	10/31/2020	(199)	217				(18)					
Subtotal Coronavirus Relief Fund (CRF)						(199)	417				(218)					
Total Special Revenue Fund						(392,754)	417	-	-	835,869	(1,063,183)	(218)	-	(619,869)		
Total Federal Awards						\$ (392,754)	\$ 417	\$ -	\$ -	\$ 835,869	\$ (1,063,183)	\$ (218)	\$ -	\$ (619,869)		

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

River Edge Board of Education  
Schedule of Expenditures of State Financial Assistance  
Year ended June 30, 2023

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2023			Memo			
					From	To	Unearned Rev.				(Accounts Receivable)	Due to Grantor	Unearned Revenue	(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Expenditures
<b>State Department of Education</b>																	
General Fund:																	
Special Education Categorical Aid	495-034-5120-089	\$ 1,011,024	7/1/2022	6/30/2023			\$ 910,832	\$ (1,011,024)			\$ (100,192)			\$ (1,011,024)			
Special Education Categorical Aid	495-034-5120-089	1,011,024	7/1/2021	6/30/2022		\$ (99,664)	99,664										
Categorical Transportation Aid	495-034-5120-014	19,622	7/1/2022	6/30/2023			17,677	(19,622)			(1,945)			(19,622)			
Categorical Transportation Aid	495-034-5120-014	19,622	7/1/2021	6/30/2022		(1,934)	1,934										
Equalization Aid	495-034-5120-078	2,263,849	7/1/2022	6/30/2023			2,039,503	(2,263,849)			(224,346)			(2,263,849)			
Equalization Aid	495-034-5120-078	1,793,367	7/1/2021	6/30/2022		(176,785)	176,785										
Security Aid	495-034-5120-084	91,647	7/1/2022	6/30/2023			82,565	(91,647)			(9,082)			(91,647)			
Security Aid	495-034-5120-084	91,647	7/1/2021	6/30/2022		(9,034)	9,034										
Extraordinary Aid	100-034-5120-473	491,046	7/1/2022	6/30/2023				(491,046)			(491,046)	\$ 491,046		(491,046)			
Extraordinary Aid	100-034-5120-473	631,575	7/1/2021	6/30/2022		(631,575)	631,575										
Additional NP Transportation Aid	Not Available	9,048	7/1/2022	6/30/2023				(9,048)			(9,048)		9,048	(9,048)			
Additional NP Transportation Aid	Not Available	6,960	7/1/2021	6/30/2022		(6,960)	6,960				(9,048)						
Reimbursed TPAF - Social Security	495-034-5094-003	681,345	7/1/2022	6/30/2023			615,845	(681,345)			(65,500)		65,500	(681,345)			
Reimbursed TPAF - Social Security	495-034-5094-003	684,386	7/1/2021	6/30/2022		(33,750)	33,750										
On-behalf TPAF Contributions																	
Pension Benefit Contribution	495-034-5094-002	3,258,850	7/1/2022	6/30/2023			3,258,850	(3,258,850)						(3,258,850)			
Post-Retirement Medical Contribution	495-034-5094-001	856,092	7/1/2022	6/30/2023			856,092	(856,092)						(856,092)			
Long-Term Disability Insurance Contributions	495-034-5094-004	1,778	7/1/2022	6/30/2023			1,778	(1,778)						(1,778)			
<b>Total General Fund</b>						(959,702)	8,742,844	(8,684,301)			(901,159)		565,594	(8,684,301)			
Special Revenue Fund:																	
New Jersey SDA Emergent Need Grant	Not Available	26,462	7/1/2022	6/30/2023			26,462	(26,462)						(26,462)			
Climate Change	23000149	6,660	7/1/2022	6/30/2023			6,653	(6,623)			30			(6,623)			
New Jersey Non-Public Aid:																	
Nursing Aid	100-034-5120-070	87,472	7/1/2022	6/30/2023			87,472	(71,574)			\$ 15,898			(71,574)			
Textbook Aid	100-034-5120-064	46,398	7/1/2022	6/30/2023			46,398	(45,112)			1,286			(45,112)			
Textbook Aid	100-034-5120-064	42,194	7/1/2021	6/30/2022		\$ 597			\$ 597								
Technology Initiative	100-034-5120-070	29,525	7/1/2022	6/30/2023			29,525	(29,433)			92			(29,433)			
Technology Initiative	100-034-5120-070	29,526	7/1/2021	6/30/2022			8			8							
Security Aid	100-034-5120-509	209,920	7/1/2022	6/30/2023			209,920	(200,139)			9,781			(200,139)			
Security Aid	100-034-5120-509	186,375	7/1/2021	6/30/2022			8			8							
Non Public Auxiliary Services (Ch. 192):																	
English as a Second Language	100-034-5120-067	16,036	7/1/2022	6/30/2023			16,036	(10,524)				5,512		(10,524)			
English as a Second Language		18,270	7/1/2021	6/30/2022			10,779			10,779							
Compensatory Education		34,591	7/1/2022	6/30/2023			34,591	(29,139)			5,452			(29,139)			
Compensatory Education		33,145	7/1/2021	6/30/2022			7,079			7,079							
Non Public Handicapped Services (Ch. 193):																	
Supplemental Instruction	100-034-5120-066	90,034	7/1/2022	6/30/2023			90,034	(78,470)				11,564		(78,470)			
Supplemental Instruction		85,243	7/1/2021	6/30/2022			9,829			9,829							
Examination and Classification		131,746	7/1/2022	6/30/2023			131,746	(95,001)				36,745		(95,001)			
Examination and Classification		203,601	7/1/2021	6/30/2022			79,423			79,423							
Corrective Speech		106,020	7/1/2022	6/30/2023			106,020	(79,980)				26,040		(79,980)			
Corrective Speech		102,300	7/1/2021	6/30/2022			18,507			18,507							
<b>Total Special Revenue Fund</b>						-	126,230	784,857	(672,457)	126,230	30	112,370		(672,457)			
Debt Service Fund:																	
Type II Debt Service aid	495-034-5120-125	264,459	7/1/2022	6/30/2023			264,459	(264,459)						(264,459)			
<b>Total Debt Service Fund</b>							264,459	(264,459)						(264,459)			
<b>Total State Financial Assistance</b>						\$ -	\$ (959,702)	\$ 126,230	\$ 9,792,160	\$ (9,621,217)	\$ 126,230	\$ -	\$ (901,129)	\$ 112,370	\$ 565,594	\$ (9,621,217)	
<b>State Financial Assistance Not Subject to Single Audit Determination:</b>																	
General Fund:																	
On-behalf TPAF Contributions:																	
Pension Benefit Contribution	495-034-5094-002	3,258,850	7/1/2022	6/30/2023			\$ (3,258,850)	3,258,850						\$ 3,258,850			
Post-Retirement Medical Contribution	495-034-5094-001	856,092	7/1/2022	6/30/2023			(856,092)	856,092						856,092			
Long-Term Disability Insurance Contributions	495-034-5094-004	1,778	7/1/2022	6/30/2023			(1,778)	1,778						1,778			
<b>Total State Financial Assistance Subject to Single Audit Determination</b>						\$ -	\$ (959,702)	\$ 126,230	\$ 5,675,440	\$ (5,504,497)	\$ 126,230	\$ -	\$ (901,129)	\$ 112,370	\$ 565,594	\$ (5,504,497)	

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

River Edge Board of Education

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

Year ended June 30, 2023

**1. General**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all of all federal awards and state financial assistance programs of the District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

**2. Basis of Accounting**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These basis of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of, the basic financial statements.

**3. Relationship to Basic Financial Statements**

Amounts reported in the accompanying schedules agree with amounts reported in the District's 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 fiscal year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

River Edge Board of Education

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

Year ended June 30, 2023

**3. Relationship to Basic Financial Statements (Continued)**

The general fund is presented in the accompanying schedules on the modified accrual basis of accounting with the exception of the revenue recognition of the last two state aid payments in the current year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of the last two 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 last state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(48,148) for the general fund and \$(343,137) for the special revenue fund. See note to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3).

Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 8,636,153	\$ 8,636,153
Special Revenue Fund	\$ 693,096	699,407	1,392,503
Debt Service Fund		<u>264,459</u>	<u>264,459</u>
Total financial award revenues	<u>\$ 693,096</u>	<u>\$ 9,600,019</u>	<u>\$ 10,293,115</u>

**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.

River Edge Board of Education

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

Year ended June 30, 2023

**5. Other**

TPAF Social Security Contributions in the amount of \$681,345 represent the amount reimbursed by the State for the employer's share of Social Security for TPAF members for the year ended June 30, 2023. The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2023 amounted to \$4,116,720. Since on-behalf post retirement, medical and disability insurance benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

**6. Indirect Costs**

The District did not use the 10% de minimis indirect cost rate.

River Edge Board of Education

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

**Part I - Summary of Auditor's Results**

**Financial Statements Section**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified? \_\_\_\_\_ Yes  X  No

Are any significant deficiencies identified? \_\_\_\_\_ Yes  X  None Reported

Is any noncompliance material to financial statements noted? \_\_\_\_\_ Yes  X  No

**Federal Awards**

Internal control over major federal programs:

Are any material weaknesses identified? \_\_\_\_\_ Yes  X  No

Are any significant deficiencies identified? \_\_\_\_\_ Yes  X  None Reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ Yes  X  No

Identification of major programs:

<b>AL Number(s)</b>	<b>FAIN Number</b>	<b>Name of Federal Program or Cluster</b>
		<b><u>Special Education Cluster:</u></b>
84.027	S027A220100	IDEA Basic Special Education
84.027X	H027X10100	IDEA Basic Special Education - ARP
84.173	S173A220114	IDEA Preschool Special Education
84.173X	H173X10114	IDEA Preschool Special Education - ARP
84.425D	S425D210027	Elementary and Secondary School Relief Funds

River Edge Board of Education

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

**Part I - Summary of Auditor's Results**

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

X  Yes   No

**State Financial Assistance Section**

Internal control over major state programs:

Are any material weaknesses identified?

Yes  X  No

Are any significant deficiencies identified?

Yes  X  None reported

Type of auditors' report issued on compliance for major state programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 15-08?

Yes  X  No

Identification of major state programs:

<b>GMIS/Program Number</b>	<b>Name of State Program or Cluster</b>
	<b><u>State Aid Cluster:</u></b>
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-078	Equalization Aid

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

X  Yes   No

River Edge Board of Education

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

**Part II – Schedule of Financial Statement Findings**

No compliance or internal control over financial reporting findings noted that were required to be reported under *Government Auditing Standards*.

River Edge Board of Education

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

**Part III – Schedule of Federal Award and State Financial Assistance Findings and  
Questioned Costs**

No federal award or state financial assistance program compliance findings or questioned costs were noted that are required to be reported in accordance with 2 CFR 200 section .516(a) or NJ OMB Circular Letter 15-08.