

**CEDAR GROVE PUBLIC SCHOOLS**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Cedar Grove, New Jersey**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
of the  
Cedar Grove Public Schools  
Cedar Grove, New Jersey  
For The Fiscal Year Ended June 30, 2024**

**Prepared by  
Business Office**

**CEDAR GROVE PUBLIC SCHOOLS  
TABLE OF CONTENTS**

**Page**

**INTRODUCTORY SECTION**

Letter of Transmittal	i-iv
Organizational Chart	v
Roster of Officials	vi
Consultants and Advisors	vii

**FINANCIAL SECTION**

Independent Auditor's Report	1-3
------------------------------	-----

**REQUIRED SUPPLEMENTARY INFORMATION- PART I**

Management's Discussion and Analysis	4-14
--------------------------------------	------

**Basic Financial Statements**

**A. District-wide Financial Statements**

A-1	Statement of Net Position	15
A-2	Statement of Activities	16

**B. Fund Financial Statements**

*Governmental Funds*

B-1	Balance Sheet	17-18
B-2	Statement of Revenues, Expenditures, and Changes in Fund Balances	19
B-3	Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statements	20

*Proprietary Funds*

B-4	Statement of Net Position	21
B-5	Statement of Revenues, Expenses, and Changes in Net Position	22
B-6	Statement of Cash Flows	23

<b>Notes to the Financial Statements</b>	24-64
--	-------

**CEDAR GROVE PUBLIC SCHOOLS  
TABLE OF CONTENTS**

**Page**

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**C. Budgetary Comparison Schedules**

C-1	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	65-71
C-2	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual – Special Revenue Fund	72

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

C-3	Budgetary Comparison Schedule – Note to Required Supplementary Information	73
-----	--	----

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

**L. Schedules Related to Accounting and Reporting for Pensions**

L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	74
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	75
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	76
L-4	Notes to Required Supplementary Information	77

**M. Schedules Related to Accounting and Reporting for OPEB**

M-1	Required Supplementary Information – Schedule of Changes in the District’s Proportionate Share of Total OPEB Liability	78
M-2	Notes to Required Supplementary Information	79

**OTHER SUPPLEMENTARY INFORMATION**

**D. School Level Schedules – Not Applicable**

**E. Special Revenue Fund**

E-1	Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	80-81
E-2	Schedule of Preschool Education Aid - Budgetary Basis – Not Applicable	82
E-3	Schedule of Student Activity Receipts and Disbursements	82

**F. Capital Projects Fund**

F-1	Summary Schedule of Project Expenditures – Budgetary Basis	83
F-2	Summary Schedule of Revenues, Expenditures and Changes In Fund Balance – Budgetary Basis	84
F-2a- F2c	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis	85-88



**CEDAR GROVE PUBLIC SCHOOLS  
TABLE OF CONTENTS**

**Page**

**G. Proprietary Funds**

*Enterprise Fund*

G-1	Combining Statement of Net Position	89
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	90
G-3	Combining Statement of Cash Flows	91

**H. Fiduciary Funds – Not Applicable**

**I. Long-Term Debt**

I-1	Schedule of Serial Bonds	92
I-2	Schedule of Obligations under Other Financing Agreements	93
I-3	Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	94
I-4	Schedule of Obligations Subscription-Based Information Technology Arrangements – Not Applicable	

**J. STATISTICAL SECTION (Unaudited)**

J-1	Net Position by Component	95
J-2	Changes in Net Position	96-97
J-3	Fund Balances – Governmental Funds	98
J-4	Changes in Fund Balances - Governmental Funds	99
J-5	General Fund Other Local Revenue by Source	100
J-6	Assessed Value and Actual Value of Taxable Property	101
J-7	Direct and Overlapping Property Tax Rates	102
J-8	Principal Property Taxpayers	103
J-9	Property Tax Levies and Collections	104
J-10	Ratios of Outstanding Debt by Type	105
J-11	Ratios of Net General Bonded Debt Outstanding	106
J-12	Direct and Overlapping Governmental Activities Debt	107
J-13	Legal Debt Margin Information	108
J-14	Demographic and Economic Statistics	109
J-15	Principal Employers	110
J-16	Full-Time Equivalent District Employees by Function/Program	111
J-17	Operating Statistics	112
J-18	School Building Information	113
J-19	Schedule of Required Maintenance for School Facilities	114
J-20	Schedule of Insurance	115

**CEDAR GROVE PUBLIC SCHOOLS  
TABLE OF CONTENTS**

**Page**

**SINGLE AUDIT SECTION**

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 Government Auditing Standards – Independent Auditor’s Report	116-117
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 Federal Awards required by U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 Independent Auditor’s Report	118-120
K-3	Schedule of Expenditures of Federal Awards	121
K-4	Schedule of Expenditures of State Financial Assistance	122-123
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	124-125
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	126-127
K-6	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	128
K-6	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	129-130
K-7	Summary Schedule of Prior Year Findings – Not Applicable	

## **INTRODUCTORY SECTION**



# **Cedar Grove Public Schools**

**Peter Turnamian, Ed.d, Superintendent**

520 Pompton Ave. Cedar Grove, New Jersey 07009  
(973) 239-1550 [www.cedargrove.k12.nj.us](http://www.cedargrove.k12.nj.us)

November 14, 2024

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Cedar Grove Public Schools (the "District") for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

## **1) REPORTING ENTITY AND ITS SERVICES:**

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

The District provides a full range of educational services to grade levels Pre-K through 12. These services include regular, vocational, special education, IDEA, and Non-Public School Programs in nursing services, auxiliary services and handicapped services. The district completed the 2023/2024 fiscal year with an enrollment of 1,534 students, which is 29 less students than the previous year's enrollment. The following chart details the changes in the average daily enrollment of the district over the last ten years.

1) REPORTING ENTITY AND ITS SERVICES: (Continued)

FISCAL YEAR	AVERAGE DAILY ENROLLMENT	CHANGE
2014/2015	1,651	.06%
2015/2016	1,614	-2.24%
2016/2017	1,599	.93 %
2017/2018	1,570	-1.81%
2018/2019	1,553	-1.08%
2019/2020	1 579	1.67%
2020/2021	1,568	-.69%
2021/2022	1,595	1.72%
2022/2023	1,563	-2%
2023/2024	1,534	-1.9%

2) ECONOMIC CONDITION AND OUTLOOK:

The financial condition of the Township of Cedar Grove has been strong in light of the weak economic condition of the northeast over the last seven years. The percentage of taxes collected each year has been consistently over 95% since 1988. The average assessed value of a home in Cedar Grove is \$474,900.

3) MAJOR INITIATIVES:

Several major initiatives captured our attention during the 2023/2024 school year:

Serving approximately 1600 students in grades PreK-12, the Cedar Grove School District continues its commitment to maintaining and enhancing our school system in all areas. The district's priorities include several major initiatives; most notable among them the investment in new math curricular resources in grades K - Algebra. To support the implementation of these new resources the District also identified a high quality professional development provider to meet with teachers during the school year in their classrooms.

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

To further accelerate student achievement across all grade levels the Pathways program, funded by Title I, has been in place since the 2013-14 school year in grades K-8 and we strongly encourage students to explore co-curricular offerings as well as participate in interscholastic athletics.

Consistent with our 5-year curriculum plan, the district routinely reviews and revises all curricula. Thoughtful implementation of the Next Generation Science Standards (NGSS) remains a priority, as these standards call for further movement away from "sage on stage" instructional practices to more "guide on the side" learning.

We continue our partnership with Montclair State University's Network for Educational Renewal (MSUNER) as well as Syracuse and Fairleigh Dickinson Universities via dual enrollment programming.

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

### 3) MAJOR INITIATIVES: (Continued)

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

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

Cedar Grove has invested efforts into creating a system that takes into consideration not only state assessments, but district benchmarks and other measurable outcomes that are stored in Linkit! Through resources such as Linkit! and Intervention Manager, Cedar Grove is able to use data to develop individualized intervention plans.

The need to provide our special needs population with high quality instruction in the least restrictive environment is essential. In doing so, the creation of the Progressions program (Community Based Instruction) will provide a home to our 18-21 year old students.

The future is bright for the Cedar Grove School District, increased student achievement and the need for additional sources of revenue to assist the district in maintaining services remain top priorities. Providing a 21<sup>st</sup> century curriculum, well trained teachers and benchmark assessments will help the district provide the best educational program for our students, now and in the future.

### 4) INTERNAL ACCOUNTING CONTROLS:

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

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

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

### 5) BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reserves of fund balance at June 30, 2024.

### 6) ACCOUNTING SYSTEM AND REPORTS:

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

7) DEBT ADMINISTRATION:

As of June 30, 2024, the District's outstanding debt consisted of \$16,281,000 in general obligation bonds to provide funds for capital improvements to the District's buildings and grounds. There are three bonds consisting of the total mentioned above, they are for bonds issued in 2012, 2016 and 2019.

8) CASH MANAGEMENT:

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

9) RISK MANAGEMENT:

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

10) OTHER INFORMATION:

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


11) ACKNOWLEDGMENTS:

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

Respectfully submitted,

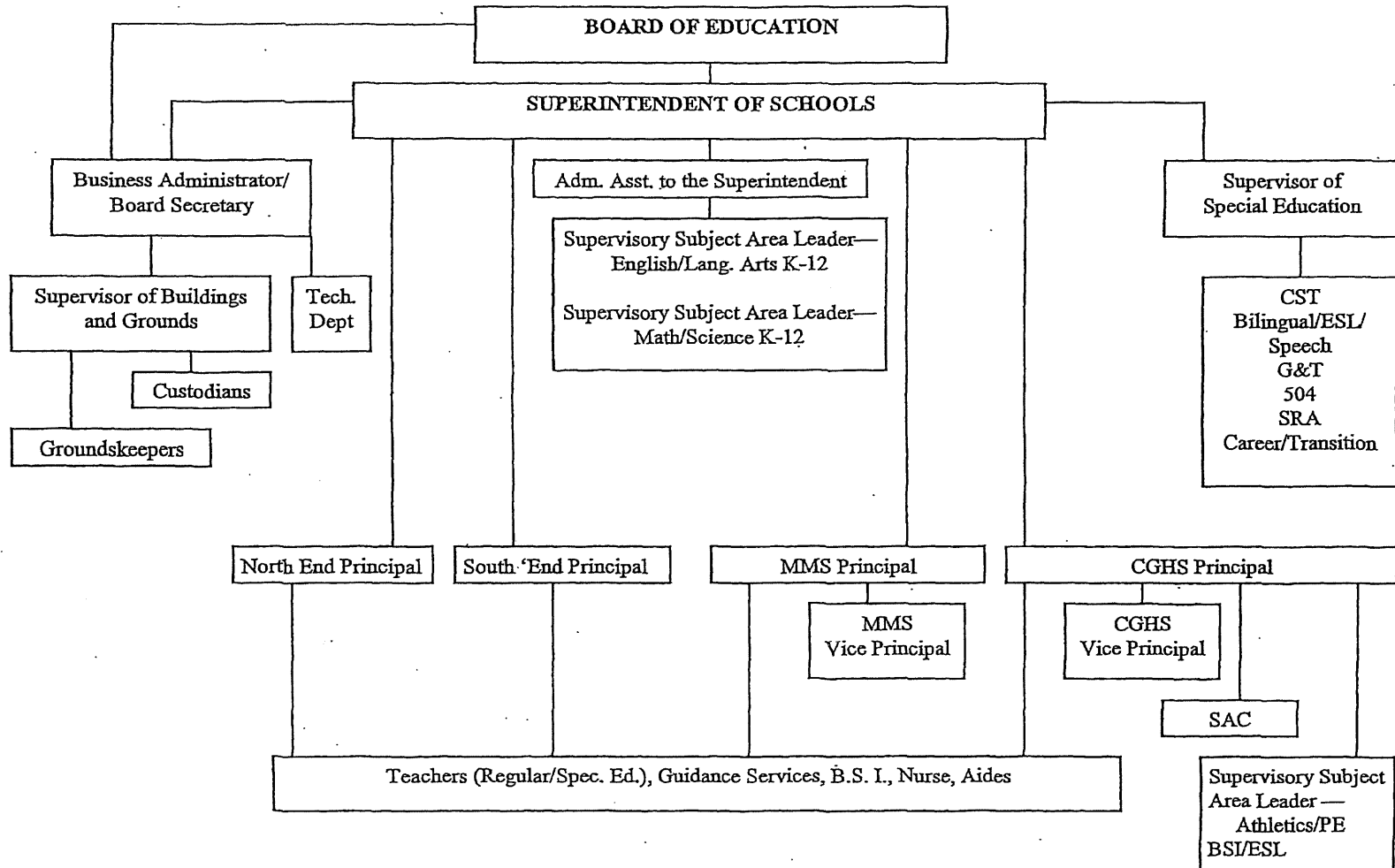


Peter Turnamian  
Superintendent

  
Dana Sullivan

Interim Business Administrator/Board Secretary

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





**CEDAR GROVE PUBLIC SCHOOLS**

**ROSTER OF OFFICIALS  
JUNE 30, 2024**

<b>Members of the Board of Education</b>	<b>Term Expires</b>
Mrs. Dawn Daura, Board President	2024
Mr. Lou Marzullo	2024
Mr. David Grande	2025
Mrs. Cienne Keegan	2025
Mr. Paul Palek, Jr.	2026

**Other Officials**

Mr. Anthony Grosso, Superintendent

Mr. Michael DeVita, Business Administrator/Board Secretary

Mrs. Lubna Muneer, Treasurer of School Monies

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

**AUDIT FIRM**

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

**ATTORNEY**

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

**INSURANCE**

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

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

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

**ARCHITECT**

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

**RIGHT TO KNOW**

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

## **FINANCIAL SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

## **INDEPENDENT AUDITOR'S REPORT**

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

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

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cedar Grove Public Schools, as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the 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 the aggregate remaining fund information of the Cedar Grove Public Schools as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

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

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

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

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

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

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

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

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

## ***Required Supplementary Information***

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



### ***Supplementary Information***

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

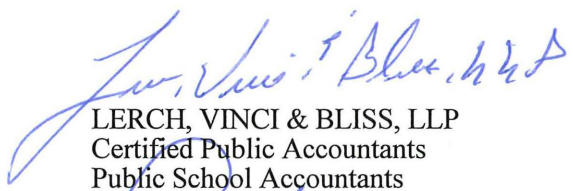
### ***Other Information***

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

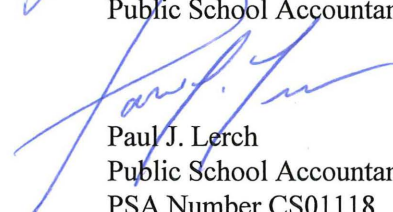
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If,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

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

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2024 on our consideration of the Cedar Grove Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cedar Grove Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Cedar Grove Public Schools' internal control over financial reporting and compliance.



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
November 14, 2024

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

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



# **CEDAR GROVE PUBLIC SCHOOLS**

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

This section of Cedar Grove Public School's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2023-2024) and the prior year (2022-2023) is required to be presented in the MD&A.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2023-2024 fiscal year include the following:

- The assets and deferred outflows of resources of the Cedar Grove Public Schools exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$18,066,494 (net position).
- Overall District revenues were \$44,679,338. General revenues accounted for \$35,104,746 or 78% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$9,574,592 or 22% of total revenues.
- The School District had \$42,433,628 in expenses for governmental activities; only \$8,776,739 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$35,100,587 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$8,077,940 a decrease of \$142,567 when compared to the ending fund balance at June 30, 2023 of \$8,220,507.
- The General Fund unassigned GAAP fund balance at June 30, 2024 was \$209,039 which represents a decrease of \$31,647 when compared to the ending unassigned fund balance at June 30, 2023 of \$240,686.

# CEDAR GROVE PUBLIC SCHOOLS

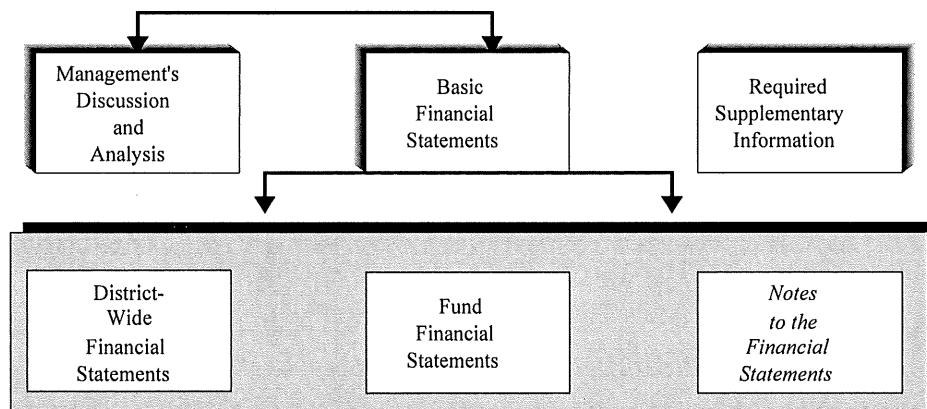
## Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



# CEDAR GROVE PUBLIC SCHOOLS

## Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Major Features of the District-Wide and Fund Financial Statements

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

# **CEDAR GROVE PUBLIC SCHOOLS**

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

### **District-Wide Financial Statements**

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

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

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

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

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

### **Fund Financial Statements**

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

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

# **CEDAR GROVE PUBLIC SCHOOLS**

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

### **Fund Financial Statements (Continued)**

The District has two kinds of funds:

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

### **Notes to the Financial Statements**

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

### **Other Information**

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

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

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

# CEDAR GROVE PUBLIC SCHOOLS

## Management's Discussion and Analysis

### DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$18,066,494 and \$16,660,062 as of June 30, 2024 and 2023, respectively, as shown below.

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

Net Position as of June 30, 2024 and 2023						
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Assets</b>						
Current and Other Assets	\$ 10,775,289	\$ 9,433,893	\$ 538,655	\$ 616,691	\$ 11,313,944	\$ 10,050,584
Capital Assets	<u>32,162,659</u>	<u>32,946,420</u>	<u>47,950</u>	<u>38,691</u>	<u>32,210,609</u>	<u>32,985,111</u>
<b>Total Assets</b>	<u>42,937,948</u>	<u>42,380,313</u>	<u>586,605</u>	<u>655,382</u>	<u>43,524,553</u>	<u>43,035,695</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amounts on Net Pension Liability	<u>973,069</u>	<u>408,708</u>	<u>-</u>	<u>-</u>	<u>973,069</u>	<u>408,708</u>
<b>Total Deferred Outflows</b>	<u>973,069</u>	<u>408,708</u>	<u>-</u>	<u>-</u>	<u>973,069</u>	<u>408,708</u>
<b>Total Assets and Deferred Outflows</b>	<u>43,911,017</u>	<u>42,789,021</u>	<u>586,605</u>	<u>655,382</u>	<u>44,497,622</u>	<u>43,444,403</u>
<b>Liabilities</b>						
Long-Term Liabilities	23,051,213	24,330,623			23,051,213	24,330,623
Other Liabilities	<u>2,828,472</u>	<u>1,359,508</u>	<u>52,445</u>	<u>83,956</u>	<u>2,880,917</u>	<u>1,443,464</u>
<b>Total Liabilities</b>	<u>25,879,685</u>	<u>25,690,131</u>	<u>52,445</u>	<u>83,956</u>	<u>25,932,130</u>	<u>25,774,087</u>
<b>Deferred Inflows of Resources</b>						
Deferred Amounts on Net Pension Liability	<u>498,998</u>	<u>1,010,254</u>	<u>-</u>	<u>-</u>	<u>498,998</u>	<u>1,010,254</u>
<b>Total Deferred Inflows</b>	<u>498,998</u>	<u>1,010,254</u>	<u>-</u>	<u>-</u>	<u>498,998</u>	<u>1,010,254</u>
<b>Total Liabilities and Deferred Inflows</b>	<u>26,378,683</u>	<u>26,700,385</u>	<u>52,445</u>	<u>83,956</u>	<u>26,431,128</u>	<u>26,784,341</u>
<b>Net Position</b>						
Net Investment in Capital Assets	16,213,093	15,062,278	47,950	38,691	16,261,043	15,100,969
Restricted	2,692,282	4,775,355			2,692,282	4,775,355
Unrestricted	<u>(1,373,041)</u>	<u>(3,748,997)</u>	<u>486,210</u>	<u>532,735</u>	<u>(886,831)</u>	<u>(3,216,262)</u>
<b>Total Net Position</b>	<u>\$ 17,532,334</u>	<u>\$ 16,088,636</u>	<u>\$ 534,160</u>	<u>\$ 571,426</u>	<u>\$ 18,066,494</u>	<u>\$ 16,660,062</u>

# CEDAR GROVE PUBLIC SCHOOLS

## Management's Discussion and Analysis

The changes in net position for fiscal years ended 2024 and 2023 are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 716,972	\$ 606,501	\$ 656,658	\$ 611,525	\$ 1,373,630	\$ 1,218,026
Operating Grants and Contributions	7,947,597	8,738,650	141,195	171,186	8,088,792	8,909,836
Capital Grants and Contributions	112,170	31,363			112,170	31,363
General Revenues						
Property Taxes	33,155,574	31,936,138			33,155,574	31,936,138
State Aid	443,807	235,248			443,807	235,248
Miscellaneous	1,501,206	1,806,789	4,159	3,975	1,505,365	1,810,764
<b>Total Revenues</b>	<u>43,877,326</u>	<u>43,354,689</u>	<u>802,012</u>	<u>786,686</u>	<u>44,679,338</u>	<u>44,141,375</u>
<b>Expenses</b>						
Instruction						
Regular	15,791,556	15,919,415			15,791,556	15,919,415
Special Education	6,979,188	6,487,969			6,979,188	6,487,969
Other Instruction	324,968	213,846			324,968	213,846
School Sponsored Activities and Athletics	1,583,923	1,425,234			1,583,923	1,425,234
Support Services						
Student and Instruction Related Services	5,654,970	5,376,063			5,654,970	5,376,063
General Administration Services	967,254	1,048,747			967,254	1,048,747
School Administration Services	2,611,161	2,449,946			2,611,161	2,449,946
Plant Operation and Maintenance	4,988,997	4,034,317			4,988,997	4,034,317
Pupil Transportation	2,002,308	1,824,715			2,002,308	1,824,715
Central Services	1,172,317	1,165,698			1,172,317	1,165,698
Interest and Other Chgs on Long-Term Debt	356,986	387,912			356,986	387,912
Food Service/Other Business-Type Activities	-	-	839,278	612,132	839,278	612,132
<b>Total Expenses</b>	<u>42,433,628</u>	<u>40,333,862</u>	<u>839,278</u>	<u>612,132</u>	<u>43,272,906</u>	<u>40,945,994</u>
Change in Net Position	1,443,698	3,020,827	(37,266)	174,554	1,406,432	3,195,381
<b>Net Position, Beginning of Year</b>	<u>16,088,636</u>	<u>13,067,809</u>	<u>571,426</u>	<u>396,872</u>	<u>16,660,062</u>	<u>13,464,681</u>
<b>Net Position, End of Year</b>	<u>\$ 17,532,334</u>	<u>\$ 16,088,636</u>	<u>\$ 534,160</u>	<u>\$ 571,426</u>	<u>\$ 18,066,494</u>	<u>\$ 16,660,062</u>

# CEDAR GROVE PUBLIC SCHOOLS

## Management's Discussion and Analysis

### Governmental Activities

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

**Total and Net Cost of Governmental Activities.** The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2024 and 2023.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Instruction				
Regular	\$ 15,791,556	\$ 15,919,415	\$ 13,100,489	\$ 12,542,546
Special Education	6,979,188	6,487,969	3,367,646	3,186,727
Other Instruction	324,968	213,846	273,890	175,545
School Sponsored Activities and Athletics	1,583,923	1,425,234	1,107,417	999,637
Support Services				
Student and Instruction Related Services	5,654,970	5,376,063	4,896,103	4,330,046
General Administration	967,254	1,048,747	880,442	945,296
School Administration Services	2,611,161	2,449,946	2,377,301	2,158,269
Plant Operation and Maintenance	4,988,997	4,034,317	4,660,486	3,764,767
Pupil Transportation	2,002,308	1,824,715	1,622,884	1,473,437
Central Services	1,172,317	1,165,698	1,076,791	1,045,927
Interest and Other Charges on Long-Term Debt	<u>356,986</u>	<u>387,912</u>	<u>293,440</u>	<u>335,151</u>
<b>Total</b>	<b><u>\$ 42,433,628</u></b>	<b><u>\$ 40,333,862</u></b>	<b><u>\$ 33,656,889</u></b>	<b><u>\$ 30,957,348</u></b>



# **CEDAR GROVE PUBLIC SCHOOLS**

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

### **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

#### **Governmental Funds**

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$8,077,940, a decrease of \$142,567 from last year's fund balance of \$8,220,507.

Revenues for the District's governmental funds were \$46,961,009; total expenditures were \$47,213,322.

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

Revenues of the General Fund were \$43,275,197 for the fiscal year ended June 30, 2024. State sources amounts to \$10,186,543 and local sources were \$33,088,654.

Expenditures of the General Fund were \$43,429,964. Instructional expenditures were \$25,199,109 for support services were \$17,870,837, debt payments were \$56,342 and capital expenditures totaled \$303,676 for the fiscal year ended June 30, 2024.

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

Revenues of the Special Revenue Fund were \$1,287,273 for the fiscal year ended June 30, 2024. State sources amounts to \$135,175, federal sources were \$708,894 and local sources were \$443,204.

Expenditures of the Special Revenue Fund were \$1,284,772. Instructional expenditures were \$1,054,407 for support services were \$140,725 and capital expenditures totaled \$89,640 for the fiscal year ended June 30, 2024.

**Capital Projects** - The capital projects revenues exceeded expenditures and other financing uses by \$1,020,106 increasing the fund balance from \$396,858 at June 30, 2023 to \$1,416,964 at June 30, 2024. This was due to the HVAC Project funded by ROD Grant of \$22,530 and a transfer from capital reserve of \$1,126,500.

# CEDAR GROVE PUBLIC SCHOOLS

## Management's Discussion and Analysis

### Proprietary Funds

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

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

### GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2023 encumbrances.
- Appropriation of Capital and Maintenance Reserve

### CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2024 and 2023 amounts to \$32,210,609 and \$32,985,111 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2023-2024 amounted to \$1,306,001 for governmental activities and \$2,065 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2024 and 2023.

	<u>Governmental</u>		<u>Business- Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2022</u>
Land	\$ 47,359	\$ 47,359			\$ 47,359	\$ 47,359
Construction in Progress	3,071,180	3,323,399			3,071,180	3,323,399
Site Improvements	119,691	112,350			119,691	112,350
Buildings	28,387,871	28,961,245			28,387,871	28,961,245
Machinery and Equipment	536,558	502,067	\$ 47,950	\$ 38,691	584,508	540,758
<b>Total</b>	<b>\$ 32,162,659</b>	<b>\$ 32,946,420</b>	<b>\$ 47,950</b>	<b>\$ 38,691</b>	<b>\$ 32,210,609</b>	<b>\$ 32,985,111</b>

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

# **CEDAR GROVE PUBLIC SCHOOLS**

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

### **LONG TERM LIABILITIES**

At June 30, 2024, the District's long-term liabilities consisted of compensated absences payable of \$322,192, serial bonds of \$16,281,000, other financing agreements of \$219,531 and net pension liability of \$6,228,490 totaling \$23,051,213. This is in comparison to long-term liabilities at June 30, 2023 of \$24,330,623 or a decrease of \$1,279,410.

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

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Many factors were considered by the District's administration during the process of developing the fiscal year 2024-2025 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

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

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

## **BASIC FINANCIAL STATEMENTS**

**CEDAR GROVE PUBLIC SCHOOLS**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2024**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 8,210,714	\$ 521,071	\$ 8,731,785
Receivables, net	2,557,669	17,295	2,574,964
Internal Balances	6,906	(6,906)	
Inventory		7,195	7,195
Capital Assets, net			
Not Being Depreciated	3,118,539		3,118,539
Being Depreciated	<u>29,044,120</u>	<u>47,950</u>	<u>29,092,070</u>
Total Assets	<u>42,937,948</u>	<u>586,605</u>	<u>43,524,553</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>973,069</u>	<u>-</u>	<u>973,069</u>
Total Deferred Outflows of Resources	<u>973,069</u>	<u>-</u>	<u>973,069</u>
Total Assets and Deferred Outflows of Resources	<u>43,911,017</u>	<u>586,605</u>	<u>44,497,622</u>
<b>LIABILITIES</b>			
Accounts Payable	781,474	52,445	833,919
Payroll Deductions Payable	41,983		41,983
Unearned Revenue	1,824,058		1,824,058
Accrued Interest Payable	131,123		131,123
Payable to Other Governments	49,834		49,834
Noncurrent Liabilities			
Due Within One Year	2,089,550		2,089,550
Due Beyond One Year	<u>20,961,663</u>	<u>-</u>	<u>20,961,663</u>
Total Liabilities	<u>25,879,685</u>	<u>52,445</u>	<u>25,932,130</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>498,998</u>	<u>-</u>	<u>498,998</u>
Total Deferred Inflows of Resources	<u>498,998</u>	<u>-</u>	<u>498,998</u>
Total Liabilities and Deferred Inflows of Resources	<u>26,378,683</u>	<u>52,445</u>	<u>26,431,128</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	16,213,093	47,950	16,261,043
Restricted for			
Maintenance	1,153,451		1,153,451
Capital Projects	1,083,995		1,083,995
Debt Service	1,743		1,743
Other Purposes	453,093		453,093
Unrestricted	<u>(1,373,041)</u>	<u>486,210</u>	<u>(886,831)</u>
Total Net Position	<u>\$ 17,532,334</u>	<u>\$ 534,160</u>	<u>\$ 18,066,494</u>

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

**CEDAR GROVE PUBLIC SCHOOLS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 15,791,556	\$ 75,403	\$ 2,615,664		\$ (13,100,489)		\$ (13,100,489)
Special Education	6,979,188	194,262	3,417,280		(3,367,646)		(3,367,646)
Other Instruction	324,968		51,078		(273,890)		(273,890)
School Sponsored Activities and Athletics	1,583,923	316,442	160,064		(1,107,417)		(1,107,417)
Support Services							
Student and Instruction Related Services	5,654,970		758,867		(4,896,103)		(4,896,103)
General Administrative Services	967,254		86,812		(880,442)		(880,442)
School Administrative Services	2,611,161		233,860		(2,377,301)		(2,377,301)
Central Services	1,172,317		95,526		(1,076,791)		(1,076,791)
Plant Operations and Maintenance	4,988,997	109,865	106,476	\$ 112,170	(4,660,486)		(4,660,486)
Pupil Transportation	2,002,308	21,000	358,424		(1,622,884)		(1,622,884)
Interest and Other Charges on Long-Term Debt	356,986	-	63,546	-	(293,440)	-	(293,440)
<b>Total Governmental Activities</b>	<b>42,433,628</b>	<b>716,972</b>	<b>7,947,597</b>	<b>112,170</b>	<b>(33,656,889)</b>	<b>-</b>	<b>(33,656,889)</b>
<b>Business-Type Activities</b>							
Food Service	771,397	526,422	141,195			\$ (103,780)	(103,780)
Other	67,881	130,236	-	-	-	62,355	62,355
<b>Total Business-Type Activities</b>	<b>839,278</b>	<b>656,658</b>	<b>141,195</b>	<b>-</b>	<b>-</b>	<b>(41,425)</b>	<b>(41,425)</b>
<b>Total Primary Government</b>	<b>\$ 43,272,906</b>	<b>\$ 1,373,630</b>	<b>\$ 8,088,792</b>	<b>\$ 112,170</b>	<b>(33,656,889)</b>	<b>(41,425)</b>	<b>(33,698,314)</b>
<b>General Revenues</b>							
Property Taxes, Levied for General Purposes, Net					31,193,264		31,193,264
Property Taxes Levied for Debt Service					1,962,310		1,962,310
State Aid Restricted for Debt Service Principal					343,807		343,807
State Aid - Unrestricted					100,000		100,000
Miscellaneous Income					1,501,206	4,159	1,505,365
<b>Total General Revenues and Other Items</b>					<b>35,100,587</b>	<b>4,159</b>	<b>35,104,746</b>
Change in Net Position					1,443,698	(37,266)	1,406,432
Net Position, Beginning of Year					16,088,636	571,426	16,660,062
Net Position, End of Year					<b>\$ 17,532,334</b>	<b>\$ 534,160</b>	<b>\$ 18,066,494</b>

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

## **FUND FINANCIAL STATEMENTS**

**CEDAR GROVE PUBLIC SCHOOLS**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**AS OF JUNE 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 7,578,120	\$ 200,209	\$ 362,963	\$ 69,422	\$ 8,210,714
Receivables from Other Governments	122,953	1,683,716	751,000		2,557,669
Due from Other Funds	509,383	-	1,096,895	-	1,606,278
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 8,210,456	\$ 1,883,925	\$ 2,210,858	\$ 69,422	\$ 12,374,661
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 605,558	\$ 110,492	\$ 65,424		\$ 781,474
Due to Other Funds	1,096,895	434,798		\$ 67,679	1,599,372
Payable to State Government	2,496	47,321			49,817
Payable to Federal Government		17			17
Payroll Deductions and Withholdings Payable	41,983				41,983
Unearned Revenue	4,500	1,091,088	728,470	-	1,824,058
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	1,751,432	1,683,716	793,894	67,679	4,296,721
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances					
Restricted Fund Balance					
Excess Surplus- Designated					
for Subsequent Year's Expenditures	1,186,121				1,186,121
Excess Surplus	1,186,121				1,186,121
Maintenance Reserve	753,451				753,451
Maintenance Reserve- Designated					
for Subsequent Year's Expenditures	400,000				400,000
Capital Reserve	1,856,944				1,856,944
Unemployment Compensation	252,884				252,884
Student Activities		129,034			129,034
Scholarships		71,175			71,175
Capital Projects			1,416,964		1,416,964
Debt Service				1,743	1,743
Assigned Fund Balance					
Year End Encumbrances	614,464				614,464
Unassigned Fund Balance	209,039	-	-	-	209,039
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	6,459,024	200,209	1,416,964	1,743	8,077,940
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 8,210,456	\$ 1,883,925	\$ 2,210,858	\$ 69,422	\$ 12,374,661
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>



**CEDAR GROVE PUBLIC SCHOOLS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2024**

<b>Total Fund Balances (Exhibit B-1)</b>	<b>\$</b>	<b>8,077,940</b>
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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 \$54,534,895 and the accumulated depreciation is \$22,372,236.

32,162,659

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

Deferred Outflows of Resources	\$	973,069
Deferred Inflows of Resources		<u>(498,998)</u>

474,071

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

(131,123)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Bonds Payable, net of unamortized premium		(16,281,000)
Other Financing Agreements		(219,531)
Compensated Absences		(322,192)
Net Pension Liability		<u>(6,228,490)</u>

(23,051,213)

<b>Net Position of governmental activities (Exhibit A-1)</b>	<b>\$</b>	<b><u>17,532,334</u></b>
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**CEDAR GROVE PUBLIC SCHOOLS**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 31,193,264			\$ 1,962,310	\$ 33,155,574
Miscellaneous	<u>1,895,390</u>	<u>\$ 443,204</u>	<u>\$ 5,381</u>	<u>965</u>	<u>2,344,940</u>
Total - Local Sources	33,088,654	443,204	5,381	1,963,275	35,500,514
State Sources	10,186,543	135,175	22,530	407,353	10,751,601
Federal Sources	<u>-</u>	<u>708,894</u>	<u>-</u>	<u>-</u>	<u>708,894</u>
Total Revenues	<u>43,275,197</u>	<u>1,287,273</u>	<u>27,911</u>	<u>2,370,628</u>	<u>46,961,009</u>
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	16,636,988	291,535			16,928,523
Special Education Instruction	6,860,854	448,931			7,309,785
Other Instruction	351,828				351,828
School Sponsored Activities and Athletics	1,349,439	313,941			1,663,380
Support Services					
Student and Instructional Related Services	5,841,909	140,725			5,982,634
General Administrative Services	1,010,013		-		1,010,013
School Administrative Services	2,725,342				2,725,342
Central Services	1,215,267				1,215,267
Plant Operations and Maintenance	5,175,896				5,175,896
Pupil Transportation	1,902,410				1,902,410
Debt Service					
Principal	54,019			2,000,000	2,054,019
Interest and Other Charges	2,323			369,662	371,985
Capital Outlay	<u>303,676</u>	<u>89,640</u>	<u>128,924</u>	<u>-</u>	<u>522,240</u>
Total Expenditures	<u>43,429,964</u>	<u>1,284,772</u>	<u>128,924</u>	<u>2,369,662</u>	<u>47,213,322</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(154,767)</u>	<u>2,501</u>	<u>(101,013)</u>	<u>966</u>	<u>(252,313)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Other Financing Proceeds	109,746				109,746
Transfers In	5,381		1,126,500		1,131,881
Transfers Out	<u>(1,126,500)</u>	<u>-</u>	<u>(5,381)</u>	<u>-</u>	<u>(1,131,881)</u>
Total Other Financing Sources and (Uses)	<u>(1,011,373)</u>	<u>-</u>	<u>1,121,119</u>	<u>-</u>	<u>109,746</u>
Net Change in Fund Balances	(1,166,140)	2,501	1,020,106	966	(142,567)
Fund Balance, Beginning of Year	<u>7,625,164</u>	<u>197,708</u>	<u>396,858</u>	<u>777</u>	<u>8,220,507</u>
Fund Balance, End of Year	<u>\$ 6,459,024</u>	<u>\$ 200,209</u>	<u>\$ 1,416,964</u>	<u>\$ 1,743</u>	<u>\$ 8,077,940</u>

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

**CEDAR GROVE PUBLIC SCHOOLS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**WITH THE DISTRICT-WIDE STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Total net change in fund balances - governmental funds (Exhibit B-2)** **\$ (142,567)**

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

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

Capital Outlay	\$ 522,240	
Depreciation Expense	<u>(1,306,001)</u>	
		(783,761)

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

Other Financing Agreements	(109,746)	
Principal Repayments		
Bond Principal	2,000,000	
Other Financing Agreement Principal	<u>54,019</u>	
		1,944,273

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

Increase Compensated Absences	(17,624)	
Decrease in Pension Expense	<u>428,378</u>	
		410,754

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

The details are as follows:

Decrease in Accrued Interest		<u>14,999</u>
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**Change in net position of governmental activities (Exhibit A-2)** **\$ 1,443,698**

**CEDAR GROVE PUBLIC SCHOOLS  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2024**

	Business-Type Activities		<u>Total</u>
	<u>Food Service</u>	<u>Non-Major Enterprise Funds</u>	
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 243,724	\$ 277,347	\$ 521,071
Receivables from Other Governments	13,415		13,415
Other Receivables	-	3,880	3,880
Inventory	<u>7,195</u>	<u>-</u>	<u>7,195</u>
Total Current Assets	<u>264,334</u>	<u>281,227</u>	<u>545,561</u>
Non-Current Assets			
Equipment	147,690		147,690
Less: Accumulated Depreciation	<u>(99,740)</u>	<u>-</u>	<u>(99,740)</u>
Total Non-Current Assets	<u>47,950</u>	<u>-</u>	<u>47,950</u>
Total Assets	<u>312,284</u>	<u>281,227</u>	<u>593,511</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	37,947	14,498	52,445
Due to Other Funds	<u>6,906</u>	<u>-</u>	<u>6,906</u>
Total Current Liabilities	<u>44,853</u>	<u>14,498</u>	<u>59,351</u>
<b>NET POSITION</b>			
Investment in Capital Assets	47,950		47,950
Unrestricted	<u>219,481</u>	<u>266,729</u>	<u>486,210</u>
Total Net Position	<u>\$ 267,431</u>	<u>\$ 266,729</u>	<u>\$ 534,160</u>

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

**CEDAR GROVE PUBLIC SCHOOLS  
PROPRIETARY FUND  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Business-Type Activities		
	Food Service	Non-Major Enterprise Funds	Total
OPERATING REVENUES			
Charges for Services			
Daily Sales - Program	\$ 178,983		\$ 178,983
Daily Sales - Non-program	347,439		347,439
Program Fees	-	\$ 130,236	130,236
Total Operating Revenues	526,422	130,236	656,658
OPERATING EXPENSES			
Cost of Sales - Reimbursable	103,453		103,453
Cost of Sales - Non-Reimbursable	155,180		155,180
Salaries, Benefits and Payroll Taxes	267,688	48,594	316,282
Insurance	20,406		20,406
Purchased Services	124,150	2,038	126,188
Supplies and Materials	40,618	17,249	57,867
Miscellaneous Expenses	14,493		14,493
Management Fee	43,344		43,344
Depreciation Expense	2,065	-	2,065
Total Operating Expenses	771,397	67,881	839,278
Operating Income/(Loss)	(244,975)	62,355	(182,620)
NONOPERATING REVENUES			
State Sources			
School Lunch Program	4,574		4,574
Federal Sources			
National School Lunch Program	66,683		66,683
National School Breakfast Program	764		764
Supply Chain Assistance Grant	41,425		41,425
Pandemic EBT	653		653
Food Distribution Program - Non Cash	25,730		25,730
Local Food for School	1,366		1,366
Interest Income	4,159	-	4,159
Total Nonoperating Revenues	145,354	-	145,354
Change in Net Position	(99,621)	62,355	(37,266)
Net Position, Beginning of Year	367,052	204,374	571,426
Net Position, End of Year	\$ 267,431	\$ 266,729	\$ 534,160

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

**CEDAR GROVE PUBLIC SCHOOLS  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>Business-Type Activities</b>		
	<b><u>Food Service</u></b>	<b><u>Non-Major Enterprise Funds</u></b>	<b><u>Total</u></b>
<b>Cash Flows From Operating Activities</b>			
Receipts from Customers	\$ 526,422	\$ 130,236	\$ 656,658
Payments for Employees' Salaries and Benefits	(267,688)	-	(267,688)
Payments to Suppliers for Goods and Services	<u>(508,851)</u>	<u>(57,883)</u>	<u>(566,734)</u>
Net Cash Provided (Used) By Operating Activities	<u>(250,117)</u>	<u>72,353</u>	<u>(177,764)</u>
<b>Cash Flows From Non-Capital Financing Activities</b>			
Cash Received from State and Federal Subsidy Reimbursements	<u>108,540</u>	<u>-</u>	<u>108,540</u>
Net Cash Provided By Non-Capital Financing Activities	<u>108,540</u>	<u>-</u>	<u>108,540</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Acquisition of Capital Assets	<u>(11,324)</u>	<u>-</u>	<u>(11,324)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(11,324)</u>	<u>-</u>	<u>(11,324)</u>
<b>Cash Flows From Investing Activities</b>			
Interest on Investments	<u>4,159</u>	<u>-</u>	<u>4,159</u>
Net Cash Provided By Investing Activities	<u>4,159</u>	<u>-</u>	<u>4,159</u>
Net Increase in Cash and Cash Equivalents	(148,742)	72,353	(76,389)
Cash and Cash Equivalents, Beginning of Year	<u>392,466</u>	<u>204,994</u>	<u>597,460</u>
Cash and Cash Equivalents, End of Year	<u>\$ 243,724</u>	<u>\$ 277,347</u>	<u>\$ 521,071</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities:</b>			
Operating Income (Loss)	<u>\$ (244,975)</u>	<u>\$ 62,355</u>	<u>\$ (182,620)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By Operating Activities			
Food Distribution Program - Non Cash Assistance	25,730		25,730
Depreciation	2,065		2,065
(Increase)/ Decrease in Inventory	7,153		7,153
(Increase)/ Decrease in Accounts Receivable	-	(3,880)	(3,880)
Increase/ (Decrease) in Accounts Payable	(45,389)	13,878	(31,511)
Increase/ (Decrease) in Due to Other Funds	<u>5,299</u>	<u>-</u>	<u>5,299</u>
Total Adjustments	<u>(5,142)</u>	<u>9,998</u>	<u>(20,874)</u>
Net Cash Provided/(Used) By Operating Activities	<u>\$ (250,117)</u>	<u>\$ 72,353</u>	<u>\$ (203,494)</u>
<b>NON CASH INVESTING, INVESTING CAPITAL AND FINANCING ACTIVITIES VALUE RECEIVE - FOOD DISTRIBUTION PROGRAM</b>	<u>\$ 25,730</u>		

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

**B. New Accounting Standards**

During fiscal year 2024, the District adopted the following GASB statements:

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

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

- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.



**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

- GASB Statement No. 102, *Certain Risk Disclosures*, will be effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

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

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no fiduciary funds.

**District-Wide Financial Statements**

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

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

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

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

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

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

**Reclassifications**

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

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

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

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

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

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

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

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

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

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

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

***2. Receivables***

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

***3. Inventories***

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

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

***3. Inventories (Continued)***

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

***4. Capital Assets***

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

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

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

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

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

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

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

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

***6. Compensated Absences***

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

***7. Pensions***

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

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

***8. Financing Agreements***

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

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

***9. Long-Term Obligations***

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

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

CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2024 audited excess surplus that is required to be appropriated in the 2025/2026 original budget certified for taxes.

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

*Maintenance Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the 2024/2025 original budget certified for taxes.

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

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

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

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

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

**Governmental Fund Statements (Continued)**

**Restricted Fund Balance (Continued)**

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

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

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

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

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

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

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

**11. Fund Balance Policies**

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

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

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

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

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

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

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

***2. Property Taxes***

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 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 2022-2023 and 2023-2024 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. On-Behalf Payments***

Revenues and expenditures of the general funds include payments made by the State of New Jersey on-behalf of the District for social security, pension, long-term disability insurance and post-retirement medical benefit contributions for District employees enrolled in the Teacher Pension and Annuity Fund (TPAF) retirement system.

Revenues and expenses of governmental activities, include the State's proportionate share of the on-behalf actuarial determined pension and post-retirement medical benefit amounts attributable to the District for District employees enrolled in the TPAF retirement system.

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

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



**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2023/2024. Also, during 2023/2024 the Board increased the original budget of the general fund by \$826,122 and the special revenue fund by \$1,163,291. The increases were funded by the additional appropriation of maintenance reserve, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of capital reserve balance of \$1,403,318 from the general fund.

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

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

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**B. Excess Expenditures Over Appropriations**

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Undistributed Expend.-Other Supp. Svcs.-Extraord. Serv.			
Purchased Professional - Educational Services	\$ 156,854	\$ 159,005	\$ (2,151)
Special Revenue Fund			
Facilities Acquisition and Construction Services			
Non-Instruction Equipment	228,921	237,715	(8,794)

The above variances were offset with other available resources.

**C. Capital Reserve**

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2024 is as follows:

Balance, July 1, 2023	\$ 3,257,353
Increased by:	
Unexpended Balances from Capital Reserve Projects	<u>2,909</u>
	3,260,262
Decreased by:	
Withdrawals Approved by Board Resolution	<u>(1,403,318)</u>
Balance, June 30, 2024	<u>\$ 1,856,944</u>

The June 30, 2024 LRFP balance of total costs of uncompleted capital projects is \$87,716,283. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the District's Long Range Facilities Plan.

**D. Maintenance Reserve**

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

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

**CEDAR GROVE PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**D. Maintenance Reserve (Continued)**

The activity of the maintenance reserve for the fiscal year ended June 30, 2024 is as follows:

Balance, July 1, 2023	\$ 1,083,674
Increased by:	
Deposits by Board Resolution	<u>269,777</u>
	1,353,451
Decreased by:	
Withdrawals Approved in Budget	<u>(200,000)</u>
Balance, June 30, 2024	<u>\$ 1,153,451</u>

The June 30, 2024 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,885,604. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. \$400,000 of the maintenance reserve balance at June 30, 2024 was designated and appropriated for use in the 2024/2025 original budget certified for taxes.

**E. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2024 is \$2,372,242. Of this amount, \$1,186,121 was designated and appropriated in the 2024/2025 original budget certified for taxes and the remaining amount of \$1,186,121 is required to be appropriated in the 2025/2026 original budget certified for taxes.

**F. Transfers to Capital Outlay**

During the 2023/2024 school year, the district transferred \$276,818 to the non-equipment capital outlay accounts. The transfer was made from the capital reserve account to support an emergent circumstance pursuant to N.J.A.C. 6A:23A-13.3(h).

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

**CEDAR GROVE PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**Cash Deposits (Continued)**

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2024, the book value of the Board's deposits were \$8,731,785 and bank and brokerage firm balances of the Board's deposits amounted to \$6,281,456. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<b><u>Depository Account</u></b>	<b><u>Bank Balance</u></b>
Insured	\$ 6,194,539
Uninsured and Collateralized	<u>86,917</u>
	<u><u>\$ 6,281,456</u></u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2024 the Board’s bank balance of \$86,917 was exposed to custodial credit risk as follows:

<b><u>Depository Account</u></b>	<b><u>Bank Balance</u></b>
Uninsured and Collateralized	
Uninsured and Collateral held by pledging financial institution's trust department but not in the Board's Name	<u>\$ 86,917</u>

**Investments**

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

As of June 30, 2024, the Board had no outstanding investments.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk.

**CEDAR GROVE PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**Investments (Continued)**

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

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

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

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

**B. Receivables**

Receivables as of June 30, 2024 for the district's individual major funds and non-major funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Non-Major Enterprise Funds</u>	<u>Total</u>
Receivables:						
Accounts					\$ 3,880	\$ 3,880
Intergovernmental						
Federal		\$ 1,683,716		\$ 12,572		1,696,288
State	\$ 122,953	-	\$ 751,000	843	-	874,796
Gross Receivables	122,953	1,683,716	751,000	13,415	3,880	2,574,964
Less:						
Allowance for Uncollectibles	-	-	-	-	-	-
Net Total Receivables	<u>\$ 122,953</u>	<u>\$ 1,683,716</u>	<u>\$ 751,000</u>	<u>\$ 13,415</u>	<u>\$ 3,880</u>	<u>\$ 2,574,964</u>

**CEDAR GROVE PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**C. Unearned Revenue**

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

	<u>Unearned</u>
General Fund	
Preschool Tuition	\$ 4,500
Special Revenue Fund	
Unencumbered Local Grant Draw Downs	122,252
Grant Draw Downs Reserve for Encumbrances	968,836
Capital Projects Fund	
Unrealized School Facilities Grants	<u>728,470</u>
 Total Unearned Revenue for Governmental Funds	 <u><u>\$ 1,824,058</u></u>

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	<u>Balance,</u> <u>July 1, 2023</u>	<u>Increases</u>	<u>Adjustments</u>	<u>Balance,</u> <u>June 30, 2024</u>
<b>Governmental activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 47,359			\$ 47,359
Construction In Process	<u>3,323,399</u>	<u>\$ 174,174</u>	<u>\$ (426,393)</u>	<u>3,071,180</u>
Total Capital Assets, Not Being Depreciated	<u>3,370,758</u>	<u>174,174</u>	<u>(426,393)</u>	<u>3,118,539</u>
Capital Assets, Being Depreciated:				
Land Improvements	559,985		28,408	588,393
Building and Building Improvements	46,829,189	250,457	397,985	47,477,631
Machinery and Equipment	<u>3,252,723</u>	<u>97,609</u>	<u>-</u>	<u>3,350,332</u>
Total Capital Assets Being Depreciated	<u>50,641,897</u>	<u>348,066</u>	<u>426,393</u>	<u>51,416,356</u>
Less Accumulated Depreciation for:				
Land Improvements	(447,635)	(21,067)		(468,702)
Building and Building Improvements	(17,867,944)	(1,221,816)		(19,089,760)
Machinery and Equipment	<u>(2,750,656)</u>	<u>(63,118)</u>	<u>-</u>	<u>(2,813,774)</u>
Total Accumulated Depreciation	<u>(21,066,235)</u>	<u>(1,306,001)</u>	<u>-</u>	<u>(22,372,236)</u>
Total Capital Assets, Being Depreciated, Net	<u>29,575,662</u>	<u>(957,935)</u>	<u>426,393</u>	<u>29,044,120</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 32,946,420</u></u>	<u><u>\$ (783,761)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 32,162,659</u></u>

**CEDAR GROVE PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**D. Capital Assets (Continued)**

	Balance, July 1, 2023	Increases	Decreases	Balance, June 30, 2024
<b>Business-type activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 136,366	\$ 11,324	-	\$ 147,690
Total Capital Assets Being Depreciated	136,366	11,324	-	147,690
Less Accumulated Depreciation for:				
Machinery and Equipment	(97,675)	(2,065)	-	(99,740)
Total Accumulated Depreciation	(97,675)	(2,065)	-	(99,740)
Total Capital Assets, Being Depreciated, Net	38,691	9,259	-	47,950
Business-Type Activities Capital Assets, Net	<u>\$ 38,691</u>	<u>\$ 9,259</u>	<u>\$ -</u>	<u>\$ 47,950</u>

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

**Governmental activities:**

Instruction	
Regular	\$ 637,199
Special Education	157,326
Other Instruction	12,317
School-Sponsored Activities and Athletics	<u>43,313</u>
Total Instruction	<u>850,155</u>
Support Services	
Student and Instructional Related Services	176,240
General Administrative Services	23,826
School Administrative Services	101,556
Central Services	41,161
Pupil Transportation	111,402
Plant Operations and Maintenance	<u>1,661</u>
Total Support Services	<u>455,846</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,306,001</u>
<b>Business-Type Activities:</b>	
Food Service Fund	<u>\$ 2,065</u>

**CEDAR GROVE PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**D. Capital Assets (Continued)**

**Construction and Other Significant Commitments**

The District has the following active construction projects as of June 30, 2024:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
HVAC Upgrades to North End and South End	\$ 63,500	\$ 1,814,000
	<u>\$ 63,500</u>	<u>\$ 1,814,000</u>

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2024, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects Fund	General Fund	\$ 1,096,895
General Fund	Special Revenue Fund	434,798
General Fund	Debt Service Fund	67,679
General Fund	Food Service Fund	6,906
		<u>\$ 1,606,278</u>

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

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

**Interfund Transfers**

	<u>Transfer Out:</u>		
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Transfer In:			
General Fund		\$ 5,381	\$ 5,381
Capital Projects Fund	\$ 1,126,500	-	1,126,500
Total	<u>\$ 1,126,500</u>	<u>\$ 5,381</u>	<u>\$ 1,131,881</u>

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



**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**F. Financing Agreements**

**Other Financing Agreements**

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

Other financing agreements at June 30, 2024 are comprised of the following:

\$112,493, Fiscal year 2020 Agreement for the purchase of chromebooks for a term of 5 years due in annual principal installments of \$23,000 through 2025 interest at 5%	\$ 23,000
\$118,804, Fiscal year 2023 Agreement for the purchase of chromebooks for a term of 4 years due in annual principal installments of \$27,183 to \$30,710 through 2027 interest at 6.29%	86,785
\$109,746, Fiscal year 2024 Agreement for the purchase of chromebooks for a term of 4 years due in annual principal installments of \$25,166 to \$29,367 through 2028 interest at 6.29%	109,746
	<u>\$ 219,531</u>

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

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>Other Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 79,550	\$ 6,922	\$ 86,472
2026	54,058	8,838	62,896
2027	57,469	5,428	62,897
2028	28,454	1,801	30,255
Total	<u>\$ 219,531</u>	<u>\$ 22,989</u>	<u>\$ 242,520</u>

**CEDAR GROVE PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**G. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2024 are comprised of the following issues:

\$7,582,000, 2012 School Bonds, due in annual installments of \$497,000 to \$500,000 through August 15, 2032, interest at 2.0%-2.5%	\$ 4,497,000
\$14,884,000, 2016 School Bonds, due in annual installments of \$1,215,000 to \$1,250,000 through August 15, 2032, interest at 2.0%-2.5%	9,919,000
\$2,964,000, 2019 School Bonds, due in annual installments of \$285,000 to \$325,000 through August 15, 2029, interest at 1.25%-2.0%	<u>1,865,000</u>
	<u><u>\$ 16,281,000</u></u>

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

**Governmental Activities:**

Fiscal Year Ended June 30,	Serial Bonds		Total
	Principal	Interest	
2025	\$ 2,010,000	\$ 329,563	\$ 2,339,563
2026	2,025,000	289,213	2,314,213
2027	2,035,000	248,613	2,283,613
2028	2,065,000	207,300	2,272,300
2029	2,075,000	164,181	2,239,181
2030-3033	<u>6,071,000</u>	<u>235,736</u>	<u>6,306,736</u>
	<u>\$ 16,281,000</u>	<u>\$ 1,474,606</u>	<u>\$ 17,755,606</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2024 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 106,376,895
Less: Net Debt Issued and Authorized but Not Issued	<u>16,282,535</u>
Remaining Borrowing Power	<u><u>\$ 90,094,360</u></u>

**CEDAR GROVE PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2024, was as follows:

	Balance, July 1, 2023	Additions	Reductions	Balance, June 30, 2024	Due Within One Year
<b>Governmental activities:</b>					
Bonds Payable	\$ 18,281,000	-	\$ 2,000,000	\$ 16,281,000	\$ 2,010,000
Total Bonds Payable	18,281,000	-	2,000,000	16,281,000	2,010,000
Other Financing Agreements	163,804	\$ 109,746	54,019	219,531	79,550
Compensated Absences	304,568	17,624	-	322,192	-
Net Pension Liability	5,581,251	1,075,617	428,378	6,228,490	-
Governmental Activity Long-Term Liabilities	\$ 24,330,623	\$ 1,202,987	\$ 2,482,397	\$ 23,051,213	\$ 2,089,550

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

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

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

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

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

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

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

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

Fiscal Year Ended <u>June 30,</u>	District <u>Contributions</u>	Employee <u>Contributions</u>	Interest <u>Earnings</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2024	None	\$ 32,788	\$ 3,627	\$ 16,878	\$ 252,884
2023	None	22,408	2,897	41,139	235,843
2022	None	31,093	261	-	251,677

**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.

**Pending Litigation** – The District settled a 1983 Civil Rights Claim, Malicious Prosecution, Breach of Contract, Malicious Abuse of Process and Age Discrimination Claim on November 22, 2024. The Case was settled for \$900,000. The District has petitioned the State Department of Education to transfer surplus funds of \$450,000 to the 24-25 operating budget to cover the District's share of the settlement cost.

**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, 2024, 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, 2024, the District has not estimated its arbitrage earnings due to the IRS, if any.

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Plan Descriptions and Benefits Provided**

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

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

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

The following represents the membership tiers for PERS:

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

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

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

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

The following represent the membership tiers for TPAF:

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

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

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

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

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Other Pension Funds**

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

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

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

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

**Plan Amendments**

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

**Measurement Focus and Basis of Accounting**

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

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

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Investment Valuation**

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

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

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2023 is \$14.6 billion and the plan fiduciary net position as a percentage of the total pension liability is 65.23%. The collective net pension liability of the State funded TPAF at June 30, 2023 is \$51.1 billion and the plan fiduciary net position as a percentage of total pension liability is 34.68%.

The total pension liabilities for the June 30, 2023 measurement date were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

**Actuarial Methods and Assumptions**

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

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2024.



**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Employer and Employee Pension Contributions (Continued)**

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2023 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2024, 2023 and 2022 were equal to the required contributions.

During the fiscal years ended June 30, 2024, 2023 and 2022 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively, for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2024	\$ 574,726	\$ 4,896,300	\$ 7,292
2023	474,206	4,826,370	6,236
2022	440,751	4,863,538	4,018

In addition for fiscal years 2024, 2023 and 2022 the State contributed \$2,382, \$2,166 and \$2,025, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,075,426 during the fiscal year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Public Employees Retirement System (PERS)**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2022 through June 30, 2023. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2023 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023.

At June 30, 2024, the District reported in the statement of net position (accrual basis) a liability of \$6,228,490 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2023. At June 30, 2023, the District's proportionate share was 0.04300 percent, which was an increase of 0.00602 percent from its proportionate share measured as of June 30, 2022 of 0.03698 percent.

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$146,349 for PERS. The pension contribution made by the District during the current 2023/2024 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2024 with a measurement date of the prior fiscal year end of June 30, 2023. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2024 for contributions made subsequent to the measurement date. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 59,552	\$ 25,460
Changes of Assumptions	13,683	377,473
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	28,683	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>871,151</u>	<u>96,065</u>
Total	<u>\$ 973,069</u>	<u>\$ 498,998</u>

At June 30, 2024, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

<b><u>Year Ending June 30,</u></b>	<b><u>Total</u></b>
2024	\$ (478,667)
2025	(227,848)
2026	209,043
2027	50,637
2028	920,906
Thereafter	<u>-</u>
	<u>\$ 474,071</u>

CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

*Actuarial Assumptions*

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

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

*Mortality Rates*

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
Risk Mitigation Strategies	3.00%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Discount Rate***

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

***Sensitivity of Net Pension Liability***

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 7.00, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 8,108,169</u>	<u>\$ 6,228,490</u>	<u>\$ 4,628,635</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2023. A sensitivity analysis specific to the District's net pension liability at June 30, 2023 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2022 through June 30, 2023. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2023, the State's pension contribution was more than the actuarial determined amount.

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

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,459,894 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2024 the State's proportionate share of the net pension liability attributable to the District is \$59,424,787. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2023. At June 30, 2023, the State's share of the net pension liability attributable to the District was 0.11645 percent, which was a decrease of 0.00005 percent from its proportionate share measured as of June 30, 2022 of .11650 percent.

CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-4.25%
	Based on Years of Service
Investment Rate of Return	7.00%

*Mortality Rates*

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.



**CEDAR GROVE PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

***Discount Rate***

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 7.00%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 70,072,607</u>	<u>\$ 59,424,787</u>	<u>\$ 50,456,792</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2023. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2023 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

**E. Post-Retirement Medical Benefits**

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Plan Description and Benefits Provided**

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

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2022:

Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>152,383</u>
Total	<u>369,595</u>

**Measurement Focus and Basis of Accounting**

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

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

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2023 is \$52.4 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2023 were determined based on actuarial valuations as of June 30, 2022 which were rolled forward to June 30, 2023.

**Actuarial Methods and Assumptions**

In the June 30, 2022 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.44 billion to the OPEB plan in fiscal year 2023.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2024, 2023 and 2022 were \$1,332,594, \$1,267,876 and \$1,136,319, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2022 through June 30, 2023. Nonemployer allocation percentages have been rounded for presentation purposes.

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

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,685,317. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2024 the State's proportionate share of the OPEB liability attributable to the District is \$51,628,879. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2023. At June 30, 2023, the state's share of the OPEB liability attributable to the District was 0.1 percent, which was unchanged from its proportionate share measured as of June 30, 2022 of 0.1 percent.

**Actuarial Assumptions**

The OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is, increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is, increasing to 17.4% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% 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%.

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Discount Rate**

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Changes in the Total OPEB Liability**

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2024 (measurement date June 30, 2023) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2022 Measurement Date	\$ 51,804,541
Changes Recognized for the Fiscal Year:	
Service Cost	2,579,694
Interest on the Total OPEB Liability	1,818,306
Differences Between Expected and Actual Experience	(3,306,922)
Changes of Assumptions	104,062
Gross Benefit Payments	(1,417,399)
Contributions from the Member	46,597
Net Changes	\$ (175,662)
Balance, June 30, 2023 Measurement Date	\$ 51,628,879

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023.

**CEDAR GROVE PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.65%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	<b>1% Decrease (2.65%)</b>	<b>Current Discount Rate (3.65%)</b>	<b>1% Increase (4.65%)</b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 60,525,997</u>	<u>\$ 51,628,879</u>	<u>\$ 44,485,526</u>

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 42,859,929</u>	<u>\$ 51,628,879</u>	<u>\$ 63,103,072</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023 were not provided by the pension system.

**F. Tax Abatements**

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

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**F. Tax Abatements (Continued)**

For the year ended December 31, 2023, the Borough provided property tax abatements through the Long Term Tax Exemption Law (the "LTTE Law").

- The Long Term Tax Exemption Law (NJSA 40A:20 et. seq.) is focused on broad areas of redevelopment. It allows for a longer abatement term to carry out a larger development plan through declaring an area as being "in need of redevelopment". These long-term property abatements may last up to 30 years from completion of a project or 35 years from execution of the financial agreement. The process is initiated when the municipality passes a resolution calling for the municipal planning board to study the need for designating an area "in need of redevelopment". Upon adopting the planning board's recommendations and formalizing the redevelopment area designation, a municipality adopts a redevelopment plan, engages redevelopment entities to carry out the plan, and may authorize long-term tax abatements in the process. Developers submit abatement applications to the governing body for review. The financial agreement is approved through adoption of a local ordinance. The agreement exempts a project from taxation, but requires a payment in lieu of taxes (PILOTs) to the District in an amount based generally on the cost of sending students to the Cedar Grove Public Schools. For the year ended December 31, 2023 the Borough abated school property taxes totaling \$1,200,000 under the LTTE program of which all is the District's share.

**NOTE 5 RECENT HEALTHCARE DEVELOPMENTS**

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

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

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

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



**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**

**CEDAR GROVE PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 31,193,264		\$ 31,193,264	\$ 31,193,264	
Other Revenue from Local Governments	1,200,000		1,200,000	1,200,000	
Tuition from Individuals	71,500		71,500	75,403	\$ 3,903
Tuition from Other LEA'S within the State	158,624		158,624	194,262	35,638
Transportation Fees from Individuals	10,000		10,000	21,000	11,000
Rents and Royalties	80,000		80,000	109,865	29,865
Unrestricted Miscellaneous Revenues	81,200	-	81,200	294,860	213,660
Total Revenues - Local Sources	32,794,588	-	32,794,588	33,088,654	294,066
State Sources					
Transportation Aid	284,386		284,386	284,386	-
Special Education Aid	1,748,017		1,748,017	1,748,017	-
Security Aid	57,017		57,017	57,017	-
Extraordinary Aid	400,000		400,000	580,405	180,405
Non-Public Transportation				70,980	70,980
Student Mental Health Grant				100,000	100,000
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				1,075,426	1,075,426
On Behalf TPAF Pension System Contributions- (Non-Budgeted)- Pension Cost				4,841,090	4,841,090
(Non-Budgeted)- NCGI Premium				55,210	55,210
(Non-Budgeted)- LT Disability				2,382	2,382
(Non-Budgeted)- Pension Cost - Post Medical Cont.	-	-	-	1,332,594	1,332,594
Total State Sources	2,489,420	-	2,489,420	10,147,507	7,658,087
Federal Sources					
Medicaid	15,854	-	15,854	-	(15,854)
Total Federal Sources	15,854	-	15,854	-	(15,854)
Total Revenues	35,299,862	-	35,299,862	43,236,161	7,936,299
<b>CURRENT EXPENDITURES</b>					
Instruction - Regular Programs					
Salaries of Teachers:					
Kindergarten	625,991	\$ (3,261)	622,730	621,485	1,245
Grades 1 - 5	3,279,170	(68,451)	3,210,719	3,175,150	35,569
Grades 6 - 8	2,336,695	19,693	2,356,388	2,334,718	21,670
Grades 9 - 12	3,316,088	(243,000)	3,073,088	3,070,613	2,475
Home Instruction:					
Salaries of Teachers	20,000	-	20,000	13,876	6,124
Purchased Professional - Educational Services	10,000	-	10,000	3,516	6,484
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	126,800	49,900	176,700	167,090	9,610
Purchased Technical Services	82,400	1,267	83,667	57,764	25,903
Miscellaneous Purchased Services	48,519	(500)	48,019	46,112	1,907
General Supplies	227,898	105,316	333,214	184,907	148,307
Textbooks	170,650	(19,090)	151,560	139,753	11,807
Other Objects	1,900	500	2,400	250	2,150
(Non-Budgeted) - Other Financing Agreement	-	-	-	109,746	(109,746)
Total Instruction Regular Programs	10,246,111	(157,626)	10,088,485	9,924,980	163,505
Special Education					
Learning/Language Disabilities					
Salaries of Teachers	189,592	(21,764)	167,828	167,225	603
Other Salaries for Instruction	-	2,718	2,718	2,530	188
General Supplies	2,500	(157)	2,343	2,150	193
Total Learning/Language Disabilities	192,092	(19,203)	172,889	171,905	984

**CEDAR GROVE PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Multiple Disabilities					
Salaries of Teachers	\$ 61,291	\$ 26,223	\$ 87,514	\$ 87,514	
Other Salaries for Instruction	203,912	(5,686)	198,226	192,991	\$ 5,235
Total Multiple Disabilities	265,203	20,537	285,740	280,505	5,235
Resource Room/Resource Center					
Salaries of Teachers	1,852,202	28,457	1,880,659	1,870,214	10,445
Other Salaries for Instruction	93,878	9,462	103,340	101,143	2,197
General Supplies	3,200	(758)	2,442	2,438	4
Total Resource Room/Resource Center	1,949,280	37,161	1,986,441	1,973,795	12,646
Preschool Disabilities - Full Time					
Salaries of Teachers	183,671	41,374	225,045	223,720	1,325
Other Salaries for Instruction	235,650	6,336	241,986	241,194	792
General Supplies	1,000	-	1,000	1,000	-
Total Preschool Disabilities - Full Time	420,321	47,710	468,031	465,914	2,117
Total Special Education	2,826,896	86,205	2,913,101	2,892,119	20,982
Basic Skills/Remedial					
Salaries of Teachers	68,389	2,500	70,889	70,729	160
General Supplies	3,500	-	3,500	1,272	2,228
Total Basic Skills/Remedial	71,889	2,500	74,389	72,001	2,388
Bilingual Education					
Salaries of Teachers	129,308	2,600	131,908	131,810	98
General Supplies	600	-	600	575	25
Total Bilingual Education	129,908	2,600	132,508	132,385	123
School Sponsored Co/Extra Curricular Activities					
Salaries	169,162	(741)	168,421	159,275	9,146
Supplies and Materials	31,025	1,150	32,175	30,254	1,921
Other Objects	2,000	2	2,002	2,002	-
Total School-Sponsored Co/Extra Curricular Activities	202,187	411	202,598	191,531	11,067
School Sponsored Athletics					
Salaries	461,641	14,057	475,698	475,424	274
Purchased Services	71,577	-	71,577	60,652	10,925
Supplies and Materials	89,135	18,934	108,069	95,112	12,957
Other Objects	8,000	-	8,000	7,199	801
Transfers to Cover Deficit (Agency Funds)	85,669	(14,000)	71,669	60,000	11,669
Total School Sponsored Athletics	716,022	18,991	735,013	698,387	36,626
Total Instruction	14,193,013	(46,919)	14,146,094	13,911,403	234,691

**CEDAR GROVE PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs - Within State - Regular	\$ 4,000	\$ 6,459	\$ 10,459	\$ 10,459	
Tuition to Other LEAs - Within State - Special	88,234	81,762	169,996	169,996	-
Tuition to County Voc. School District-Regular	53,084	(4,029)	49,055	49,055	-
Tuition to County Voc. School District-Special	37,887	(13,887)	24,000	24,000	-
Tuition to Priv. Sch. For the Disabled - Within State	1,788,851	25,946	1,814,797	1,814,797	-
Total Instruction	1,972,056	96,251	2,068,307	2,068,307	-
Attendance and Social Work					
Salaries	51,857	-	51,857	50,937	\$ 920
Residency Investigator	3,000	(2,897)	103	-	103
Purchased Professional/Technical Services	6,167	-	6,167	6,167	-
Total Attendance and Social Work	61,024	(2,897)	58,127	57,104	1,023
Health Services					
Salaries	378,601	761	379,362	374,327	5,035
Purchased Professional and Technical Services	22,200	-	22,200	19,423	2,777
Other Purchased Services	100	-	100		100
Supplies and Materials	11,000	(5,287)	5,713	5,618	95
Other Objects	1,000	(585)	415	415	-
Total Health Services	412,901	(5,111)	407,790	399,783	8,007
Speech/Occupational Therapy/Physical Therapy and Related Services					
Salaries	382,028	(4,453)	377,575	377,575	-
Purchased Professional/Educational Services	315,000	101,461	416,461	416,030	431
Supplies and Materials	8,500	(4,552)	3,948	3,933	15
Total Speech/Occupational Therapy/Physical Therapy and Related Services	705,528	92,456	797,984	797,538	446
Undistributed Expend.-Other Supp. Svcs.-Extraord. Serv.					
Salaries	626,848	9,190	636,038	636,038	-
Purchased Professional-Educational Services	111,000	45,854	156,854	159,005	(2,151)
Supplies and Materials	5,000	(323)	4,677	4,046	631
Total Other Support/Extraordinary Services	742,848	54,721	797,569	799,089	(1,520)
Guidance Services					
Salaries of Other Professional Staff	596,809	(40,800)	556,009	545,246	10,763
Salaries of Secretarial and Clerical Assistants	60,589	341	60,930	60,930	-
Purchased Professional - Educational Services	23,695	(8,314)	15,381	15,000	381
Purchased Technical Services	24,668	314	24,982	24,982	-
Other Purchased Professional	250	-	250	-	250
Supplies and Materials	10,450	(819)	9,631	5,216	4,415
Other Objects	5,225	-	5,225	3,198	2,027
Total Other Support Services/Regular	721,686	(49,278)	672,408	654,572	17,836

**CEDAR GROVE PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Child Study Team					
Salaries of Other Professional Staff	\$ 550,185	\$ 28,122	\$ 578,307	\$ 577,954	\$ 353
Salaries of Secretarial and Clerical Assistants	71,448	(916)	70,532	70,379	153
Purchased Professional Educational Services	12,410	3,307	15,717	15,717	-
Other Purchased Services	2,500	(500)	2,000	2,000	-
Supplies and Materials	4,000	-	4,000	3,631	369
Other Objects	2,000	-	2,000	1,923	77
Total Other Support Services/Special	<u>642,543</u>	<u>30,013</u>	<u>672,556</u>	<u>671,604</u>	<u>952</u>
Improvement of Instruction					
Salaries of Other Professional Staff	15,400	(8,579)	6,821	1,455	5,366
Salaries of Secretarial and Clerical Assist.	21,125	916	22,041	22,041	-
Purchased Professional-Educational Services	500	4,960	5,460	4,960	500
Other Purchased Services	2,000	-	2,000	1,500	500
Supplies and Materials	6,825	21,712	28,537	23,555	4,982
Other Objects	6,300	(212)	6,088	2,638	3,450
Total Improvement of Instruction	<u>52,150</u>	<u>18,797</u>	<u>70,947</u>	<u>56,149</u>	<u>14,798</u>
Educational Media Services/ School Library					
Salaries	128,332	(35,852)	92,480	88,430	4,050
Supplies and Materials	14,750	(500)	14,250	11,796	2,454
Total Educational Media Services/ School Library	<u>143,082</u>	<u>(36,352)</u>	<u>106,730</u>	<u>100,226</u>	<u>6,504</u>
Instructional Staff Training Services					
Salaries of Supervisors of Instruction	126,657	60,274	186,931	186,363	568
Salaries of Secretarial and Clerical Assist.	16,598	(780)	15,818	15,641	177
Purchased Professional Educational Services	77,000	-	77,000	76,049	951
Other Purchased Professional/Technical Services	5,500	-	5,500	1,100	4,400
Other Purchased Services	7,185	382	7,567	5,580	1,987
Total Instructional Staff Training Services	<u>232,940</u>	<u>59,876</u>	<u>292,816</u>	<u>284,733</u>	<u>8,083</u>
Support Services General Administration					
Salaries	356,908	(12,675)	344,233	344,233	-
Legal Services	150,000	(18,500)	131,500	116,463	15,037
Audit Fees	48,350	608	48,958	48,958	-
Architectural/Engineering Services	-	31,438	31,438	13,350	18,088
Other Purchased Professional Services	39,000	(458)	38,542	38,074	468
Purchased Technical Services	2,000	(1,000)	1,000	808	192
Communications/Telephone	25,294	84,891	110,185	109,871	314
Miscellaneous Purchased Services	28,000	(13,636)	14,364	14,364	-
BOE Other Purchased Services	2,700	-	2,700	1,720	980
General Supplies	3,100	1,359	4,459	2,508	1,951
Judgements Against the District		37,735	37,735	37,735	-
Miscellaneous Expenditures	17,400	(1,488)	15,912	15,912	-
BOE Membership Dues and Fees	21,500	(4,707)	16,793	16,793	-
Total Support Services General Administration	<u>694,252</u>	<u>103,567</u>	<u>797,819</u>	<u>760,789</u>	<u>37,030</u>

**CEDAR GROVE PUBLIC SCHOOLS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Support Services School Administration					
Salaries of Principals and Assistant Principals	\$ 893,553	\$ (17,640)	\$ 875,913	\$ 875,912	\$ 1
Salaries of Other Professional Staff	394,713	76,899	471,612	471,612	-
Salaries of Secretarial and Clerical Assist.	341,386	(8,556)	332,830	331,304	1,526
Purchased Professional and Technical Services	4,750	17,600	22,350	2,250	20,100
Other Purchased Services	10,000	(6,753)	3,247	2,316	931
Supplies and Materials	28,919	885	29,804	22,005	7,799
Other Objects	9,359	7,500	16,859	15,496	1,363
Total Support Services School Administration	<u>1,682,680</u>	<u>69,935</u>	<u>1,752,615</u>	<u>1,720,895</u>	<u>31,720</u>
Undistributed Expenditures - Central Services					
Salaries	376,292	(4,000)	372,292	361,786	10,506
Purchased Professional Services	52,900	14,255	67,155	64,981	2,174
Miscellaneous Purchased Services	2,600	(255)	2,345	521	1,824
Supplies and Materials	5,500	657	6,157	5,464	693
Miscellaneous Expenditures	3,590	-	3,590	3,163	427
Total Undistributed Expenditures - Central Services	<u>440,882</u>	<u>10,657</u>	<u>451,539</u>	<u>435,915</u>	<u>15,624</u>
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	275,340	-	275,340	265,532	9,808
Purchased Technical Services	132,665	(12,209)	120,456	96,543	23,913
Other Purchased Services	350	-	350	-	350
Supplies and Materials	26,000	9,159	35,159	32,887	2,272
Other Objects	500	-	500	-	500
Total Undistributed Expenditures - Admin. Info. Technology	<u>434,855</u>	<u>(3,050)</u>	<u>431,805</u>	<u>394,962</u>	<u>36,843</u>
Required Maintenance for School Facilities					
Salaries	140,478	(22,283)	118,195	116,328	1,867
Cleaning, Repair and Maintenance Services	230,000	270,561	500,561	392,901	107,660
General Supplies	40,000	(1,674)	38,326	32,411	5,915
Total Required Maint for School Facilities	<u>410,478</u>	<u>246,604</u>	<u>657,082</u>	<u>541,640</u>	<u>115,442</u>
Custodial Services					
Salaries	1,246,071	(68,467)	1,177,604	1,176,524	1,080
Salaries Non-Instructional Aides	133,576	(8,192)	125,384	125,384	-
Purchased Professional and Technical Services	50,000	176,032	226,032	182,840	43,192
Cleaning, Repair and Maintenance Services	54,600	(7,455)	47,145	32,269	14,876
Other Purchased Property Services	30,000	7,156	37,156	37,156	-
Insurance	310,880	(2,575)	308,305	308,305	-
Miscellaneous Purchased Services	1,000	-	1,000	253	747
General Supplies	100,000	(9,726)	90,274	84,294	5,980
Energy (Natural Gas)	200,000	(44,295)	155,705	144,470	11,235
Energy (Electricity)	310,000	18,709	328,709	328,709	-
Energy (Gasoline)	24,000	-	24,000	17,914	6,086
Other Objects	3,500	442	3,942	1,612	2,330
Total Other Operations and Maint. of Plant	<u>2,463,627</u>	<u>61,629</u>	<u>2,525,256</u>	<u>2,439,730</u>	<u>85,526</u>

**CEDAR GROVE PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Care and Upkeep of Grounds					
Salaries	\$ 239,161	\$ 27,912	\$ 267,073	\$ 265,104	\$ 1,969
Cleaning, Repair and Maintenance Services	90,000	65,143	155,143	112,706	42,437
General Supplies	16,500	23,256	39,756	31,520	8,236
Total Care and Upkeep of Grounds	345,661	116,311	461,972	409,330	52,642
Security					
Salaries	346,924	(27,585)	319,339	318,317	1,022
Purchased Professional/Technical Services	14,150	(4,913)	9,237	7,529	1,708
Miscellaneous Purchased Services	13,560	500	14,060	13,555	505
General Supplies	7,750	(3,744)	4,006	2,571	1,435
Other Objects	-	-	-	-	-
Total Security	382,384	(35,742)	346,642	341,972	4,670
Student Transportation Services					
Salaries of Non-instructional Aides	42,851	-	42,851	35,794	7,057
Salaries for Pupil Trans (Other Than Bet Home & Sch) - Reg.	20,000	-	20,000	5,009	14,991
Salaries for Pupil Trans (Bet Home & Sch) - Special	123,768	22,901	146,669	143,251	3,418
Other Purchased Professional and Technical Services	8,000	-	8,000	5,879	2,121
Transportation Supplies	2,000	-	2,000	516	1,484
Contr Serv-Aid in Lieu of Pymts-Non-Public Schools	146,000	32,076	178,076	158,041	20,035
Contr Serv(Bet Home &Sch)-Vend	348,103	136,294	484,397	481,035	3,362
Contr Serv(Oth. Than Bet Home &Sch)-Vend	176,069	(15,715)	160,354	148,367	11,987
Contr Serv(Special Education)-ESC & CTSAs	1,093,459	(235,440)	858,019	815,681	42,338
Other Objects	10,500	15,000	25,500	23,955	1,545
Total Student Transportation Services	1,970,750	(44,884)	1,925,866	1,817,528	108,338
Unallocated Employee Benefits					
Social Security Contribution	437,764	-	437,764	420,880	16,884
Other Retirement Contributions - PERS	533,774	40,952	574,726	574,726	-
Other Retirement Contributions - Regular	8,000	-	8,000	7,292	708
Workmen's Compensation	145,440	42,430	187,870	173,612	14,258
Health Benefits	6,570,379	(585,984)	5,984,395	5,864,378	120,017
Tuition Reimbursements	96,500	(22,679)	73,821	48,838	24,983
Other Employee Benefits	39,600	16,312	55,912	35,427	20,485
Total Unallocated Employee Benefits	7,831,457	(508,969)	7,322,488	7,125,153	197,335
Reimbursed TPAF Social Security Contributions- (Non-Budgeted)				1,075,426	(1,075,426)
On Behalf TPAF Pension System Contributions- (Non-Budgeted)- Pension Cost				4,841,090	(4,841,090)
(Non-Budgeted)- NCGI Premium				55,210	(55,210)
(Non-Budgeted)- LT Disability				2,382	(2,382)
(Non-Budgeted)- Pension Cost - Post Medical Cont.	-	-	-	1,332,594	(1,332,594)
Total TPAF Pension and Social Security Contributions	-	-	-	7,306,702	(7,306,702)
Total Undistributed Expenditures	22,343,784	274,534	22,618,318	29,183,721	(6,565,403)
Total Current Expenditures	36,536,797	227,615	36,764,412	43,095,124	(6,330,712)



**CEDAR GROVE PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Undistributed Expenditures					
Admin Info Technology	\$ 5,000	\$ 444	\$ 5,444		\$ 5,444
Plant Operations & Maintenance	-	294,492	294,492	\$ 5,740	288,752
Food Service Equipment HS	-	2,582	2,582	-	2,582
Grade 6-8 Equipment	-	5,998	5,998	5,998	-
Total Equipment	5,000	303,516	308,516	11,738	296,778
Facilities Acquisition and Construction Services					
Construction Services		294,991	294,991	292,083	2,908
Assessment for Debt Service on SDA Funding	31,019	-	31,019	31,019	-
Total Facilities Acquis. And Construction Services	31,019	294,991	326,010	323,102	2,908
Total Expenditures - Capital Outlay	36,019	598,507	634,526	334,840	299,686
Total Expenditures - General Fund	36,572,816	826,122	37,398,938	43,429,964	(6,031,026)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,272,954)	(826,122)	(2,099,076)	(193,803)	1,905,273
Other Financing Sources (Uses)					
Other Financing Agreements		-		109,746	109,746
Transfers In - From Capital Projects Fund	-	-	-	5,381	5,381
Transfer Out - To Capital Projects Fund	-	-	-	(1,126,500)	(1,126,500)
Total Other Financing Sources (Uses)	-	-	-	(1,011,373)	(1,011,373)
Changes in Fund Balance	(1,272,954)	(826,122)	(2,099,076)	(1,205,176)	893,900
Fund Balance, Beginning of Year	8,449,346	-	8,449,346	8,449,346	-
Fund Balance, End of Year	\$ 7,176,392	\$ (826,122)	\$ 6,350,270	\$ 7,244,170	\$ 893,900
<b>Recapitulation of Fund Balance</b>					
<b>Restricted Fund Balance:</b>					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 1,186,121	
Excess Surplus				1,186,121	
Unemployment Reserve				252,884	
Maintenance Reserve				753,451	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				400,000	
Capital Reserve				1,856,944	
<b>Assigned Fund Balance:</b>					
Year-End Encumbrances				614,464	
<b>Unassigned Fund Balance:</b>				994,185	
Budgetary Fund Balance				7,244,170	
<b>Reconciliation to Governmental Fund Statements (GAAP)</b>					
2023/2024 State Aid Payment Not Recognized on a GAAP Basis				204,741	
2023/2024 Extraordinary Aid Payments Not Recognized on a GAAP Basis				580,405	
Fund Balance per Governmental Funds (GAAP Basis)				\$ 6,459,024	

**CEDAR GROVE PUBLIC SCHOOLS**  
**SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP) AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Local	\$ 67,280	\$ 294,054	\$ 361,334	\$ 545,058	\$ 183,724
State Sources	133,510	177,064	310,574	135,175	(175,399)
Federal Sources	999,793	692,173	1,691,966	1,521,859	(170,107)
Total Revenues	1,200,583	1,163,291	2,363,874	2,202,092	(161,782)
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	61,085	65,592	126,677	90,529	36,148
Purchased Professional/Educational Services	79,869	47,724	127,593	69,524	58,069
Purchased Professional/Technical Services	25,264	9,151	34,415	31,066	3,349
Tuition	391,555	29,760	421,315	421,315	-
General Supplies	36,812	306,390	343,202	223,128	120,074
Textbooks	10,827	(826)	10,001	9,933	68
Student Activities and Athletics (Non-Budget)	67,280	-	67,280	309,591	(242,311)
Total Instruction	672,692	457,791	1,130,483	1,155,086	(24,603)
Support Services					
Salaries of Other Professionals		4,501	4,501	4,301	200
Benefits		33,358	33,358	22,189	11,169
Purchased Professional/Educational Services	527,891	49,763	577,654	387,724	189,930
Other Purchased Services		387,476	387,476	387,476	-
General Supplies		1,481	1,481	750	731
Scholarship Awards (Non-Budget)	-	-	-	4,350	(4,350)
Total Support Services	527,891	476,579	1,004,470	806,790	197,680
Facilities Acquisition and Constructions Services					
Non-Instructional Equipment	-	228,921	228,921	237,715	(8,794)
Total Facilities & Acq. Services	-	228,921	228,921	237,715	(8,794)
Total Expenditures	1,200,583	1,163,291	2,363,874	2,199,591	164,283
Changes in Fund Balance	-	-	-	2,501	2,501
Fund Balances, Beginning of Year	197,708	-	197,708	197,708	-
Fund Balances, End of Year	\$ 197,708	\$ -	\$ 197,708	\$ 200,209	\$ 2,501
<b>Recapitulation of Fund Balance</b>					
Scholarship				\$ 71,175	
Student Activities				129,034	
				<u>\$ 200,209</u>	

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

**CEDAR GROVE PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 <u>C-1</u></b>	<b>Special Revenue Fund <u>C-2</u></b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 43,236,161	(C-2) \$ 2,202,092
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized, net of cancellations		
Encumbrances - June 30, 2023		54,017
Encumbrances - June 30, 2024		(968,836)
State Aid an Extraordinary Aid payment (2022/2023) recognized for GAAP purposes not recognized for budgetary statements	824,182	-
State Aid and Extraordinary Aid payments and (2023/2024) recognized for budgetary purposes, not recognized for GAAP statements	<u>(785,146)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	(B-2) <u>\$ 43,275,197</u>	(B-2) <u>\$ 1,287,273</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 43,429,964	(C-2) \$ 2,199,591
Difference- budget to GAAP		
Encumbrances for goods and services ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the goods and/or services are received for financial reporting purposes.		
June 30, 2023		54,017
June 30, 2024	<u>-</u>	<u>(968,836)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	(B-2) <u>\$ 43,429,964</u>	(B-2) <u>\$ 1,284,772</u>

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

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

Public Employees Retirement System

Last Ten Fiscal Years\*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Position Liability (Asset)	0.04300 %	0.03698 %	0.03764 %	0.03694 %	0.03736 %	0.03700 %	0.03663 %	0.03644 %	0.03757 %	0.03630 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,228,490	\$ 5,581,251	\$ 4,458,444	\$ 6,025,424	\$ 6,733,321	\$ 7,284,433	\$ 8,526,933	\$ 10,793,024	\$ 8,432,949	\$ 6,796,762
District's Covered Payroll	\$ 3,188,887	\$ 3,091,331	\$ 2,640,281	\$ 2,746,857	\$ 2,600,139	\$ 2,792,439	\$ 2,544,291	\$ 2,462,901	\$ 2,516,785	\$ 2,472,090
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	195.32% %	180.55% %	168.86% %	219.36 %	258.96 %	260.86 %	335.14 %	438.22 %	335.07 %	274.93 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.11%	40.14%	47.93%	52.08%

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

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

**Public Employees Retirement System**

**Last Ten Fiscal Years**

	<u>2024</u>	<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>
Contractually Required Contribution	\$ 574,726	\$ 474,206	\$ 440,752	\$ 404,204	\$ 363,492	\$ 368,947	\$ 339,340	\$ 325,655	\$ 322,972	\$ 303,826
Contributions in Relation to the Contractually Required Contribution	<u>574,726</u>	<u>474,206</u>	<u>440,752</u>	<u>404,204</u>	<u>363,492</u>	<u>368,947</u>	<u>339,340</u>	<u>325,655</u>	<u>322,972</u>	<u>303,826</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 3,381,787	\$ 3,188,887	\$ 3,091,331	\$ 2,640,281	\$ 2,746,857	\$ 2,600,139	\$ 2,792,439	\$ 2,544,291	\$ 2,462,901	\$ 2,516,785
Contributions as a Percentage of Covered Payroll	16.99% %	14.87% %	14.26% %	15.31% %	13.23% %	14.19% %	12.15% %	12.80% %	13.11% %	12.07% %

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

**Teachers Pension and Annuity Fund**

**Last Ten Fiscal Years\***

	<u>2024</u>	<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>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 59,424,787</u>	<u>\$ 60,107,116</u>	<u>\$ 56,308,502</u>	<u>\$ 74,185,330</u>	<u>\$ 67,249,047</u>	<u>\$ 70,296,467</u>	<u>\$ 71,077,199</u>	<u>\$ 84,172,007</u>	<u>\$ 65,033,212</u>	<u>\$ 55,282,496</u>
Total	<u>\$ 59,424,787</u>	<u>\$ 60,107,116</u>	<u>\$ 56,308,502</u>	<u>\$ 74,185,330</u>	<u>\$ 67,249,047</u>	<u>\$ 70,296,467</u>	<u>\$ 71,077,199</u>	<u>\$ 84,172,007</u>	<u>\$ 65,033,212</u>	<u>\$ 55,282,496</u>
District's Covered Payroll	\$ 13,566,925	\$ 13,320,952	\$ 12,822,977	\$ 12,742,493	\$ 12,683,739	\$ 14,121,163	\$ 11,542,690	\$ 11,300,735	\$ 10,675,322	\$ 10,558,001
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	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	36.44%	22.33%	28.71%	33.64%

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



**CEDAR GROVE PUBLIC SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Change of Benefit Terms:** None.

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

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

**POSTEMPLOYMENT HEALTH BENEFIT PLAN**

Last Seven Fiscal Years\*

	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>							
Service Cost	\$ 2,579,694	\$ 3,257,893	\$ 3,708,427	\$ 2,047,820	\$ 1,826,414	\$ 2,085,520	\$ 2,515,423
Interest on Total OPEB Liability	1,818,306	1,372,877	1,614,791	1,513,519	1,784,846	1,981,418	1,706,885
Changes of Benefit Terms	-	-	(66,256)	-	-	-	-
Differences Between Expected and Actual Experience	(3,306,922)	138,568	(11,784,245)	13,007,061	(6,118,788)	(6,679,852)	-
Changes of Assumptions	104,062	(13,897,033)	61,413	12,776,562	622,957	(5,153,647)	(7,112,505)
Gross Benefit Payments	(1,417,399)	(1,359,876)	(1,272,003)	(1,217,686)	(1,282,549)	(1,200,877)	(1,410,913)
Contribution from the Member	<u>46,597</u>	<u>43,625</u>	<u>41,282</u>	<u>36,908</u>	<u>38,018</u>	<u>41,504</u>	<u>51,953</u>
<b>Net Change in Total OPEB Liability</b>	(175,662)	(10,443,946)	(7,696,591)	28,164,184	(3,129,102)	(8,925,934)	(4,249,157)
<b>Total OPEB Liability - Beginning</b>	<u>51,804,541</u>	<u>62,248,487</u>	<u>69,945,078</u>	<u>41,780,894</u>	<u>44,909,996</u>	<u>53,835,930</u>	<u>58,085,087</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 51,628,879</u>	<u>\$ 51,804,541</u>	<u>\$ 62,248,487</u>	<u>\$ 69,945,078</u>	<u>\$ 41,780,894</u>	<u>\$ 44,909,996</u>	<u>\$ 53,835,930</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>51,628,879</u>	<u>51,804,541</u>	<u>62,248,487</u>	<u>69,945,078</u>	<u>41,780,894</u>	<u>44,909,996</u>	<u>53,835,930</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 51,628,879</u>	<u>\$ 51,804,541</u>	<u>\$ 62,248,487</u>	<u>\$ 69,945,078</u>	<u>\$ 41,780,894</u>	<u>\$ 44,909,996</u>	<u>\$ 53,835,930</u>
District's Covered Payroll	<u>\$ 16,755,812</u>	<u>\$ 16,412,283</u>	<u>\$ 15,463,258</u>	<u>\$ 15,489,350</u>	<u>\$ 15,283,878</u>	<u>\$ 16,913,602</u>	<u>\$ 14,086,981</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%

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

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

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

**CEDAR GROVE PUBLIC SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

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

**SCHOOL LEVEL SCHEDULES**

**(General Fund)**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

CEDAR GROVE PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ESEA			IDEA		ESSER II	ESSER III					High Impact	Totals	Grand
	Title I	Title IIA	Title III	Basic	Preschool	Learning Acceleration	ARP ESSER III	Accelerated Learning	Evidence Based Summer	Evidence Based Comprehensive	Tutoring	Page 2	Totals	Totals
<b>REVENUES</b>														
Miscellaneous - Local													\$ 545,058	\$ 545,058
State Sources													135,175	135,175
Federal Sources	\$ 88,623	\$ 36,246	\$ 66	\$ 442,395	\$ 18,361	\$ 10,666	\$ 870,311	\$ 4,123	\$ 18,286	\$ 26,370	\$ 6,412	-	-	1,521,859
Total Revenues	\$ 88,623	\$ 36,246	\$ 66	\$ 442,395	\$ 18,361	\$ 10,666	\$ 870,311	\$ 4,123	\$ 18,286	\$ 26,370	\$ 6,412	\$ 680,233	\$ 2,202,092	
<b>EXPENDITURES</b>														
Instruction:														
Salaries of Teachers	\$ 40,000								\$ 18,286	\$ 26,370	\$ 5,873		\$ 90,529	
Purchased Prof. Educational Services												\$ 69,524	69,524	
Purchased Professional & Technical Services					\$ 5,178							25,888	31,066	
Tuition				\$ 421,315									421,315	
General Supplies	23,916			2,843	13,183	\$ 10,666					90	172,430	223,128	
Textbooks												9,933	9,933	
Student Activities and Athletics	-	-	-	-	-	-	-	-	-	-	-	309,591	309,591	
Total Instruction	63,916	-	-	424,158	18,361	10,666	-	-	18,286	26,370	5,963	587,366	1,155,086	
Support Services														
Salaries of Other Professionals	2,967	\$ 1,268	\$ 66											4,301
Employee Benefits	21,740										449		22,189	
Purchased Professional Educational Services		34,978		18,237			\$ 331,136	\$ 3,373					387,724	
Other Purchased Services							387,476						387,476	
General Supplies								750			-		750	
Scholarship Awards	-	-	-	-	-	-	-	-	-	-	-	4,350	4,350	
Total Support Services	24,707	36,246	66	18,237	-	-	718,612	4,123	-	-	449	4,350	806,790	
Facilities Acquisition and Construction Services														
Non-Instructional Equipment	-	-	-	-	-	-	151,699	-	-	-	-	86,016	237,715	
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	151,699	-	-	-	-	86,016	237,715	
Total Expenditures	88,623	36,246	66	442,395	18,361	10,666	870,311	4,123	18,286	26,370	6,412	677,732	2,199,591	
Change in Fund Balance	-	-	-	-	-	-	-	-	-	-	-	2,501	2,501	
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	-	-	-	197,708	197,708	
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,209	\$ 200,209	

CEDAR GROVE PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Ch. 192/193 Auxiliary Compensatory Education	Ch. 192/193 Handicapped Services								Student Activities/ Athletics	Scholarships	Filming	Local	Page 2 Totals
		Examination/ Classification	Supplemental Instruction	Corrective Speech	Non-Public Security	Non-Public Textbooks	Non-Public Nursing	Non-Public Technology						
REVENUES														
Miscellaneous - Local									\$ 315,466	\$ 976	\$ 169,214	\$ 59,402	\$ 545,058	
State Sources	\$ 44,950	\$ 11,943	\$ 8,260	\$ 4,371	\$ 29,830	\$ 9,933	\$ 20,186	\$ 5,702	-	-	-	-	135,175	
Total Revenues	\$ 44,950	\$ 11,943	\$ 8,260	\$ 4,371	\$ 29,830	\$ 9,933	\$ 20,186	\$ 5,702	\$ 315,466	\$ 976	\$ 169,214	\$ 59,402	\$ 680,233	
EXPENDITURES														
Instruction:														
Purchased Prof. Educational Services	\$ 44,950	\$ 11,943	\$ 8,260	\$ 4,371									\$ 69,524	
Purchased Prof. Technical Services							\$ 20,186	\$ 5,702					25,888	
General Supplies					\$ 29,830						\$ 91,992	\$ 50,608	172,430	
Textbooks						\$ 9,933							9,933	
Student Activities and Athletics	-	-	-	-	-	-	-	-	\$ 309,591	-	-	-	309,591	
Total Instruction	44,950	11,943	8,260	4,371	29,830	9,933	20,186	5,702	309,591	-	91,992	50,608	587,366	
Support Services														
Scholarship Awards	-	-	-	-	-	-	-	-	-	\$ 4,350	-	-	4,350	
Total Support Services	-	-	-	-	-	-	-	-	-	4,350	-	-	4,350	
Facilities Acquisition and Constructions Services														
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	-	77,222	8,794	86,016	
Total Facilities & Acq. Services	-	-	-	-	-	-	-	-	-	-	77,222	8,794	86,016	
Total Expenditures	44,950	11,943	8,260	4,371	29,830	9,933	20,186	5,702	309,591	4,350	169,214	59,402	677,732	
Change in Fund Balance	-	-	-	-	-	-	-	-	5,875	(3,374)	-	-	2,501	
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	123,159	74,549	-	-	197,708	
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,034	\$ 71,175	\$ -	\$ -	\$ 200,209	

**CEDAR GROVE PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOT APPLICABLE

**SPECIAL REVENUE FUND  
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Balance July 1, 2023</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2024</u>
ELEMENTARY SCHOOLS				
Cedar Grove North End School	\$ 8,238	\$ 8,019	\$ 7,634	\$ 8,623
Cedar Grove South End School	<u>2,508</u>	<u>10,131</u>	<u>10,083</u>	<u>2,556</u>
Total Elementary Schools	<u>10,746</u>	<u>18,150</u>	<u>17,717</u>	<u>11,179</u>
MIDDLE SCHOOLS				
Cedar Grove Memorial School	<u>48,080</u>	<u>60,466</u>	<u>58,455</u>	<u>50,091</u>
SENIOR HIGH SCHOOL				
Cedar Grove High School Student Activities	<u>55,787</u>	<u>151,509</u>	<u>148,937</u>	<u>58,359</u>
OTHER				
Athletic Fund	<u>8,546</u>	<u>85,341</u>	<u>84,482</u>	<u>9,405</u>
TOTAL ALL SCHOOLS	<u>\$ 123,159</u>	<u>\$ 315,466</u>	<u>\$ 309,591</u>	<u>\$ 129,034</u>



**CAPITAL PROJECTS FUND**

**CEDAR GROVE PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2024</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Security and Safety Improvements to the Cedar Grove High School, North End and South End Elementary Schools and the Memorial Middle School - 2018/2019	\$ 2,964,816	\$ 2,894,790	\$ 65,424	\$ 4,602
Building Upgrades to the Cedar Grove High School North End and South End Elementary Schools and Upgrades to the Cedar Grove Athletic Facilities - 2014/2015	14,884,719	14,751,932	-	132,787
Improvements to the Elementary, High School, Middle School & Administration Building - 2010/2011	11,891,461	11,695,881	-	195,580
HVAC System Upgrades to North End and South End Elementary Schools - 2023/2024	<u>1,877,500</u>	<u>-</u>	<u>63,500</u>	<u>1,814,000</u>
	<u>\$ 31,618,496</u>	<u>\$ 29,342,603</u>	<u>\$ 128,924</u>	<u>\$ 2,146,969</u>
<u>Recapitulation to Fund Balance - GAAP</u>				
Project Balances				\$ 2,146,969
Less: Unearned Revenue - ROD Grant				(728,470)
Less: Debt Authorized but not Issued- 2014 Project				(719)
Less: Debt Authorized but not Issued- 2018 Project				<u>(816)</u>
Fund Balance, GAAP				<u>\$ 1,416,964</u>

**CEDAR GROVE PUBLIC SCHOOLS**  
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGETARY BASIS**  
**CAPITAL PROJECTS FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Revenues and Other Financing Sources**

Interest Earned on Investments	\$ 5,381
ROD Grant	751,000
Transfer from Capital Reserve	<u>1,126,500</u>
Total Revenues and Other Financing Sources	<u>1,882,881</u>

**Expenditures and Other Financing Uses**

Capital Outlay	
Architectural Services	63,500
Other Purchased Professional and Technical Services	65,424
Transfer to General Fund	<u>5,381</u>
Total Expenditures and Other Financing Uses	<u>134,305</u>

Change in Fund Balance	1,748,576
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Fund Balance, Beginning of Year - Budgetary Basis	<u>396,858</u>
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Fund Balance, End of Year - Budgetary Basis	<u>\$ 2,145,434</u>
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**Recapitulation to Fund Balance - GAAP**

Less: Unearned Revenue - ROD Grant	<u>\$ (728,470)</u>
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Fund Balance, End of Year - GAAP Basis	<u>\$ 1,416,964</u>
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**Recapitulation**

Restricted for Capital Projects:

Year End Encumbrances	\$ 35,500
Available for Capital Projects	<u>1,381,464</u>
	<u>\$ 1,416,964</u>

**CEDAR GROVE PUBLIC SCHOOLS**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND**  
**PROJECT STATUS - BUDGETARY BASIS**  
**SECURITY AND SAFETY IMPROVEMENTS TO THE CEDAR GROVE HIGH SCHOOL, NORTH END**  
**AND SOUTH END ELEMENTARY SCHOOLS**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 2,964,000	-	\$ 2,964,000	\$ 2,964,816
Total Revenues and Other Financing Sources	<u>2,964,000</u>	<u>-</u>	<u>2,964,000</u>	<u>2,964,816</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	1,698,017	\$ 65,424	1,763,441	1,768,816
Facilities Acquisition and Construction Services	1,180,000	-	1,180,000	1,180,000
Supplies and Equipment	<u>16,773</u>	<u>-</u>	<u>16,773</u>	<u>16,000</u>
Total Expenditures and Other Financing Uses	<u>2,894,790</u>	<u>65,424</u>	<u>2,960,214</u>	<u>2,964,816</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 69,210</u>	<u>\$ (65,424)</u>	<u>\$ 3,786</u>	<u>\$ -</u>
Authorized but not Issued			<u>816</u>	
			<u>\$ 4,602</u>	

**Additional Project Information:**

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

**CEDAR GROVE PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
BUILDING UPGRADES TO THE CEDAR GROVE HIGH SCHOOL, NORTH END AND SOUTH END  
ELEMENTARY SCHOOLS AND UPGRADES TO THE CEDAR GROVE ATHELETIC FACILTHES  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**Additional Project Information:**

Bonds Authorization Date	12/9/2014
Bonds Authorized	\$ 14,884,719
Bonds Issued	\$ 14,884,000
Original Authorized Cost	\$ 14,884,719
Cancelled	-
Revised Authorized Cost	\$ 14,884,719
Change Order Percentage	N/A
Percentage Completion	100%
Original Target Completion Date	9/1/2016
Revised Target Completion Date	6/30/2024

**CEDAR GROVE PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
IMPROVEMENTS TO THE CEDAR GROVE HIGH SCHOOL, NORTH END AND SOUTH END  
ELEMENTARY SCHOOLS AND LEONARD PARKS SCHOOL / ADMINISTRATION BUILDING  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**Additional Project Information:**

Project Number	#0760-090-10-G0BS	#0760-050-10-G0BQ
Grant Date	8/23/2010	#070-060-10-G0BR
Bonds Authorization Date	1/25/2011	
Bonds Authorized	\$ 7,582,385	
Bonds Issued	7,582,000	
Original Authorized Cost	\$ 12,180,380	
Cancellation	(288,919)	
Revised Authorized Cost	\$ 11,891,461	
Change Order Percentage		
Percentage Completion	100%	
Original Target Completion Date	9/1/2012	
Revised Target Completion Date	9/1/2013	

**CEDAR GROVE PUBLIC SCHOOLS**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND**  
**PROJECT STATUS - BUDGETARY BASIS**  
**IMPROVEMENTS TO THE CEDAR GROVE HIGH SCHOOL, NORTH END AND SOUTH END**  
**ELEMENTARY SCHOOLS AND LEONARD PARKS SCHOOL / ADMINISTRATION BUILDING**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - ROD Grants	-	\$ 751,000	\$ 751,000	\$ 751,000
Transfer from Capital Reserve	-	1,126,500	1,126,500	1,126,500
Total Revenues and Other Financing Sources	-	1,877,500	1,877,500	1,877,500
<b>Expenditures and Other Financing Uses</b>				
Construction Services	-	-	-	1,778,500
Purchased Professional and Technical Services	-	63,500	63,500	99,000
Total Expenditures and Other Financing Uses	-	63,500	63,500	1,877,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 1,814,000	\$ 1,814,000	\$ -

**Additional Project Information:**

Project Number	#0760-060-23-R501
Grant Date	#0860-090-23-R501
Bonds Authorization Date	6/18/2024
Bonds Authorized	N/A
Bonds Issued	\$ -
Original Authorized Cost	\$ 1,877,500
Cancellation	-
Revised Authorized Cost	\$ 1,877,500
Change Order Percentage	
Percentage Completion	3%
Original Target Completion Date	2025

**PROPRIETARY FUND**



**CEDAR GROVE PUBLIC SCHOOLS  
ENTERPRISE FUND - NON-MAJOR  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2024**

	<u>Summer Music Academy</u>	<u>1:1 Initiative Chromebooks</u>	<u>Summer Lego</u>	<u>Total Non-Major Enterprise Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,554	\$ 171,327	\$ 102,466	\$ 277,347
Other Accounts Receivable	<u>-</u>	<u>-</u>	<u>3,880</u>	<u>3,880</u>
Total Assets	<u>3,554</u>	<u>171,327</u>	<u>106,346</u>	<u>281,227</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	<u>-</u>	<u>-</u>	<u>14,498</u>	<u>14,498</u>
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>14,498</u>	<u>14,498</u>
<b>NET POSITION</b>				
Unrestricted	<u>3,554</u>	<u>171,327</u>	<u>91,848</u>	<u>266,729</u>
Total Net Position	<u>\$ 3,554</u>	<u>\$ 171,327</u>	<u>\$ 91,848</u>	<u>\$ 266,729</u>

**CEDAR GROVE PUBLIC SCHOOLS  
ENTERPRISE FUND - NON-MAJOR  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Summer Music Academy</u>	<u>1:1 Initiative Chromebooks</u>	<u>Summer Lego</u>	<u>Total Non-Major Enterprise Funds</u>
<b>OPERATING REVENUES</b>				
Charges for Services				
Program Fees	-	\$ 44,004	\$ 86,232	\$ 130,236
	<u>-</u>	<u>\$ 44,004</u>	<u>\$ 86,232</u>	<u>\$ 130,236</u>
Total Operating Revenues	-	44,004	86,232	130,236
<b>OPERATING EXPENSES</b>				
Salaries			48,594	48,594
Purchased Services		2,038	-	2,038
General Supplies	-	544	16,705	17,249
	<u>-</u>	<u>544</u>	<u>16,705</u>	<u>17,249</u>
Total Operating Expenses	-	2,582	65,299	67,881
	<u>-</u>	<u>2,582</u>	<u>65,299</u>	<u>67,881</u>
Operating Income	-	41,422	20,933	62,355
	<u>-</u>	<u>41,422</u>	<u>20,933</u>	<u>62,355</u>
Change in Net Position	-	41,422	20,933	62,355
	<u>-</u>	<u>41,422</u>	<u>20,933</u>	<u>62,355</u>
Total Net Position, Beginning of Year	\$ 3,554	129,905	70,915	204,374
	<u>\$ 3,554</u>	<u>129,905</u>	<u>70,915</u>	<u>204,374</u>
Total Net Position, End of Year	\$ 3,554	\$ 171,327	\$ 91,848	\$ 266,729
	<u>\$ 3,554</u>	<u>\$ 171,327</u>	<u>\$ 91,848</u>	<u>\$ 266,729</u>

**CEDAR GROVE PUBLIC SCHOOLS  
ENTERPRISE FUND - NON-MAJOR  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Summer Music Academy</u>	<u>1:1 Initiative Chromebooks</u>	<u>Summer Lego</u>	<u>Total Non-Major Enterprise Funds</u>
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers		\$ 44,004	\$ 86,232	\$ 130,236
Cash Payments for Suppliers for Goods and Services	<u>-</u>	<u>(2,982)</u>	<u>(54,901)</u>	<u>(57,883)</u>
Net Cash Provided by (Used for) Operating Activities	<u>-</u>	<u>41,022</u>	<u>31,331</u>	<u>72,353</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	41,022	31,331	72,353
Cash and Cash Equivalents, Beginning of Year	<u>\$ 3,554</u>	<u>130,305</u>	<u>71,135</u>	<u>204,994</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,554</u>	<u>\$ 171,327</u>	<u>\$ 102,466</u>	<u>\$ 277,347</u>
 <b>Reconciliation of Operating Income (Loss) to</b>				
<b>Net Cash Provided by (Used for) Operating Activities</b>				
Operating Income	<u>\$ -</u>	<u>\$ 41,422</u>	<u>\$ 20,933</u>	<u>\$ 62,355</u>
Adjustments to Reconcile Operating Income to Net Cash				
Provided by (Used for) Operating Activities				
Changes in Assets and Liabilities				
(Increase)/Decrease in Accounts Receivable			(3,880)	(3,880)
Increase/(Decrease) in Accounts Payable	<u>-</u>	<u>(400)</u>	<u>14,278</u>	<u>13,878</u>
Total Adjustments	<u>-</u>	<u>(400)</u>	<u>10,398</u>	<u>9,998</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ -</u>	<u>\$ 41,022</u>	<u>\$ 31,331</u>	<u>\$ 72,353</u>

**FIDUCIARY FUNDS**  
**(Not Applicable)**

## **LONG-TERM DEBT**

**CEDAR GROVE PUBLIC SCHOOLS  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Annual Date</u>	<u>Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2023</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance June 30, 2024</u>
Various Improvements	8/15/2012	\$ 7,582,000	8/15/2024	500,000	2.00%				
			8/15/2025	500,000	2.00%				
			8/15/2026	500,000	2.00%				
			8/15/2027	500,000	2.13%				
			8/15/2028	500,000	2.25%				
			8/15/2029	500,000	2.25%				
			8/15/2030	500,000	2.38%				
			8/15/2031	500,000	2.50%				
			8/15/2032	497,000	2.50%	\$ 4,997,000		\$ 500,000	\$ 4,497,000
Various Improvements	8/15/2016	\$ 14,884,000	8/15/2024	1,220,000	2.00%				
			8/15/2025	1,225,000	2.00%				
			8/15/2026	1,225,000	2.00%				
			8/15/2027	1,250,000	2.00%				
			8/15/2028	1,250,000	2.13%				
			8/15/2029	1,250,000	2.25%				
			8/15/2030	1,250,000	2.25%				
			8/15/2031	1,249,000	2.50%	11,134,000		1,215,000	9,919,000
2019 School Bonds	8/15/2019	\$ 2,964,000	8/15/2024	290,000	2.00%				
			8/15/2025	300,000	2.00%				
			8/15/2026	310,000	2.00%				
			8/15/2027	315,000	2.00%				
			8/15/2028	325,000	2.00%				
			8/15/2029	325,000	2.00%	2,150,000	-	285,000	1,865,000
						<u>\$ 18,281,000</u>	<u>\$ -</u>	<u>\$ 2,000,000</u>	<u>\$ 16,281,000</u>

**CEDAR GROVE PUBLIC SCHOOLS  
LONG-TERM DEBT  
STATEMENT OF OBLIGATIONS UNDER OTHER FINANCING AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2023</u>	<u>Issued</u>	<u>Payments</u>	<u>Balance, June 30, 2024</u>
Chromebooks - 2020	\$ 112,493	4.00%-5.00%	\$ 45,000		\$ 22,000	\$ 23,000
Chromebooks - 2023	\$ 118,804	6.29%	118,804		32,019	86,785
Chromebooks - 2024	\$ 109,746	6.33%	<u>-</u>	<u>\$ 109,746</u>	<u>-</u>	<u>109,746</u>
Total Other Financing Agreements			<u>\$ 163,804</u>	<u>\$ 109,746</u>	<u>\$ 54,019</u>	<u>\$ 219,531</u>

**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 1,962,310		\$ 1,962,310	\$ 1,962,310	
Interest Income				965	\$ 965
State Sources					
State Aid	<u>407,353</u>	<u>-</u>	<u>407,353</u>	<u>407,353</u>	<u>-</u>
Total Revenues	<u>2,369,663</u>	<u>-</u>	<u>2,369,663</u>	<u>2,370,628</u>	<u>965</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Redemption of Principal	2,000,000		2,000,000	2,000,000	
Interest	<u>369,663</u>	<u>-</u>	<u>369,663</u>	<u>369,662</u>	<u>1</u>
Total Expenditures	<u>2,369,663</u>	<u>-</u>	<u>2,369,663</u>	<u>2,369,662</u>	<u>1</u>
Change in Fund Balance	-	-	-	966	966
Fund Balance, Beginning of Year	<u>777</u>	<u>-</u>	<u>777</u>	<u>777</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 777</u>	<u>\$ -</u>	<u>\$ 777</u>	<u>\$ 1,743</u>	<u>\$ 966</u>
Reserve for Future Debt Service				\$ 966	
Designated for Subsequent Years Expenditures				<u>777</u>	
				<u>\$ 1,743</u>	



## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

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

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020 (Restated)	2021	2022	2023	2024
Governmental Activities										
Net Investment in Capital Assets	\$ 10,928,501	\$ 13,251,792	\$ 11,390,785	\$ 11,757,662	\$ 12,169,821	\$ 10,465,825	\$ 11,976,547	\$ 13,873,950	\$ 15,062,278	\$ 16,213,093
Restricted	1,841,258	200,342	570,167	1,320,494	1,894,227	3,205,163	3,785,661	3,591,317	4,775,355	2,692,282
Unrestricted	<u>(4,690,435)</u>	<u>(5,606,658)</u>	<u>(6,170,503)</u>	<u>(6,651,388)</u>	<u>(6,619,841)</u>	<u>(4,721,880)</u>	<u>(4,819,242)</u>	<u>(4,397,458)</u>	<u>(3,748,997)</u>	<u>(1,373,041)</u>
Total Governmental Activities Net Position	<u>\$ 8,079,324</u>	<u>\$ 7,845,476</u>	<u>\$ 5,790,449</u>	<u>\$ 6,426,768</u>	<u>\$ 7,444,207</u>	<u>\$ 8,949,108</u>	<u>\$ 10,942,966</u>	<u>\$ 13,067,809</u>	<u>\$ 16,088,636</u>	<u>\$ 17,532,334</u>
Business-Type Activities										
Net Investment in Capital Assets						\$ 8,057	\$ 8,057	\$ 16,557	\$ 38,691	\$ 47,950
Unrestricted	<u>\$ 27,071</u>	<u>\$ 15,837</u>	<u>\$ 23,155</u>	<u>\$ 30,614</u>	<u>\$ 30,950</u>	<u>64,273</u>	<u>106,179</u>	<u>380,315</u>	<u>532,735</u>	<u>486,210</u>
Total Business-Type Activities Net Position	<u>\$ 27,071</u>	<u>\$ 15,837</u>	<u>\$ 23,155</u>	<u>\$ 30,614</u>	<u>\$ 30,950</u>	<u>\$ 72,330</u>	<u>\$ 114,236</u>	<u>\$ 396,872</u>	<u>\$ 571,426</u>	<u>\$ 534,160</u>
District-Wide										
Net Investment in Capital Assets	\$ 10,928,501	\$ 13,251,792	\$ 11,390,785	\$ 11,757,662	\$ 12,169,821	\$ 10,473,882	\$ 11,984,604	\$ 13,890,507	\$ 15,100,969	\$ 16,261,043
Restricted	1,841,258	200,342	570,167	1,320,494	1,894,227	3,205,163	3,785,661	3,591,317	4,775,355	2,692,282
Unrestricted	<u>(4,663,364)</u>	<u>(5,590,821)</u>	<u>(6,147,348)</u>	<u>(6,620,774)</u>	<u>(6,588,891)</u>	<u>(4,657,607)</u>	<u>(4,713,063)</u>	<u>(4,017,143)</u>	<u>(3,216,262)</u>	<u>(886,831)</u>
Total District Net Position	<u>\$ 8,106,395</u>	<u>\$ 7,861,313</u>	<u>\$ 5,813,604</u>	<u>\$ 6,457,382</u>	<u>\$ 7,475,157</u>	<u>\$ 9,021,438</u>	<u>\$ 11,057,202</u>	<u>\$ 13,464,681</u>	<u>\$ 16,660,062</u>	<u>\$ 18,066,494</u>

Source: District Financial Records

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

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental Activities										
Instruction										
Regular	\$ 13,248,184	\$ 14,426,830	\$ 16,136,455	\$ 16,433,466	\$ 15,620,442	\$ 15,750,142	\$ 17,210,417	\$ 15,469,064	\$ 15,919,415	\$ 15,791,556
Special Education	6,216,938	5,953,655	6,377,511	6,817,166	6,540,410	6,478,129	7,255,310	6,838,624	6,487,969	6,979,188
Other Instruction	446,937	538,690	614,640	593,998	547,629	304,432	251,153	293,539	213,846	324,968
School Sponsored Activities and Athletics	852,487	1,099,115	1,245,130	1,293,421	1,240,393	1,215,034	1,381,152	1,440,104	1,425,234	1,583,923
Support Services:										
Student & Instruction Related Services	3,187,745	3,471,943	4,036,538	4,048,218	3,869,732	4,995,705	5,627,760	5,736,742	5,376,063	5,654,970
Health Services	563,265	658,943	726,508	709,038	671,241					
Educational Media/School Library	357,441	366,389	568,988	545,286	509,310					
General Administration	812,070	1,061,511	1,057,660	927,489	952,022	980,255	1,080,804	1,166,613	1,048,747	967,254
School Administrative Services	2,056,009	2,090,938	2,642,851	2,673,355	2,465,781	2,455,067	2,780,748	2,457,277	2,449,946	2,611,161
Central Services	718,336	765,801	820,993	824,790	820,474	1,048,189	1,215,713	938,001	1,165,698	1,172,317
Plant Operations And Maintenance	3,131,449	3,070,492	3,505,089	3,399,212	3,371,811	3,596,959	3,533,968	3,629,179	4,034,317	4,988,997
Pupil Transportation	1,039,681	1,166,655	1,233,998	1,342,877	1,271,047	1,078,135	954,471	1,549,919	1,824,715	2,002,308
Interest On Long-Term Debt	331,927	349,314	639,324	557,777	529,939	524,412	491,464	432,079	387,912	356,986
Total Governmental Activities Expenses	32,962,469	35,020,276	39,605,685	40,166,093	38,410,231	38,426,459	41,782,960	39,951,141	40,333,862	42,433,628
Business-Type Activities:										
Food Service	344,281	316,085	317,286	306,650	297,927	219,016	9,056	689,456	592,981	771,397
Non-Major	-	15,067	16,643	15,586	14,200	22,819	-	5,774	19,151	67,881
Total Business-Type Activities Expense	344,281	331,152	333,929	322,236	312,127	241,835	9,056	695,230	612,132	839,278
Total District Expenses	\$ 33,306,750	\$ 35,351,428	\$ 39,939,614	\$ 40,488,329	\$ 38,722,358	\$ 38,668,294	\$ 41,792,016	\$ 40,646,371	\$ 40,945,994	\$ 43,272,906
<b>Program Revenues</b>										
Governmental Activities:										
Charges For Services:										
Regular Instruction		\$ 522,664	\$ 613,469	\$ 745,832	\$ 804,215	\$ 88,318	\$ 103,714	\$ 118,053	\$ 234,113	\$ 75,403
Special Education Instruction						31,122	-	-	-	194,262
School Sponsored Co-Curricular							72,053	272,813	253,974	316,442
Operations and Maintenance						778,687	378,431	79,593	102,614	109,865
Transportation						11,882	6,350	7,950	15,800	21,000
Operating Grants And Contributions	\$ 6,284,946	7,619,025	9,916,787	11,225,166	9,161,298	8,279,682	12,095,389	9,845,118	8,738,650	7,947,597
Capital Grants And Contributions	243,898	2,960	5,000	24,417	29,851	28,606	9,790	7,947,597	31,363	112,170
Total Governmental Activities Program Revenues	6,528,844	8,144,649	10,535,256	11,995,415	9,995,364	9,218,297	12,665,727	18,271,124	9,376,514	8,776,739

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Business-Type Activities:</b>										
Charges For Services										
Food Service	\$ 338,146	\$ 304,705	\$ 309,993	\$ 302,603	\$ 298,488	\$ 209,929	\$ 1,668	\$ 185,683	\$ 504,732	\$ 526,422
Non-Major	-	12,887	20,052	17,600	13,120	46,735	41,267	52,980	106,793	130,236
Operating Grants And Contributions	1,070	-	-	-	-	-	-	738,934	171,186	141,195
<b>Total Business Type Activities Program Revenues</b>	<b>339,216</b>	<b>317,592</b>	<b>330,045</b>	<b>320,203</b>	<b>311,608</b>	<b>256,664</b>	<b>42,935</b>	<b>977,597</b>	<b>782,711</b>	<b>797,853</b>
<b>Total District Program Revenues</b>	<b>\$ 6,868,060</b>	<b>\$ 8,462,241</b>	<b>\$ 10,865,301</b>	<b>\$ 12,315,618</b>	<b>\$ 10,306,972</b>	<b>\$ 9,474,961</b>	<b>\$ 12,708,662</b>	<b>\$ 19,248,721</b>	<b>\$ 10,159,225</b>	<b>\$ 9,574,592</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (26,433,625)	\$ (26,875,627)	\$ (29,070,429)	\$ (28,170,678)	\$ (28,414,867)	\$ (29,208,162)	\$ (29,117,233)	\$ (21,680,017)	\$ (30,957,348)	\$ (33,656,889)
Business-Type Activities	(5,065)	(13,560)	(3,884)	(2,033)	(519)	14,829	33,879	282,367	170,579	(41,425)
<b>Total District-Wide Net Expense</b>	<b>\$ (26,438,690)</b>	<b>\$ (26,889,187)</b>	<b>\$ (29,074,313)</b>	<b>\$ (28,172,711)</b>	<b>\$ (28,415,386)</b>	<b>\$ (29,193,333)</b>	<b>\$ (29,083,354)</b>	<b>\$ (21,397,650)</b>	<b>\$ (30,786,769)</b>	<b>\$ (33,698,314)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied For General Purposes, N	\$ 24,611,801	\$ 25,229,014	\$ 25,859,739	\$ 26,532,424	\$ 27,295,448	\$ 28,112,945	\$ 28,796,093	\$ 29,372,015	\$ 29,959,455	\$ 31,193,264
Taxes Levied For Debt Service	1,081,425	1,045,441	1,010,225	1,761,964	1,776,034	1,858,658	1,993,540	1,947,708	1,976,683	1,962,310
Unrestricted Grants And Contributions	31,114	34,020	48,937	50,075	4,914					
Debt Service State Aid				244,432	189,263	137,519	237,955	229,859	235,248	343,807
State Aid - Unrestricted										100,000
Miscellaneous Income	728,744	335,484	107,492	227,099	166,647	91,106	91,503	202,875	1,806,789	1,501,206
Transfers and Other Items	-	(2,180)	(10,991)	(8,997)	-	(17,507)	(8,000)	-	-	-
<b>Total Governmental Activities</b>	<b>26,453,084</b>	<b>26,641,779</b>	<b>27,015,402</b>	<b>28,806,997</b>	<b>29,432,306</b>	<b>30,182,721</b>	<b>31,111,091</b>	<b>31,752,457</b>	<b>33,978,175</b>	<b>35,100,587</b>
<b>Business-Type Activities:</b>										
Investment Earnings	151	146	211	495	855	551	27	269	3,975	4,159
Transfers	-	2,180	10,991	8,997	-	26,000	8,000	-	-	-
<b>Total Business-Type Activities</b>	<b>151</b>	<b>2,326</b>	<b>11,202</b>	<b>9,492</b>	<b>855</b>	<b>26,551</b>	<b>8,027</b>	<b>269</b>	<b>3,975</b>	<b>4,159</b>
<b>Total District-Wide</b>	<b>\$ 26,453,235</b>	<b>\$ 26,644,105</b>	<b>\$ 27,026,604</b>	<b>\$ 28,816,489</b>	<b>\$ 29,433,161</b>	<b>\$ 30,209,272</b>	<b>\$ 31,119,118</b>	<b>\$ 31,752,726</b>	<b>\$ 33,982,150</b>	<b>\$ 35,104,746</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 19,459	\$ (233,848)	\$ (2,055,027)	\$ 636,319	\$ 1,017,439	\$ 974,559	\$ 1,993,858	\$ 10,072,440	\$ 3,020,827	\$ 1,443,698
Business-Type Activities	(4,914)	(11,234)	7,318	7,459	336	41,380	41,906	282,636	174,554	(37,266)
<b>Total District</b>	<b>\$ 14,545</b>	<b>\$ (245,082)</b>	<b>\$ (2,047,709)</b>	<b>\$ 643,778</b>	<b>\$ 1,017,775</b>	<b>\$ 1,015,939</b>	<b>\$ 2,035,764</b>	<b>\$ 10,355,076</b>	<b>\$ 3,195,381</b>	<b>\$ 1,406,432</b>

Source: District Financial Records

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020 (Restated)	2021	2022	2023	2024
General Fund										
Restricted	\$ 3,359,468	\$ 3,436,866	\$ 2,221,032	\$ 2,785,886	\$ 3,508,242	\$ 4,475,161	\$ 5,141,779	\$ 4,958,630	\$ 6,564,873	\$ 5,635,521
Committed							51,670	-	-	-
Assigned	551,071	453,450	83,455	251,878	312,579	475,187	353,133	675,734	819,605	614,464
Unassigned	<u>203,868</u>	<u>345,330</u>	<u>335,248</u>	<u>221,796</u>	<u>225,250</u>	<u>183,371</u>	<u>810,717</u>	<u>863,277</u>	<u>240,686</u>	<u>209,039</u>
Total General Fund	<u>\$ 4,114,407</u>	<u>\$ 4,235,646</u>	<u>\$ 2,639,735</u>	<u>\$ 3,259,560</u>	<u>\$ 4,046,071</u>	<u>\$ 5,133,719</u>	<u>\$ 6,357,299</u>	<u>\$ 6,497,641</u>	<u>\$ 7,625,164</u>	<u>\$ 6,459,024</u>
All Other Governmental Funds										
Restricted	\$ 401,217	\$ (1,837,263)	\$ 1,055,044	\$ 954,622	\$ 300,943	\$ 1,284,760	\$ 1,284,760	\$ 672,323	\$ 595,343	\$ 1,618,916
Assigned	<u>35,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 437,000</u>	<u>\$ (1,837,263)</u>	<u>\$ 1,055,044</u>	<u>\$ 954,622</u>	<u>\$ 300,943</u>	<u>\$ 1,284,760</u>	<u>\$ 1,284,760</u>	<u>\$ 672,323</u>	<u>\$ 595,343</u>	<u>\$ 1,618,916</u>

Source: District Financial Records

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

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Tax Levy	\$ 25,693,226	\$ 26,274,455	\$ 26,869,964	\$ 28,294,388	\$ 29,071,482	\$ 29,971,603	\$ 30,789,633	\$ 31,319,723	\$ 31,936,138	\$ 33,155,574
Miscellaneous	751,782	844,712	743,049	1,045,432	1,018,375	1,057,469	687,292	719,805	2,488,700	2,344,940
State Sources	3,664,154	3,954,602	4,274,677	5,240,478	5,847,840	6,260,259	7,595,079	9,408,866	10,149,515	10,751,601
Federal Sources	446,418	540,094	535,358	573,725	554,643	516,663	827,782	1,193,524	1,013,064	708,894
<b>Total Revenue</b>	<b>30,555,580</b>	<b>31,613,863</b>	<b>32,423,048</b>	<b>35,154,023</b>	<b>36,492,340</b>	<b>37,805,994</b>	<b>39,899,786</b>	<b>42,641,918</b>	<b>45,587,417</b>	<b>46,961,009</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	11,303,323	11,870,318	12,221,779	12,755,135	13,457,563	14,187,834	14,679,564	15,474,640	16,714,547	16,928,523
Special Education Instruction	5,548,605	5,391,513	5,583,871	5,881,879	6,006,390	6,114,642	6,597,035	6,892,357	6,741,896	7,309,785
Other Instruction	403,958	476,295	517,030	517,446	503,308	275,316	209,428	293,826	221,545	351,828
School Sponsored Activities and Athletics	770,193	928,145	975,156	1,037,534	1,093,372	1,108,543	1,208,671	1,438,203	1,471,414	1,663,380
<b>Support Services:</b>										
Student and Inst. Related Services	2,770,647	2,941,027	3,255,674	3,304,294	3,441,126	4,599,442	4,956,633	5,791,998	5,625,179	5,982,634
Health Services	480,200	541,490	551,612	551,962	579,208					
Educational Media/School Library	334,645	335,564	437,958	425,292	440,214					
General Administration	786,644	751,258	914,600	791,709	871,150	921,388	980,902	1,168,517	1,078,828	1,010,013
School Administrative Services	1,747,085	1,934,579	1,991,977	2,066,510	2,121,061	2,245,478	2,421,227	2,507,524	2,605,539	2,725,342
Central Services	3,019,933	2,926,345	3,311,141	3,062,452	3,177,230	963,944	1,072,347	942,106	1,226,196	1,215,267
Plant Operations And Maintenance	1,037,686	1,164,180	1,230,684	1,336,793	1,268,146	3,439,959	3,308,961	3,827,089	4,322,726	5,175,896
Pupil Transportation	677,619	714,722	754,019	704,602	742,611	1,075,790	950,929	1,446,154	1,736,553	1,902,410
Capital Outlay	479,180	2,705,860	12,840,101	152,258	684,490	2,355,417	482,666	471,100	623,592	522,240
<b>Debt Service:</b>										
Principal	760,000	775,000	790,000	1,435,000	1,473,477	1,495,738	1,824,415	1,847,415	1,870,000	2,054,019
Cost of Bond Issuance			56,112	-	-	-				
Interest and Other Charges	389,124	367,491	567,947	602,757	568,207	531,873	519,601	468,911	417,663	371,985
<b>Total Expenditures</b>	<b>30,508,842</b>	<b>33,823,787</b>	<b>45,999,661</b>	<b>34,625,623</b>	<b>36,427,553</b>	<b>39,315,364</b>	<b>39,212,379</b>	<b>42,569,840</b>	<b>44,655,678</b>	<b>47,213,322</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	46,738	(2,209,924)	(13,576,613)	528,400	64,787	(1,509,370)	687,407	72,078	931,739	(252,313)
<b>Other Financing Sources (Uses)</b>										
Sale of Bonds			14,884,000			2,964,000	-	-	-	-
Premium on Note	7,912	59,080	-							
Lease Agreements					68,045	112,493	-	-	118,804	109,746
Transfers In	13,126	67,586	1,313,802	11,395	8,404	18,445	887	465	71,855	1,131,881
Transfers Out	(13,126)	(69,766)	(1,324,793)	(20,392)	(8,404)	(44,445)	(8,887)	(465)	(71,855)	(1,131,881)
<b>Total Other Financing Sources (Uses)</b>	<b>7,912</b>	<b>56,900</b>	<b>14,873,009</b>	<b>(8,997)</b>	<b>68,045</b>	<b>3,050,493</b>	<b>(8,000)</b>	<b>-</b>	<b>118,804</b>	<b>109,746</b>
<b>Net Change in Fund Balances</b>	<b>\$ 54,650</b>	<b>\$ (2,153,024)</b>	<b>\$ 1,296,396</b>	<b>\$ 519,403</b>	<b>\$ 132,832</b>	<b>\$ 1,541,123</b>	<b>\$ 679,407</b>	<b>\$ 72,078</b>	<b>\$ 1,050,543</b>	<b>\$ (142,567)</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	3.83%	3.67%	4.10%	5.91%	5.71%	5.49%	6.05%	5.50%	5.20%	5.20%

\* Noncapital expenditures are total expenditures less capital outlay.

Source: District Financial Records

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

<b>Fiscal Year Ended June 30,</b>	<b>Interest Earned</b>	<b>Building Rentals</b>	<b>E-Rate</b>	<b>Prior Year Refunds</b>	<b>Tuition</b>	<b>Transportation Fees</b>	<b>PILOT</b>	<b>Miscellaneous</b>	<b>Total</b>
2015	\$ 20,289	\$ 570,823	\$ 52,284		\$ 22,500			\$ 49,869	\$ 715,765
2016	70,383	522,664	51,717	11,068	14,000			120,537	790,369
2017	14,196	581,110	41,572	7,950	18,500	\$ 13,860		26,719	703,907
2018	46,921	662,548	26,468	127,423	73,775	9,509		14,223	960,867
2019	78,665	690,008	20,928	25,900	106,400	7,807		32,126	961,834
2020	55,933	778,687		6,503	119,440	11,882		9,507	981,952
2021	8,169	378,431			103,714	6,350		82,226	578,890
2022	7,691	79,593		71,636	118,053	7,950		123,016	407,939
2023	69,733	102,614	20,642		234,113	15,800	\$ 1,200,000	511,279	2,154,181
2024	117,642	109,865	16,968		269,665	21,000	1,200,000	160,250	1,895,390

Source: District Financial Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2015	\$ 47,228,100	\$ 1,812,915,000	\$ 1,256,500	\$ 3,200	\$ 196,140,700	\$ 97,524,000	\$ 47,345,000	\$ 2,202,412,500	\$ 1,545,700	\$ 2,203,958,200	\$ 2,203,758,200	\$ 1.192
2016	63,709,300	1,813,293,900	2,100,000	5,100	191,728,300	97,324,000	47,085,000	2,215,245,600	1,476,000	2,216,721,600	2,330,420,358	1.212
2017	60,513,100	1,818,783,800	2,100,000	5,100	189,695,100	97,221,100	47,697,000	2,160,155,200	1,503,700	2,161,658,900	2,297,797,503	1.276
2018	59,401,200	1,829,464,900	2,100,000	5,100	191,506,500	95,531,100	47,937,000	2,225,945,800	1,517,400	2,227,463,200	2,310,079,883	1.305
2019	37,088,000	1,835,488,500	2,100,000	5,100	194,009,500	95,236,100	54,387,800	2,218,315,000	1,517,300	2,219,832,300	2,317,629,210	1.350
2020	29,038,400	1,839,389,000	2,100,000	5,100	193,887,900	95,266,500	56,742,000	2,216,428,900	1,505,800	2,217,934,700	2,371,884,101	1.388
2021	28,401,900	1,845,843,400	2,100,000	5,100	192,637,500	95,291,500	56,742,000	2,221,021,400	1,540,200	2,222,561,600	2,429,451,987	1.409
2022	27,243,800	1,854,446,800	2,100,000	5,100	191,788,400	95,291,500	56,742,000	2,227,617,600	1,496,669	2,229,114,269	2,529,209,135	1.433
2023	48,040,700	1,863,100,900	2,158,900	5,100	191,634,100	95,304,000	56,742,000	2,256,985,700	1,501,500	2,258,487,200	2,701,846,183	1.468
2024	48,503,100	1,871,874,600	2,158,900	5,100	184,895,400	95,344,900	56,742,000	2,259,524,000	1,521,100	2,261,045,100	2,820,554,716	1.493

Source: County Abstract of Ratables

a Tax rates are per \$100



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

Calendar Year	Overlapping Rates				Total Direct and Overlapping Tax Rate
	Total Direct School Tax Rate	Township	County	Garbage District	
2015	\$ 1.192	\$ 0.456	\$ 0.526	\$ 0.070	\$ 2.244
2016	1.212	0.466	0.548	0.071	2.297
2017	1.276	0.484	0.538	0.072	2.370
2018	1.305	0.496	0.522	0.073	2.396
2019	1.350	0.507	0.508	0.073	2.438
2020	1.388	0.516	0.520	0.073	2.497
2021	1.409	0.526	0.525	0.073	2.533
2022	1.433	0.535	0.523	0.073	2.564
2023	1.468	0.548	0.514	0.080	2.610
2024	1.493	0.566	0.474	0.081	2.614

Source: County Abstract of Ratables

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

Taxpayer	2024		2015	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
NOT AVAILABLE				
Bradford Farms			\$ 17,715,000	0.80%
Grove Associates			16,320,000	0.74%
Cedar Hill Realty Associates LLC			15,170,000	0.69%
691 Pompton Avenue Realty LLC			13,780,700	0.63%
Health Resources of Cedar Grove LLC			11,875,000	0.54%
Canterbury At Cedar Grove LLC			11,250,000	0.51%
11 Cliffside Drive LLC			9,960,000	0.45%
Contract Filling Inc.			9,235,383	0.42%
Cedar Grove Properties Inc			8,385,000	0.38%
Pompton Associates C/O Healthcare			7,625,000	0.35%
			<u>\$ 121,316,083</u>	<u>5.50%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 25,693,226	\$ 25,693,226	100.00%	-
2016	26,274,455	26,274,455	100.00%	-
2017	26,869,964	26,869,964	100.00%	-
2018	28,294,388	28,294,388	100.00%	-
2019	29,071,482	29,071,482	100.00%	-
2020	29,971,603	29,971,603	100.00%	-
2021	30,789,633	30,789,633	100.00%	-
2022	31,319,723	31,319,723	100.00%	-
2023	31,936,138	31,936,138	100.00%	-
2024	33,155,574	33,155,574	100.00%	-

Source: District Financial Records

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population Estimates	Per Capita
	General Obligation Bonds	Other Financing Agreement	Grant Anticipation Notes			
2015	\$ 11,817,000		\$ 3,500,000	\$ 15,317,000	12,526	\$ 1,223
2016	11,042,000		14,000,000	25,042,000	12,543	1,996
2017	25,136,000		-	25,136,000	12,537	2,005
2018	23,701,000			23,701,000	12,551	1,888
2019	22,246,000			22,246,000	12,537	1,774
2020	23,730,000			23,730,000	12,796	1,854
2021	21,941,000			21,941,000	13,430	1,634
2022	20,131,000	\$ 65,000		20,196,000	13,314	1,517
2023	18,281,000	163,804		18,444,804	13,321	1,385
2024	16,281,000	219,531		16,500,531	13,321 (Est.)	1,239

Source: District financial records and NJ Department of Education

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2015	\$ 11,817,000	\$ 35,783	\$ 11,781,217	0.53%	\$ 941
2016	11,042,000	342	11,041,658	0.50%	880
2017	25,136,000	-	25,136,000	1.16%	2,005
2018	23,701,000	27,560	23,673,440	1.06%	1,886
2019	22,246,000	1,293	22,244,707	1.00%	1,774
2020	23,730,000		23,730,000	1.07%	1,854
2021	21,941,000		21,941,000	0.99%	1,634
2022	20,131,000		20,131,000	0.90%	1,512
2023	18,281,000		18,281,000	0.81%	1,372
2024	16,281,000		16,281,000	0.72%	1,222

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**CEDAR GROVE PUBLIC SCHOOLS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF DECEMBER 31, 2023**  
**(Unaudited)**

	<u><b>Total Debt</b></u>
Debt:	
Cedar Grove Township	\$ 31,606,450
Cedar Grove Public Schools	<u>16,282,535</u>
	<u>47,888,985</u>
 Overlapping Debt Apportioned to the Municipality:	
Essex County (A):	
County of Essex - Township's Share	25,292,948
Passaic County:	
North Jersey District Water Supply Co	<u>748,687</u>
 Total Direct and Overlapping Debt	<u><u>\$ 73,930,620</u></u>

## Source:

(1) Cedar Grove's 2023 Annual Debt Statement

(A) The debt for this entity was apportioned to Cedar Grove by dividing the municipality's 2023 equalized value by the total 2023 equalized value for Essex County.

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

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

	Equalized Valuation Basis	
	2023	\$ 2,807,894,626
	2022	2,657,620,616
	2021	<u>2,512,751,895</u>
		<u>\$ 7,978,267,137</u>
Average Equalized Valuation of Taxable Property		\$ 2,659,422,379
Debt Limit (4 % of		106,376,895 <sup>a</sup>
Total Net Debt Applicable to Limit		<u>16,282,535</u>
Legal Debt Margin		<u>\$ 90,094,360</u>

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 89,098,854	\$ 90,134,806	\$ 91,014,579	\$ 91,814,748	\$ 94,827,016	\$ 95,859,146	\$ 94,625,683	\$ 97,242,084	\$ 101,144,474	\$ 106,376,895
Total Net Debt Applicable to Limit	<u>26,702,104</u>	<u>25,926,719</u>	<u>25,136,719</u>	<u>23,701,719</u>	<u>25,211,535</u>	<u>23,731,535</u>	<u>21,942,525</u>	<u>20,132,535</u>	<u>18,282,535</u>	<u>16,282,535</u>
Legal Debt Margin	<u>\$ 62,396,750</u>	<u>\$ 64,208,087</u>	<u>\$ 65,877,860</u>	<u>\$ 68,113,029</u>	<u>\$ 69,615,481</u>	<u>\$ 72,127,611</u>	<u>\$ 72,683,158</u>	<u>\$ 77,109,549</u>	<u>\$ 82,861,939</u>	<u>\$ 90,094,360</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	29.97%	28.76%	27.62%	25.81%	26.59%	24.76%	23.19%	20.70%	18.08%	15.31%

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

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2015	12,526	\$ 60,840	5.30%
2016	12,543	62,334	4.10%
2017	12,537	64,232	3.50%
2018	12,551	65,214	3.30%
2019	12,537	67,657	2.60%
2020	12,796	70,497	8.70%
2021	13,430	74,310	5.70%
2022	13,314	75,934	3.20%
2023	13,321	Not Available	3.60%
2024	13,321 (Est.)	Not Available	Not Available

Source: New Jersey State Department of Education



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

<u>Employer</u>	<u>2024</u>		<u>2015</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

NOT AVAILABLE

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

<u>Function/Program</u>	<u>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>	<u>2024</u>
Instruction										
Regular	136	129	120	116	119	114	117	112	112	117
Special Education	21	28	40	37	38	38	41	40	39	39
Other Instruction	-	-	31	27	35	35	34	43	44	44
Support Services:										
Student and Instruction Related Services	19	22	21	21	21	21	23	20	22	23
General Administration	3	3	3	3	3	3	3	3	3	3
School Administrative Services	9	9	6	6	6	6	6	6	6	6
Other Administrative Services	3	3	3	2	3	3	3	3	3	5
Central Services	4	4	4	5	5	5	6	5	9	6
Administrative Information Technology	3	3	3	3	3	3	3	3	3	3
Plant Operations And Maintenance	21	20	21	20	21	19	20	20	27	33
Total	<u>219</u>	<u>221</u>	<u>252</u>	<u>240</u>	<u>254</u>	<u>247</u>	<u>256</u>	<u>255</u>	<u>268</u>	<u>279</u>

Source: District Personnel Records

**CEDAR GROVE PUBLIC SCHOOLS  
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	Pupil/Teacher Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
2015	1,637	\$ 28,880,538	\$ 17,642	8.09%	1,637	10.73	10.60	9.95	1,651	1,585	0.06%	96.00%
2016	1,618	29,975,436	18,526	5.01%	1,618	10.00	10.00	9.00	1,614	1,549	-2.24%	95.97%
2017	1,637	31,745,501	19,392	4.68%	147	11.09	10.11	11.02	1,599	1,526	-0.93%	95.43%
2018	1,594	32,435,608	20,349	4.93%	141	9.44	12.89	12.09	1,570	1,504	-1.81%	95.80%
2019	1,564	33,701,379	21,548	5.90%	146	9.34	12.27	11.15	1,553	1,487	-1.08%	95.75%
2020	1,593	34,932,336	21,929	1.77%	141	10.13	11.90	11.42	1,579	1,520	1.67%	96.26%
2021	1,586	36,385,697	22,942	4.62%	145	9.57	12.05	11.63	1,568	1,529	-0.70%	97.51%
2022	1,592	39,782,414	24,989	8.92%	138	10.51	13.04	11.85	1,587	1,505	1.21%	94.83%
2023	1,573	41,744,423	26,538	6.20%	138	10.94	12.23	11.32	1,563	1,468	-1.51%	93.92%
2024	1,557	44,265,078	28,430	7.13%	155	11.19	8.98	9.71	1,534	1,454	-1.86%	94.78%

Sources: District records

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

N/A - Information not available

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
North End										
Square Feet	35,625	35,625	35,625	35,625	35,625	35,625	35,625	35,625	35,625	35,625
Capacity (students)	303	303	303	303	303	303	303	303	303	303
Enrollment	309	285	279	253	255	268	279	292	305	308
South End										
Square Feet	39,080	39,080	39,080	39,080	39,080	39,080	39,080	39,080	39,080	39,080
Capacity (students)	319	319	319	319	319	319	319	319	319	319
Enrollment	305	302	294	310	312	319	329	342	355	355
<b><u>Middle School</u></b>										
Square Feet	70,221	70,221	70,221	70,221	70,221	70,221	70,221	70,221	70,221	70,221
Capacity (students)	628	628	628	628	628	628	628	628	628	628
Enrollment	553	526	523	499	489	454	460	471	442	421
<b><u>High School</u></b>										
Square Feet	140,725	140,725	140,725	140,725	140,725	140,725	140,725	140,725	140,725	140,725
Capacity (students)	908	908	908	908	908	908	908	908	908	908
Enrollment	456	505	517	515	508	509	507	490	468	464
<b><u>Other</u></b>										
Leonard R Parks										
Square Feet	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
Number of Schools at June 30, 2024										
Elementary = 2										
Middle School = 1										
Senior High School = 1										
Other = 1										

Source: District Records

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

	<u>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>	<u>2024</u>
<b>School Facilities</b>										
High School	\$ 136,500	\$ 126,086	\$ 117,222	\$ 122,866	\$ 119,125	\$ 103,426	\$ 136,248	\$ 154,962	\$ 147,297	\$ 188,439
North End School	31,623	29,863	65,499	41,801	57,099	84,597	76,130	66,908	63,599	81,362
South End School	47,985	43,135	57,672	51,044	74,478	83,927	67,032	95,569	90,842	116,215
Middle School	105,536	96,224	72,617	91,846	97,595	84,903	84,403	86,468	82,191	105,148
Leonard R. Parks	37,309	36,498	47,855	55,416	97,115	57,795	55,623	41,509	39,458	50,476
Total School Facilities	<u>\$ 358,953</u>	<u>\$ 331,806</u>	<u>\$ 360,865</u>	<u>\$ 362,973</u>	<u>\$ 445,412</u>	<u>\$ 414,648</u>	<u>\$ 419,436</u>	<u>\$ 445,416</u>	<u>\$ 423,387</u>	<u>\$ 541,640</u>

Source: District Records

**CEDAR GROVE PUBLIC SCHOOLS  
INSURANCE SCHEDULE  
JUNE 30, 2024  
(Unaudited)**

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

Source: District records

**SINGLE AUDIT SECTION**



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

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

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cedar Grove Public Schools as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Cedar Grove Public Schools' basic financial statements and have issued our report thereon dated November 14, 2024.

**Report on Internal Control Over Financial Reporting**

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

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



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

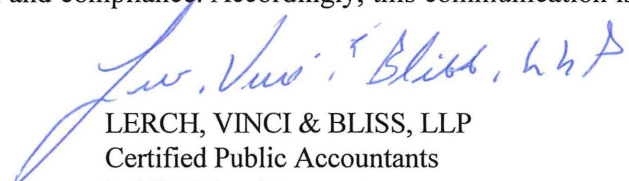
### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Cedar Grove Public Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

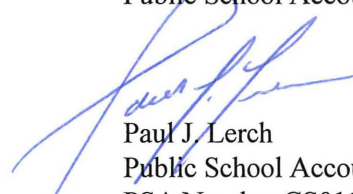
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Cedar Grove Public Schools' in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 14, 2024.

### **Purpose of this Report**

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



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
November 14, 2024



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K -2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
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JOHN CUIFFO, CPA, PSA

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

**INDEPENDENT AUDITOR'S REPORT**

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

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

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

We have audited the Cedar Grove Public Schools' compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Cedar Grove Public Schools' major federal and state programs for the fiscal year ended June 30, 2024. The Cedar Grove Public Schools' major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Cedar Grove Public Schools complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2024.

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

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

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

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

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

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

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

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

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

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

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which is described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal and state program is not modified with respect to these matters.

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



## Report on Internal Control Over Compliance

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

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

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

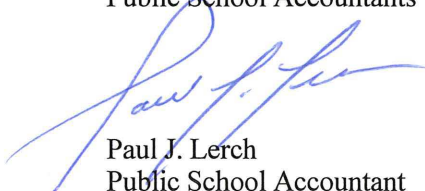
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cedar Grove Public Schools, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated November 14, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
November 14, 2024

CEDAR GROVE PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor Program Title	Federal AL Number	Federal FAIN Number	Grant Period	Award Amount	Balance June 30, 2023			Carryover Amount			Cash Received	Budgetary Expenditures	Balance June 30, 2024			Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Unearned Revenue	Accounts Receivable	(Accounts Receivable)			Unearned Revenue	Due to Grantor		
Enterprise Fund																
U.S. Department of Agriculture																
Passed-through State Department of Agriculture																
National School Lunch Program																
Cash Assistance	10.555	241NJ304N1099	7/1/23-6/30/24	\$ 61,878						\$ 50,386	\$ 61,878	\$ (11,492)	-		\$ 11,492	
Cash Assistance	10.555	231NJ304N1099	7/1/22-6/30/23	72,916	\$ (5,771)				5,771			-				
National School PB Lunch Program																
Cash Assistance	10.555	241NJ304N1099	7/1/23-6/30/24	4,805						3,910	4,805	(895)	-		895	
Cash Assistance	10.555	231NJ304N1099	7/1/22-6/30/23	4,625	(382)	-			382			-			-	
National School Breakfast Program																
Cash Assistance	10.553	241NJ304N1099	7/1/23-6/30/24	764						690	764	(74)	-		74	
Food Distribution Program - Noncash Assistance	10.555	241NJ304N1099	7/1/23-6/30/24	25,730						25,730	25,730					
Local Food for School (LFS)	10.185		7/1/23-6/30/24	1,366						1,255	1,366	(111)	-		111	
Pandemic EBT	10.649	202225900941	7/1/23-6/30/24	653						653	653	-	-			
Supply Chain Assistance	10.555	241NJ344N8903	7/1/23-6/30/24	41,425	-	-	-	-	-	41,425	41,425	-	-	-	-	
Total Enterprise Funds				214,162	(6,153)	-	-	-	-	130,202	136,621	(12,572)	-	-	12,572	
Special Revenue Funds																
U.S. Department of Education																
Passed Through State Department of Education																
IDEA																
Part B, Basic	84.027A	H027A230100	7/1/23-9/30/24	436,691				\$ 5,704	\$ (5,704)		442,395	(442,395)	-		442,395	
Part B, Basic	84.027A	H027A220100	7/1/22-9/30/23	412,548	(182,216)	\$ 5,704		(5,704)	5,704	176,512						
Part B, Preschool	84.173	H173A230114	7/1/23-9/30/24	17,353				1,008	(1,008)		18,361	(18,361)	-		18,361	
Part B, Preschool	84.173	H173A220114	7/1/22-9/30/23	17,453	(7,471)	1,008		(1,008)	1,008	6,463						
ARP IDEA Part B, Basic	84.027X	H027X210100	7/1/21-9/30/22	76,409	(2,163)	-		-	-	2,163		-	-	-	-	
ARP IDEA Part B, Preschool	84.173X	H173X210114	7/1/21-9/30/22	6,526	(158)	-	-	-	-	158		-	-	-	-	
Total I.D.E.A. Cluster					(192,008)	6,712	-	-	-	185,296	460,756	(460,756)	-	-	460,756	
ESEA																
Title I	84.010	S010A230030	7/1/23-9/30/24	53,534				43,984	(43,984)		88,623	(97,518)	\$ 8,895		88,623	
Title I	84.010	S010A220030	7/1/22-9/30/23	62,093	(54,053)	43,984		(43,984)	43,984	10,069						
Title I	84.010	S010A110030	9/1/11-8/31/12	16,578			\$ 17							\$ 17		
Title IIA	84.367A	S367A230029	7/1/23-9/30/24	25,360				27,160	(27,160)		36,246	(52,520)	16,274		36,246	
Title IIA	84.367A	S367A220029	7/1/22-9/30/23	27,507	(27,823)	27,160		(27,160)	27,160	663						
Title III Immigrant	84.365A	S365A30030	7/1/23-9/30/24	3,284				66	(66)		66	(3,350)	3,284		66	
Title III Immigrant	84.365A	S365A220030	7/1/22-9/30/23	3,744	(66)	66		(66)	66							
Title IV	84.424A	S424A230031	7/1/23-9/30/24	-				10,000	(10,000)			(10,000)	10,000		-	
Title IV	84.424A	S424A220031	7/1/22-9/30/23	10,000	(12,090)	10,000	-	(10,000)	10,000	2,090	-	-	-	-	-	
Total ESEA Cluster					(94,032)	81,210	17	-	-	12,822	124,935	(163,388)	38,453	17	124,935	
Coronavirus Relief Fund																
Nonpublic Digital Divide	21.019		3/13/20-10/31/20	8,091	(637)	637	-	(637)	637	-	-	-	-	-	-	
Total Coronavirus Relief Fund Cluster					(637)	637	-	(637)	637	-	-	-	-	-	-	
ESSER II																
ESSER II	84.425D	S425D200027	3/13/20-9/30/23	451,085	(30,206)	-				30,206		-	-		-	
Learning Acceleration	84.425D	S425D200027	3/13/20-9/30/23	28,948	(28,948)	10,666				28,948	10,666	-	-		-	
Mental Health	84.425D	S425D200027	3/13/20-9/30/23	45,000	(45,000)	-				45,000		-	-		-	
ESSER III																
ARP ESSER III	84.425U	S425U210027	3/13/20-9/30/24	1,013,784	(851,842)	870,311				-	870,311	(851,842)	-		851,842	
Accelerated Learning Coach	84.425U	S425U210027	3/13/20-9/30/24	128,401	(128,401)	4,123					4,123	(128,401)	-		128,401	
Evidence Based Summer	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	18,286					18,286	(40,000)	-		40,000	
Evidence Based Comprehensive	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000					26,370	(40,000)	13,630		26,370	
NJTSS Mental Health	84.425U	S425U210027	3/13/20-9/30/24	45,000	(45,000)	-	-	-	-	-	-	(45,000)	-	-	45,000	
Total ESSER I, II, III Cluster					(1,209,397)	943,386	-	-	-	104,154	929,756	(1,105,243)	13,630	-	1,091,613	
NJ High Impact Tutoring Grant																
ACSERS Grant	21.027	SLFRFDOEISES	7/1/23-6/30/24	127,441	-	-	-	-	-	-	-	(127,441)	127,441	-	-	
Total Special Revenue Fund					(1,496,074)	1,031,945	17	(637)	637	302,272	1,521,859	(1,914,828)	231,112	17	1,683,716	
Total Federal Financial Assistance					\$ (1,502,227)	\$ 1,031,945	\$ 17	\$ (637)	\$ 637	\$ 432,474	\$ 1,658,480	\$ (1,927,400)	\$ 231,112	\$ 17	\$ 1,696,288	

**CEDAR GROVE PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2023			Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balance	Balance June 30, 2024			Memorandum		
				(Accts. Receivable)	Unearned Revenue	Due to Grantor				(Accts. Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Budgetary Expenditures	
<b>General Fund</b>															
<b>State Department of Education</b>															
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	\$ 1,748,017				\$ 1,576,730	\$ 1,748,017		\$ (171,287)			\$ 1,748,017		
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	1,476,147	\$ (145,096)			145,096								
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	57,017				51,430	57,017		(5,587)			57,017		
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	57,017	(5,604)	-	-	5,604	-	-	-	-	-	-		
<b>Total State Aid Public- Cluster</b>				(150,700)	-	-	1,778,860	1,805,034	-	(176,874)	-	-	-	1,805,034	
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	284,386				256,519	284,386		(27,867)			284,386		
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	284,386	(27,953)			27,953						-		
Non-Public Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	70,980				70,980			(70,980)	-		\$ (70,980)	70,980	
Non-Public Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	45,552	(45,552)	-	-	45,552	-	-	-	-	-	-		
<b>Total Transportation Aid - Cluster</b>				(73,505)	-	-	330,024	355,366	-	(98,847)	-	-	-	(70,980) 355,366	
Extraordinary Aid	24-100-034-5120-473	7/1/23-6/30/24	580,405					580,405		(580,405)			580,405		
Extraordinary Aid	23-100-034-5120-473	7/1/22-6/30/23	645,529	(645,529)			645,529								
Student Mental Health Grant	24-495-034-5120-163	7/1/23-6/30/24	100,000				100,000	100,000					100,000		
On -Behalf TPAF Pension System Contr.															
Pension Cost	24-495-034-5094-002	7/1/23-6/30/24	4,841,090				4,841,090	4,841,090					4,841,090		
Non-contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24	55,210				55,210	55,210					55,210		
Long-Term Disability	24-495-034-5094-004	7/1/23-6/30/24	2,382				2,382	2,382					2,382		
Post Retirement Medical Contribution	24-495-034-5094-001	7/1/23-6/30/24	1,332,594				1,332,594	1,332,594					1,332,594		
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24	1,075,426				1,023,452	1,075,426		(51,974)			(51,974) 1,075,426		
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	984,624	(98,406)	-	-	98,406	-	-	-	-	-	-		
<b>Total General Fund</b>				(968,140)	-	-	10,207,547	10,147,507	-	(908,100)	-	-	(122,954) 10,147,507		
<b>Enterprise Fund</b>															
<b>State Department of Agriculture</b>															
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	4,574				3,731	4,574		(843)			(843) 4,574		
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	4,070	(337)	-	-	337	-	-	-	-	-	-		
<b>Total Enterprise Fund</b>				(337)	-	-	4,068	4,574	-	(843)	-	-	(843) 4,574		
<b>Special Revenue Fund</b>															
<b>State Department of Education</b>															
New Jersey Non-Public Aid:															
Auxiliary Services (Chapter 192):															
Compensatory Education	24-100-034-5120-068	7/1/23-6/30/24	53,585				53,585	44,950		-		\$ 8,635	44,950		
Compensatory Education	23-100-034-5120-068	7/1/22-6/30/23	38,346	-	-	99	-	-	\$ 99	-	-	-	-		
<b>Total Auxiliary Services (Chapter 192) -Cluster</b>				-	-	99	53,585	44,950	99	-	-	8,635	- 44,950		
<b>State Department of Education</b>															
Handicapped Services (Chapter 193):															
Examination and Classification	24-100-034-5120-066	7/1/23-6/30/24	17,442				17,442	11,943		-		5,499	11,943		
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	16,682			380			380	-			-		
Supplemental Instruction	24-100-034-5120-066	7/1/23-6/30/24	25,606				25,606	8,260		-		17,346	8,260		
Supplemental Instruction	23-100-034-5120-066	7/1/22-6/30/23	15,694			6,030			6,030	-			-		
Corrective Speech	24-100-034-5120-066	7/1/23-6/30/24	11,160				11,160	4,371		-		6,789	4,371		
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	13,020	-	-	7,905	-	-	7,905	-	-		-		
<b>Total Handicapped Services (Chapter 193)- Cluster</b>				-	-	14,315	54,208	24,574	14,315	-	-	29,634	- 24,574		
Textbook	24-100-034-5120-064	7/1/23-6/30/24	10,001				10,001	9,933				68	9,933		
Textbook	23-100-034-5120-064	7/1/22-6/30/23	12,738			1,107			1,107				-		
Technology	24-100-034-5120-373	7/1/23-6/30/24	8,477				8,477	5,702				2,775	5,702		
Technology	23-100-034-5120-373	7/1/22-6/30/23	8,106			1,129			1,129				-		
Nursing	24-100-034-5120-070	7/1/23-6/30/24	20,760				20,760	20,186				574	20,186		
Nursing	23-100-034-5120-070	7/1/22-6/30/23	21,616			5			5			-	-		
Security	24-100-034-5120-509	7/1/23-6/30/24	35,465	-	-	-	35,465	29,830	-	-	-	5,635	- 29,830		
<b>Total Special Revenue Fund</b>				-	-	16,655	182,496	135,175	16,655	-	-	47,321	- 135,175		

CEDAR GROVE PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2023			Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balance	Balance June 30, 2024			Memorandum		
				(Accts. Receivable)	Unearned Revenue	Due to Grantor				(Accts. Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Budgetary Expenditures	
Capital Projects Fund															
ROD Grant - North End and South End School HVAC	0860-090-23-12501	7/1/23-6/30/24	\$ 751,000	-	-	-	-	\$ 22,530	-	\$ (751,000)	\$ 728,470	-	-	\$ 22,530	
Total Capital Projects Fund				-	-	-	-	22,530	-	(751,000)	728,470	-	-	22,530	
Debt Service Fund															
Debt Service Aid	24-495-034-5120-075	7/1/23-6/30/24	407,353	-	-	-	\$ 407,353	407,353	-	-	-	-	-	407,353	
Total Debt Service Fund				-	-	-	407,353	407,353	-	-	-	-	-	407,353	
Total State Financial Assistance- Determination for Single Audit				\$ (968,477)	\$ -	\$ 16,655	\$ 10,801,464	\$ 10,717,139	\$ 16,655	\$ (1,659,943)	\$ 728,470	\$ 47,321	\$ (123,797)	\$ 10,717,139	
Less: On-Behalf Pension Contributions Not Subject to Major Program Determination															
Pension Cost	24-495-034-5094-002	7/1/23-6/30/24	4,841,090					(4,841,090)							
Non-contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24	55,210					(55,210)							
Long-Term Disability	24-495-034-5094-004	7/1/23-6/30/24	2,382					(2,382)							
Post Retirement Medical Contribution	24-495-034-5094-001	7/1/23-6/30/24	1,332,594					(1,332,594)							
Total State Financial Assistance Subject to Major Program Determination								\$ 4,485,863							

**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 REPORTING ENTITY**

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

**NOTE 2 BASIS OF PRESENTATION**

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

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$39,036 for the general fund and a decrease of \$914,819 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 10,186,543	\$ 10,186,543
Special Revenue Fund	\$ 708,894	135,175	844,069
Capital Projects Fund	-	22,530	22,530
Debt Service Fund	-	407,353	407,353
Food Service Fund	<u>136,621</u>	<u>4,574</u>	<u>141,195</u>
Total Financial Assistance	<u>\$ 845,515</u>	<u>\$ 10,756,175</u>	<u>\$ 11,601,690</u>



**CEDAR GROVE PUBLIC SCHOOLS  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 6 OTHER INFORMATION**

TPAF Social Security contributions in the amount of \$1,075,426 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2024. The amount reported as TPAF Pension System Contributions in the amount of \$4,896,300, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,332,594 and TPAF Long-Term Disability Insurance in the amount of \$2,382 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2024.

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

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

**NOTE 8 DE MINIMIS INDIRECT COST RATE**

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

**CEDAR GROVE PUBLIC SCHOOLS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

*Part I – Summary of Auditor's Results*

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

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

**Federal Awards Section**

Internal Control over compliance:

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

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

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

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

Identification of major programs:

<u>AL Number(s):</u>	<u>FAIN Number:</u>	<u>Name of Federal Program or Cluster:</u>
84.425D	S425D200027	ESSER II
84.425U	S425U210027	ESSER III

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

Auditee qualified as low-risk auditee?       X       yes                      no

**CEDAR GROVE PUBLIC SCHOOLS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

*Part I – Summary of Auditor's Results*

**State Awards Section**

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

Auditee qualified as low-risk auditee? X yes        no

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

Internal Control over compliance:

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

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

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

Identification of major programs:

State Grant/Project Number (s)

Name of State Program

Reimbursed TPAF Social Security Contributions

24-495-034-5094-003

**CEDAR GROVE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

***Part 2 – Schedule of Financial Statement Findings***

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

There are none.

**CEDAR GROVE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**CURRENT YEAR FEDERAL AWARDS**

**Finding 2024-001**

The District did not report expenditures for reimbursement on federal grants ESSER III in a timely manner.

**Information on Federal Program**

ESSER III                      84.425U

**Criteria or Specific Requirement**

Federal Grant Compliance Supplement – Reporting

**Condition**

See Finding 2024-001

**Questioned Costs**

Unknown.

**Context**

Expenditures on the ESSER III Grants totaled \$919,090. There were no reimbursements requested or received during the 23-24 school year.

**Effect**

The District is not in compliance with Federal Grant Compliance Supplement.

**Cause**

Unknown

**Recommendation**

District review's federal grant expenditures and submit for reimbursement on a timely manner.

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

Management has reviewed this finding and indicated appropriate corrective action will be implemented.

**CEDAR GROVE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**CURRENT YEAR STATE AWARDS**

There are none.