

**EDGEWATER BOARD OF EDUCATION**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Edgewater, New Jersey**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
of the  
Edgewater Board of Education  
Edgewater, New Jersey  
For The Fiscal Year Ended June 30, 2024**

**Prepared by  
Business Office**

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## **INTRODUCTORY SECTION**

# Edgewater School District

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

James Tevis  
Interim Business Administrator  
jtevis@edgewaterschools.org

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January 2, 2025

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

Dear Board Members:

The annual comprehensive financial report of the Borough of Edgewater School District (the "District") for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to fairly present the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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



2) EDUCATIONAL PROGRAM: The Edgewater Public School System comprises two elementary schools (Special Education Pre-K to Grade 6), serving approximately 686 students. The public schools are accredited by the New Jersey State Department of Education. The District is served by 71 (FTE) teachers and 6 (FTE) administrators. Approximately 78% of the faculty has earned Masters' degrees.

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

The District completed the 2023-2024 fiscal year with Pre-K through Grade 6 enrollment of 686 students and Grade 7-12 enrollment of 506 students in Leonia Public Schools, for an overall total of 1,192 students.

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

<u>Average Daily Enrollment</u>		
<u>Fiscal Year</u>	<u>Pre K-6 Enrollment</u>	<u>Percent Change</u>
2023-2024	686	1.03%
2022-2023	679	1.65%
2021-2022	668	1.00%
2020-2021	667	(23.68%)
2019-2020	874	(11.00%)
2018-2019	982	0.61%.

3) ECONOMIC CONDITIONS AND OUTLOOK: The District's primary funding source is property tax revenue. Overall tax revenue for the General Fund was increased for the 2023-2024 school year statutory allowance of 2%. Prudent fiscal management have all contributed to stabilizing the financial condition of the district. In fact, Standard and Poor's has upgraded its credit rating of the district from negative to neutral. The generation of surplus funds allowed the district to strengthen its capital, maintenance, tuition, and emergency reserves.

4) MAJOR INITIATIVES: Specific initiatives for the 2023-2024 school year include the following accomplishments:

- Continuation of Collaboration between Edgewater and Leonia.
- EVG School Door Replacements and Security Access Controls.
- EVG School Playground Equipment.
- New GW School Playground & Equipment.
- Continuation of After-School Opportunities for Students.
- Continue Social Emotional Learning Professional Development.
- Continued Professional Development in Mathematics and Language Arts.

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

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

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

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

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

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

8) DEBT ADMINISTRATION: On June 30, 2024, the District had \$23,445,000 in outstanding statutory debt, comprised entirely of school bonds to improve District facilities.

9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in the "Notes to Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA" or the "Act"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

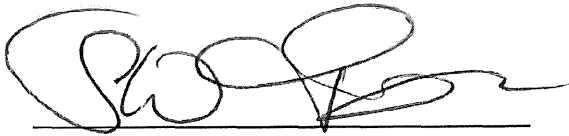
10) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

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

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

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

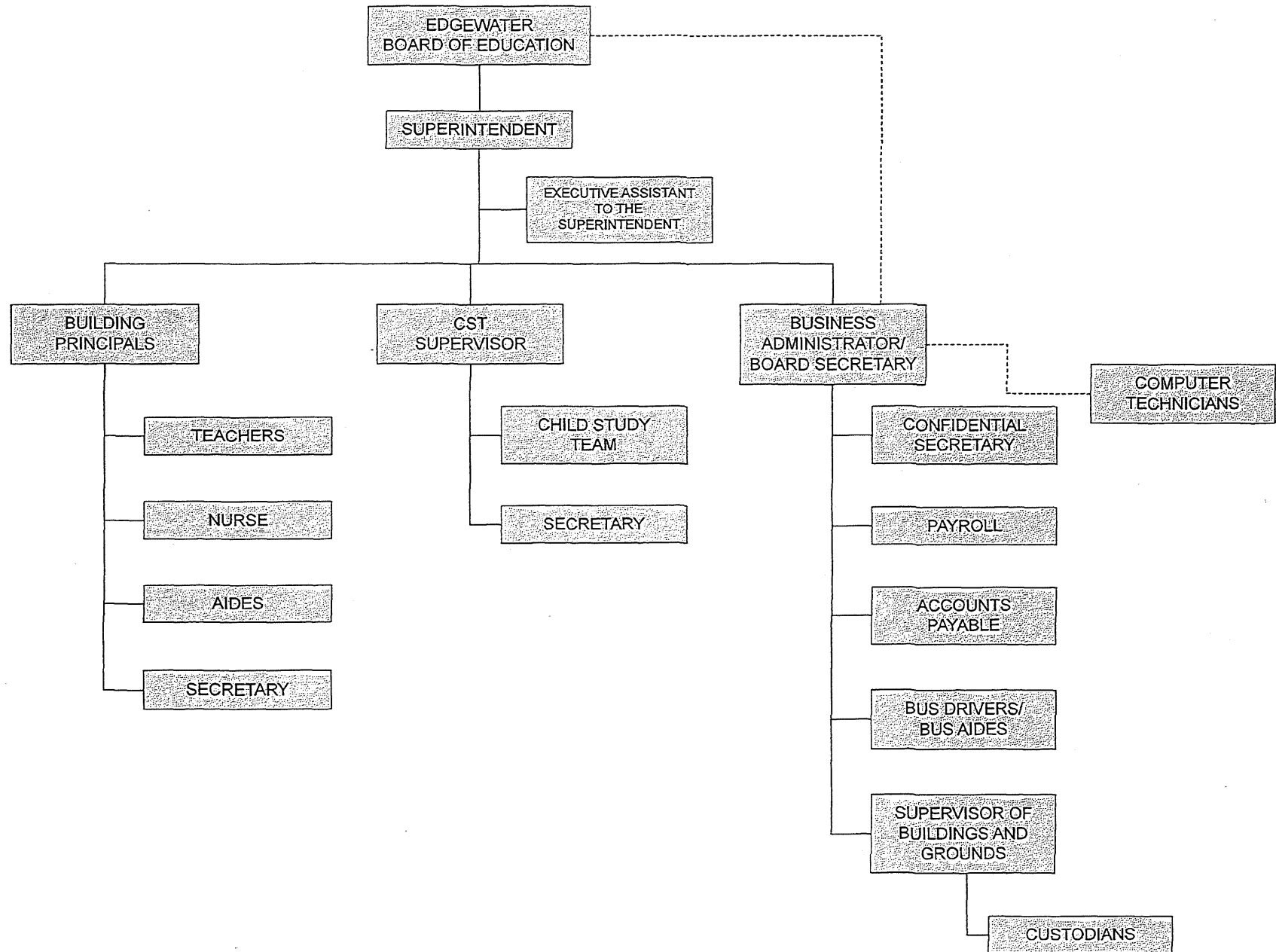
Respectfully submitted,



Superintendent of Schools



Interim Business Administrator/Board Secretary



**BOROUGH OF EDGEWATER SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2024**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Sandy Klein, Co-President	12/31/2024
Cristina Stefani-Rackow, Co-President	12/31/2024
Patrick Bussanich	12/31/2026
Nicolette D'Anna	12/31/2025
Christina Ling	12/31/2026
Laurie Molina	12/31/2025
Thomas M. Quinton	12/31/2025

<u>Other Officials</u>	<u>Title</u>
Siobhan Tauchert	Chief School Administrator
Wally Lindsley	School Business Administrator/Board Secretary
Dennis McKeever	Board Attorney

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

**Attorney**

Dennis McKeever  
Counselor at Law  
Chasan, Lamparello, Mallon & Cappuzzo  
300 Lightning Way, Suite 200  
Secaucus, NJ 07094

**Audit Firm**

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

**Official Depositories**

TD Bank  
1400 Palisade Avenue  
Fort Lee, NJ 07024

## **FINANCIAL SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

## **INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Edgewater Board of Education  
Edgewater, New Jersey

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

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Edgewater Board of Education, as of and for the fiscal year ended June 30, 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 and each major fund of the Edgewater Board of Education 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 Edgewater Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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



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

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

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

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

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

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

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

### ***Supplementary Information***

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

### ***Other Information***

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated January 2, 2025 on our consideration of the Edgewater Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Edgewater Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Edgewater Board of Education's internal control over financial reporting and compliance.

*Lerch, Vinci & Bliss, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
January 2, 2025

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

# EDGEWATER BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

As management of the Edgewater Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Edgewater Board of Education for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the letter of transmittal, which can be found in the introductory section of this report and the District's financial statements and related notes to the financial statement which immediately follows this section.

### FINANCIAL HIGHLIGHTS

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

- The assets and deferred outflows of resources of the Edgewater Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$25,268,309. (Net Position)
- The District's total net position increased by \$6,470,276, or 34%.
- Overall District revenues were \$38,988,694. General revenues accounted for \$32,123,424, or 82%, of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6,865,270 or 18% of total revenues.
- The school district had \$31,833,484 in expenses for governmental activities; only \$6,310,101 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$32,104,766 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 \$24,888,689. Of this amount, \$17,849,110 is restricted for capital projects, \$1,038,374 is restricted for required maintenance of District facilities, \$1,932,000 is restricted for future tuition adjustments, \$2,274,833 is restricted for excess surplus, \$471,055 is restricted for other purposes, \$821,975 is assigned for year end encumbrances and subsequent year's budget expenditures and the remaining amount is the unassigned fund balance of \$501,342.
- The General Fund fund balance at June 30, 2024 was \$22,832,709, an increase of \$2,379,796 compared to the ending fund balance at June 30, 2023 of \$20,452,913.
- The General Fund unassigned budgetary fund balance at June 30, 2024 was \$1,260,111, which represents an increase of \$118,408 when compared to the ending unassigned budgetary fund balance at June 30, 2023 of \$1,141,703.

# EDGEWATER BOARD OF EDUCATION

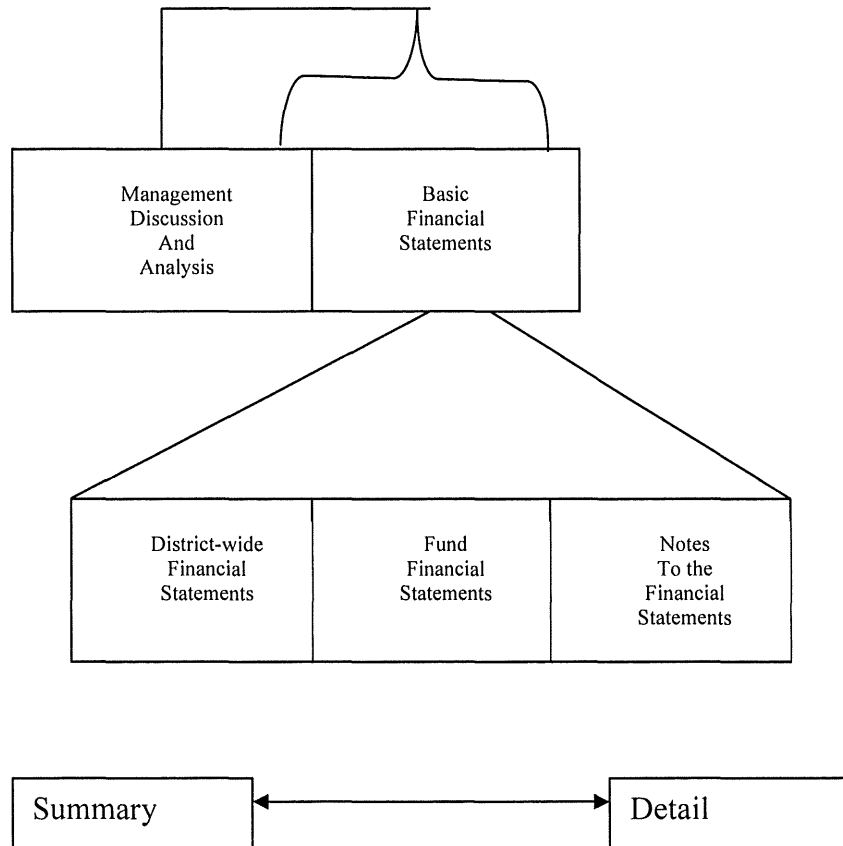
## Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



# EDGEWATER BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

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

Major Features of the District-Wide and Fund Financial Statements

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

### District-Wide Statements

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

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

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

# EDGEWATER BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

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

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

### Fund Financial Statements

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

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

The District has two kinds of funds:

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

### Notes to the Financial Statements

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

# **EDGEWATER BOARD OF EDUCATION**

## **Management's Discussion and Analysis Fiscal Year Ended June 30, 2024**

### **Other Information**

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

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

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



# EDGEWATER BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net Position.** The District's *combined* net position was \$25,268,309 and \$18,798,033 on June 30, 2024 and 2023, respectively as follows:

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	\$ 25,838,653	\$ 22,323,374	\$ 23,189	\$ 179,611	\$ 25,861,842	\$ 22,502,985
Capital Assets	26,003,794	24,734,429	120,662	84,337	26,124,456	24,818,766
<b>Total Assets</b>	<u>51,842,447</u>	<u>47,057,803</u>	<u>143,851</u>	<u>263,948</u>	<u>51,986,298</u>	<u>47,321,751</u>
<b>Total Deferred Outflows of Resources</b>	<u>1,616,301</u>	<u>1,789,555</u>	<u>-</u>	<u>-</u>	<u>1,616,301</u>	<u>1,789,555</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>53,458,748</u>	<u>48,847,358</u>	<u>143,851</u>	<u>263,948</u>	<u>53,602,599</u>	<u>49,111,306</u>
<b>Liabilities</b>						
Long-Term Liabilities	26,780,264	27,716,519	-	-	26,780,264	27,716,519
Other Liabilities	1,051,839	1,807,531	8,267	29,697	1,060,106	1,837,228
<b>Total Liabilities</b>	<u>27,832,103</u>	<u>29,524,050</u>	<u>8,267</u>	<u>29,697</u>	<u>27,840,370</u>	<u>29,553,747</u>
<b>Deferred Inflows of Resources</b>	<u>475,734</u>	<u>753,780</u>	<u>18,186</u>	<u>5,746</u>	<u>493,920</u>	<u>759,526</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>28,307,837</u>	<u>30,277,830</u>	<u>26,453</u>	<u>35,443</u>	<u>28,334,290</u>	<u>30,313,273</u>
<b>Net Position</b>						
Net Investment in Capital Assets	2,645,723	490,947	120,662	84,337	2,766,385	575,284
Restricted	20,916,571	16,364,341	-	-	20,916,571	16,364,341
Unrestricted	1,588,617	1,714,240	(3,264)	144,168	1,585,353	1,858,408
<b>Total Net Position</b>	<u>\$ 25,150,911</u>	<u>\$ 18,569,528</u>	<u>\$ 117,398</u>	<u>\$ 228,505</u>	<u>\$ 25,268,309</u>	<u>\$ 18,798,033</u>

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position represents amounts reserved for specific purposes by outside parties or state laws and regulations. Unrestricted net position represents amounts available to the government that are neither restricted nor invested in capital assets.

# EDGEWATER BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

The District's total net position of \$25,268,309 at June 30, 2024 represents a \$6,470,276 or 34%, increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2024 and 2023.

Changes in Net Position For the Fiscal Years Ended June 30, 2024 and 2023						
	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services and Sales	\$ 86,898	\$ 102,629	\$ 402,282	\$ 363,301	\$ 489,180	\$ 465,930
Operating Grants and Contributions	5,048,768	5,164,210	152,887	190,170	5,201,655	5,354,380
Capital Grants and Contributions	1,174,435	363,894			1,174,435	363,894
General Revenues						
Property Taxes, Levied	30,643,846	30,616,476			30,643,846	30,616,476
State Aid - Unrestricted	41,379	30,665			41,379	30,665
Miscellaneous Income	1,419,541	412,079	18,658	5,091	1,438,199	417,170
<b>Total Revenues</b>	<u>38,414,867</u>	<u>36,689,953</u>	<u>573,827</u>	<u>558,562</u>	<u>38,988,694</u>	<u>37,248,515</u>
<b>Expenses</b>						
Instruction						
Regular	14,807,847	12,481,156			14,807,847	12,481,156
Special	5,874,985	6,143,943			5,874,985	6,143,943
Other Instruction	395,312	439,608			395,312	439,608
School Sponsored Activities and Athletics	93,765	57,698			93,765	57,698
Support Services						
Student and Instruction Related Services	3,319,817	2,988,767			3,319,817	2,988,767
General Administrative Services	618,936	831,699			618,936	831,699
School Administrative Services	686,663	627,066			686,663	627,066
Central Administrative Services	670,662	609,920			670,662	609,920
Plant Operations and Maintenance	1,851,736	1,654,557			1,851,736	1,654,557
Pupil Transportation	2,564,330	2,386,941			2,564,330	2,386,941
Interest on Long-Term Debt	949,431	979,285			949,431	979,285
Food Services			414,826	331,157	414,826	331,157
Preschool Program	-	-	270,108	211,492	270,108	211,492
<b>Total Expenses</b>	<u>31,833,484</u>	<u>29,200,640</u>	<u>684,934</u>	<u>542,649</u>	<u>32,518,418</u>	<u>29,743,289</u>
<b>Increase (Decrease) in Net Position</b>	<b>6,581,383</b>	<b>7,489,313</b>	<b>(111,107)</b>	<b>15,913</b>	<b>6,470,276</b>	<b>7,505,226</b>
<b>Net Position, Beginning of Year</b>	<u>18,569,528</u>	<u>11,080,215</u>	<u>228,505</u>	<u>212,592</u>	<u>18,798,033</u>	<u>11,292,807</u>
<b>Net Position, End of Year</b>	<u>\$ 25,150,911</u>	<u>\$ 18,569,528</u>	<u>\$ 117,398</u>	<u>\$ 228,505</u>	<u>\$ 25,268,309</u>	<u>\$ 18,798,033</u>

# EDGEWATER BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$38,414,867 for the fiscal year ended June 30, 2024, property taxes of \$30,643,846 represented 80% of revenues. Another significant portion of revenues came from grants and contributions and unrestricted state aid which totaled \$6,264,582 and represented 16% of revenues for the fiscal year ended June 30, 2024.

The total cost of all governmental activities programs and services was \$31,833,484 for the fiscal year ended June 30, 2024. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$21,171,909 (67%) of total expenses and support services costs were \$9,712,144 (31%) of total expenses for the fiscal year ended June 30, 2024.

For fiscal year 2024, total governmental activities revenues exceeded expenses increasing net position for governmental activities by \$6,581,383 from the previous year.

**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$31,833,484. After applying program revenues, derived from operating and capital grants and contributions of \$6,223,203 and charges for services of \$86,898 the net cost of services of the District is \$25,523,383 for the fiscal year ended June 30, 2024.

### Total and Net Cost of Governmental Activities

	<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	\$ 14,807,847	\$ 12,481,156	\$ 13,552,192	\$ 11,129,450
Special Education	5,874,985	6,143,943	3,729,891	3,972,439
Other Instruction	395,312	439,608	332,760	350,453
School Sponsored Activities and Athletics	93,765	57,698	62,717	22,278
Support Services:				
Student & Instruction Related Services	3,319,817	2,988,767	2,791,138	2,464,012
General Administrative Services	618,936	831,699	579,975	762,390
School Administrative Services	686,663	627,066	624,182	532,308
Central Administrative Services	670,662	609,920	634,870	546,790
Plant Operations and Maintenance	1,851,736	1,654,557	479,409	1,133,240
Pupil Transportation	2,564,330	2,386,941	1,824,793	1,708,621
Interest on Long Term Debt	949,431	979,285	911,456	947,926
<b>Total</b>	<b>\$ 31,833,484</b>	<b>\$ 29,200,640</b>	<b>\$ 25,523,383</b>	<b>\$ 23,569,907</b>

**Business-Type Activities** – The District's total business-type activities revenues were \$573,827 for the fiscal year ended June 30, 2024. Operating grants and contributions accounted for 27% of total revenues and 70% of revenues were from charges for services and sales.

Total cost of all business-type activities programs and services was \$684,934 for the fiscal year ended June 30, 2024. Food service expenses represented 61% all of the total expenses and the summer session program expenses represented 39% of the total expenses.

For fiscal year 2024, total business-type activities expenses exceeded revenues decreasing net position by \$111,107, or 49% from the previous year.

## EDGEWATER BOARD OF EDUCATION

### Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$24,888,689 at June 30, 2024, an increase of \$4,306,524 from last year's fund balance of \$20,582,165. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

Revenues for the District's governmental funds were \$39,810,054 while total expenditures were \$35,586,203 for the fiscal year ended June 30, 2024. The District also had Other Financing Sources of \$82,673.

#### GENERAL FUND

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

The following schedule presents a summary of General Fund Revenues.

	<u>Year Ended June 30, 2024</u>	<u>Year Ended June 30, 2023</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
Local Sources:				
Property Tax Levy	\$ 28,767,112	\$ 28,767,112	-	0%
Miscellaneous	1,470,866	478,141	\$ 992,725	208%
State Sources	<u>5,556,447</u>	<u>4,711,156</u>	<u>845,291</u>	18%
Total General Fund Revenues	<u>\$ 35,794,425</u>	<u>\$ 33,956,409</u>	<u>\$ 1,838,016</u>	5%

For fiscal year 2023, total General Fund revenues increased \$1,838,016, or 5% from the previous year.

The following schedule presents a summary of General Fund expenditures.

	<u>Year Ended June 30, 2024</u>	<u>Year Ended June 30, 2023</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
Instruction	\$ 20,891,800	\$ 18,290,925	\$ 2,600,875	14%
Support Services	9,266,225	8,595,708	670,517	8%
Debt Service	27,591	1,483,127	(1,455,536)	100%
Capital Outlay	<u>1,375,093</u>	<u>1,154,489</u>	<u>220,604</u>	19%
Total Expenditures	<u>\$ 31,560,709</u>	<u>\$ 29,524,249</u>	<u>\$ 2,036,460</u>	7%

For fiscal year 2024, total General Fund expenditures increased 2,036,460, or 7% from the previous year.

In fiscal year 2024, General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$2,379,796. Therefore, the total fund balance at June 30, 2023 of \$20,452,913 increased to a fund balance of \$22,832,709 at June 30, 2024.

# EDGEWATER BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

### CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2024, the District had \$26,003,794 invested in land, buildings, furniture, equipment and vehicles for governmental activities and \$120,662 for business type activity. The following is a comparison of the June 30, 2024 and 2023 balances:

#### Capital Assets at June 30, 2024 and 2023 (Net of Accumulated Depreciation)

	<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>2024</u>	<u>2023</u>
Land	\$ 179,988	\$ 179,988			\$ 179,988	\$ 179,988
Construction in Progress	1,610,096	335,213			1,610,096	335,213
Land Improvements	685,165	256,421			685,165	256,421
Buildings and Improvements	23,054,989	23,605,507	\$ 15,101	\$ 16,263	23,070,090	23,621,770
Furniture, Equipment and Vehicles	473,556	357,300	105,561	68,074	579,117	425,374
<b>Total Capital Assets, Net</b>	<b>\$ 26,003,794</b>	<b>\$ 24,734,429</b>	<b>\$ 120,662</b>	<b>\$ 84,337</b>	<b>\$ 26,124,456</b>	<b>\$ 24,818,766</b>

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

### LONG TERM LIABILITIES

At June 30, 2024 the District had \$26,780,264 of total outstanding long-term liabilities. For fiscal year 2023/2024 total outstanding long-term liabilities decreased by \$936,255. The following is a comparison of the June 30, 2024 and 2023 balances:

#### Outstanding Long-Term Liabilities as of June 30, 2024 and 2023

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
Serial Bonds (including unamortized premium)	\$ 24,508,777	\$ 25,647,953
Capital Financing Agreements	109,011	48,937
Compensated Absences	256,007	231,985
Net Pension Liability	1,906,469	1,787,644
<b>Total</b>	<b>\$ 26,780,264</b>	<b>\$ 27,716,519</b>

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

## **EDGEWATER BOARD OF EDUCATION**

### **Management's Discussion and Analysis Fiscal Year Ended June 30, 2024**

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

For fiscal year 2024 General Fund budgetary revenues and other financing sources exceeded budgetary expenditures and other financing uses increasing budgetary fund balance by \$2,449,375. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance increased \$118,408 from an unassigned fund balance of \$1,141,703 at June 30, 2023 to \$1,260,111 at June 30, 2024. In addition at June 30, 2024 the District had balances in its capital reserve of \$15,890,217, maintenance reserve of \$1,038,374, emergency reserve of \$373,968, tuition reserve of \$1,932,000 and reserved excess surplus of \$2,274,833.

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

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

Many factors were considered by the District's administration during the process of developing the fiscal year 2024-2025 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2024-2025. Budgeted expenditures in the General Fund decreased approximately 10% to \$33,771,761 for fiscal year 2024-2025. A reduction in budgeted capital outlay project costs were the main factors for the fiscal year 2024-2025 decrease.

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

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Edgewater Board of Education, 251, Undercliff Avenue, Edgewater, NJ.

## **FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**



**EDGEWATER BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2024**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 17,326,251	\$ 610,679	\$ 17,936,930
Investments	6,000,000		6,000,000
Receivables, Net	1,704,635	10,264	1,714,899
Leases Receivable	196,554		196,554
Internal Balances	611,213	(611,213)	-
Inventory		13,459	13,459
Capital Assets, Not Being Depreciated	1,790,084		1,790,084
Capital Assets, Being Depreciated, Net	<u>24,213,710</u>	<u>120,662</u>	<u>24,334,372</u>
Total Assets	<u>51,842,447</u>	<u>143,851</u>	<u>51,986,298</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding of Debt	1,259,717		1,259,717
Deferred Amounts on Net Pension Liability	<u>356,584</u>	<u>-</u>	<u>356,584</u>
Total Deferred Outflows of Resources	<u>1,616,301</u>	<u>-</u>	<u>1,616,301</u>
Total Assets and Deferred Outflows of Resources	<u>53,458,748</u>	<u>143,851</u>	<u>53,602,599</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	700,084	-	700,084
Payable to Other Governments	8,311		8,311
Accrued Interest Payable	298,429		298,429
Unearned Revenue	45,015	8,267	53,282
Noncurrent Liabilities			
Due Within One Year	1,114,293		1,114,293
Due Beyond One Year	<u>25,665,971</u>	<u>-</u>	<u>25,665,971</u>
Total Liabilities	<u>27,832,103</u>	<u>8,267</u>	<u>27,840,370</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Lease Related Revenue	196,554		196,554
Deferred Amounts on Net Pension Liability	279,180	-	279,180
Deferred Commodities Revenue	<u>-</u>	<u>18,186</u>	<u>18,186</u>
Total Deferred Inflows of Resources	<u>475,734</u>	<u>18,186</u>	<u>493,920</u>
Total Liabilities and Deferred Inflows of Resources	<u>28,307,837</u>	<u>26,453</u>	<u>28,334,290</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	2,645,723	120,662	2,766,385
Restricted for:			
Capital Projects	17,849,110		17,849,110
Plant Maintenance	1,038,374		1,038,374
Tuition Adjustments	1,932,000		1,932,000
Student Activities	44,523		44,523
Debt Service	52,564		52,564
Unrestricted	<u>1,588,617</u>	<u>(3,264)</u>	<u>1,585,353</u>
Total Net Position	<u>\$ 25,150,911</u>	<u>\$ 117,398</u>	<u>\$ 25,268,309</u>

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

**EDGEWATER BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 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
Governmental Activities:							
Instruction:							
Regular	\$ 14,807,847		\$ 1,255,655		\$ (13,552,192)		\$ (13,552,192)
Special Education	5,874,985		2,145,094		(3,729,891)		(3,729,891)
Other Instruction	395,312		62,552		(332,760)		(332,760)
School Sponsored Activities and Athletics	93,765	\$ 30,870	178		(62,717)		(62,717)
Support Services:							
Student & Instruction Related Services	3,319,817		528,679		(2,791,138)		(2,791,138)
General Administrative Services	618,936		38,961		(579,975)		(579,975)
School Administrative Services	686,663		62,481		(624,182)		(624,182)
Central Administrative Services	670,662		35,792		(634,870)		(634,870)
Plant Operations and Maintenance	1,851,736	56,028	141,864	\$ 1,174,435	(479,409)		(479,409)
Pupil Transportation	2,564,330		739,537		(1,824,793)		(1,824,793)
Interest on Long Term Debt	949,431	-	37,975	-	(911,456)	-	(911,456)
Total Governmental Activities	31,833,484	86,898	5,048,768	1,174,435	(25,523,383)	-	(25,523,383)
Business-Type Activities:							
Food Service	414,826	174,282	152,887			\$ (87,657)	(87,657)
Preschool Program	270,108	228,000	-	-	-	(42,108)	(42,108)
Total Business-Type Activities	684,934	402,282	152,887	-	-	(129,765)	(129,765)
Total Primary Government	\$ 32,518,418	\$ 489,180	\$ 5,201,655	\$ 1,174,435	(25,523,383)	(129,765)	(25,653,148)

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

(Continued)

**EDGEWATER BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Net (Expense) Revenue and Changes in Net Position		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:			
Property Taxes:			
Levied for General Purposes	\$ 28,767,112		\$ 28,767,112
Levied for Debt Service	1,876,734		1,876,734
State Aid for Debt Service Principal	41,379		41,379
Interest Earnings	1,039,392	\$ 18,658	1,058,050
Miscellaneous Income	<u>380,149</u>	<u>-</u>	<u>380,149</u>
 Total General Revenues and Transfers	 <u>32,104,766</u>	 <u>18,658</u>	 <u>32,123,424</u>
 Change in Net Position	 6,581,383	 (111,107)	 6,470,276
Net Position, Beginning of Year	<u>18,569,528</u>	<u>228,505</u>	<u>18,798,033</u>
Net Position, End of Year	<u>\$ 25,150,911</u>	<u>\$ 117,398</u>	<u>\$ 25,268,309</u>

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

## **FUND FINANCIAL STATEMENTS**

**EDGEWATER BOARD OF EDUCATION  
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	\$ 15,270,271	\$ 44,523	\$ 1,958,893	\$ 52,564	\$ 17,326,251
Investments	6,000,000				6,000,000
Receivables From Other Governments	84,841	1,617,384			1,702,225
Other Accounts Receivable, Net		2,410			2,410
Leases Receivable	196,554				196,554
Due from Other Funds	2,177,688	-	-	-	2,177,688
Total Assets	<u>\$ 23,729,354</u>	<u>\$ 1,664,317</u>	<u>\$ 1,958,893</u>	<u>\$ 52,564</u>	<u>\$ 27,405,128</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 244,597				\$ 244,597
Payroll Deductions and Withdrawals Payable	139,067				139,067
Employee Deposits Payable	316,420				316,420
Payable to Federal Government		\$ 4,083			4,083
Payable to State Government		4,221			4,221
Payable to Other Governments	7				7
Due to Other Funds		1,566,475			1,566,475
Unearned Revenue	-	45,015	-	-	45,015
Total Liabilities	<u>700,091</u>	<u>1,619,794</u>	<u>-</u>	<u>-</u>	<u>2,319,885</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Lease Related Revenue	<u>196,554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,554</u>
Total Deferred Inflows of Resources	<u>196,554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,554</u>
Fund Balances:					
Restricted					
Capital Reserve	15,890,217				15,890,217
Maintenance Reserve	1,038,374				1,038,374
Emergency Reserve	348,425				348,425
Emergency Reserve - Designated for Subsequent Year's Expenditures	25,543				25,543
Tuition Adjustment Reserve	1,010,000				1,010,000
Tuition Adjustment Reserve - Designated for Subsequent Year's Expenditures	922,000				922,000
Excess Surplus	1,580,865				1,580,865
Excess Surplus - Designated for Subsequent Year's Expenditures	693,968				693,968
Student Activities		44,523			44,523
Capital Projects			\$ 1,958,893		1,958,893
Debt Service				\$ 52,564	52,564
Assigned					
Year End Encumbrances	428,208				428,208
Designated for Subsequent Year's Expenditures	393,767				393,767
Unassigned	501,342	-	-	-	501,342
Total Fund Balances	<u>22,832,709</u>	<u>44,523</u>	<u>1,958,893</u>	<u>52,564</u>	<u>24,888,689</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 23,729,354</u>	<u>\$ 1,664,317</u>	<u>\$ 1,958,893</u>	<u>\$ 52,564</u>	<u>\$ 27,405,128</u>

**EDGEWATER BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET**

AS OF JUNE 30, 2024

**Total Fund Balances (Exhibit B-1)** **\$ 24,888,689**

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 \$40,732,839 and the accumulated depreciation is \$14,729,045.

26,003,794

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

1,259,717

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

Deferred Outflows of Resources  
Deferred Inflows of Resources

\$ 356,584  
(279,180)

77,404

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

(298,429)

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

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

24,508,777  
109,011  
256,007  
1,906,469

(26,780,264)

**Total Net Position of Governmental Activities (Exhibit A-1)** **\$ 25,150,911**

**EDGEWATER BOARD OF EDUCATION  
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	\$ 28,767,112			\$ 1,876,734	\$ 30,643,846
Interest Earnings	1,034,689				1,034,689
Miscellaneous	436,177	\$ 55,612	\$ 4,703	-	496,492
Total - Local Sources	30,237,978	55,612	4,703	1,876,734	32,175,027
State Sources	5,556,447	113,692		79,354	5,749,493
Federal Sources	-	1,885,534	-	-	1,885,534
Total Revenues	35,794,425	2,054,838	4,703	1,956,088	39,810,054
<b>EXPENDITURES</b>					
Current Expenditures					
Instruction					
Regular	14,743,927	336,849			15,080,776
Special Education	5,725,709	175,711			5,901,420
Other Instruction	376,856	14,631			391,487
School Sponsored Activities and Athletics	45,308	45,438			90,746
Support Services					
Student and Instruction Related Services	3,034,779	322,342			3,357,121
General Administrative Services	589,465				589,465
School Administrative Services	663,783				663,783
Central Administrative Services	644,743				644,743
Plant Operations and Maintenance	1,781,383				1,781,383
Pupil Transportation	2,552,072				2,552,072
Debt Service					
Principal	22,599			1,020,000	1,042,599
Interest	4,992			936,088	941,080
Capital Outlay	1,375,093	1,174,435	-	-	2,549,528
Total Expenditures	31,560,709	2,069,406	-	1,956,088	35,586,203
Excess (Deficiencies) of Revenues					
Over/(Under) Expenditures	4,233,716	(14,568)	4,703	-	4,223,851
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital Financing Agreement Proceeds	82,673				82,673
Transfers In	22,300		1,958,893	52,564	2,033,757
Transfers Out	(1,958,893)	-	(74,864)	-	(2,033,757)
Total Other Financing Sources (Uses)	(1,853,920)	-	1,884,029	52,564	82,673
Net Change in Fund Balances	2,379,796	(14,568)	1,888,732	52,564	4,306,524
Fund Balance, Beginning of Year	20,452,913	59,091	70,161	-	20,582,165
Fund Balance, End of Year	\$ 22,832,709	\$ 44,523	\$ 1,958,893	\$ 52,564	\$ 24,888,689

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

**EDGEWATER BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** **\$ 4,306,524**

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

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

Capital Outlays	\$ 2,549,528	
Depreciation Expense	<u>(1,229,433)</u>	
		1,320,095

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals) is to decrease net position.

Less on Disposal of Capital Assets	(50,730)
------------------------------------	----------

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

Debt Issued or Incurred:		
Capital Lease Proceeds		(82,673)
Principal Repayments:		
General Obligations Bonds	1,020,000	
Capital Financing Agreements	<u>22,599</u>	
		1,042,599

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

Deferred Amounts on Refunding of Debt	(141,127)	
Original Issue Premium	<u>119,176</u>	
		(21,951)

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

(Increase) in Compensated Absences	(24,022)	
Decrease in Pension Expense	<u>77,941</u>	
		53,919

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

	<u>13,600</u>
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**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ 6,581,383**

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



**EDGEWATER BOARD OF EDUCATION  
PROPRIETARY FUND  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2024**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b><u>Food Service</u></b>	<b><u>Preschool Program</u></b>	<b><u>Total</u></b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 95,584	\$ 515,095	\$ 610,679
Intergovernmental Receivable	6,536		6,536
Other Accounts Receivable, Net	3,379	349	3,728
Inventories	13,459	-	13,459
 Total Current Assets	 118,958	 515,444	 634,402
Capital Assets			
Building Improvements	17,425		17,425
Machinery and Equipment	277,961		277,961
Accumulated Depreciation	(174,724)	-	(174,724)
 Total Capital Assets, Net	 120,662	 -	 120,662
 Total Assets	 239,620	 515,444	 755,064
<b>LIABILITIES</b>			
Current Liabilities			
Due to Other Funds	12,488	598,725	611,213
Unearned Revenue	8,267	-	8,267
 Total Current Liabilities	 20,755	 598,725	 619,480
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Commodities Revenue	4,986	13,200	18,186
 Total Liabilities and Deferred Inflow of Resources	 25,741	 611,925	 637,666
<b>NET POSITION</b>			
Investment in Capital Assets	120,662		120,662
Unrestricted	93,217	(96,481)	(3,264)
 Total Net Position	 \$ 213,879	 \$ (96,481)	 \$ 117,398

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

**EDGEWATER BOARD OF EDUCATION  
PROPRIETARY FUND  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b><u>Food Service</u></b>	<b><u>Preschool Program</u></b>	<b><u>Total</u></b>
<b>OPERATING REVENUES</b>			
Local Sources			
Daily Sales - Reimbursable Programs	\$ 163,677		\$ 163,677
Daily Sales - Non-Reimbursable Programs	10,605		10,605
Program Fees	<u>-</u>	<u>\$ 228,000</u>	<u>228,000</u>
Total Operating Revenues	<u>174,282</u>	<u>228,000</u>	<u>402,282</u>
<b>OPERATING EXPENSES</b>			
Cost of Sales - Reimbursable Programs	106,919		106,919
Cost of Sales - Non-Reimbursable Programs	6,928		6,928
Salaries and Benefits	175,635	270,108	445,743
Repairs and Maintenance	65,958		65,958
Purchased Management Services	10,854		10,854
Other Purchased Services	19,864		19,864
Supplies and Materials	6,378		6,378
Miscellaneous Expense	3,445		3,445
Depreciation	<u>18,845</u>	<u>-</u>	<u>18,845</u>
Total Operating Expenses	<u>414,826</u>	<u>270,108</u>	<u>684,934</u>
Operating (Loss)	<u>(240,544)</u>	<u>(42,108)</u>	<u>(282,652)</u>
Nonoperating Revenues			
State Sources			
State School Breakfast Program	279		279
State School Lunch Program	4,447		4,447
Federal Sources			
School Breakfast Program	14,975		14,975
National School Lunch Program	75,361		75,361
P-EBT Administrative Costs	653		653
Supply Chain Assistance	19,835		19,835
Local Food for School Cooperative Program	4,148		4,148
Food Distribution Program	33,189		33,189
Interest Earnings	<u>5,702</u>	<u>12,956</u>	<u>18,658</u>
Total Nonoperating Revenues	<u>158,589</u>	<u>12,956</u>	<u>171,545</u>
Change in Net Position	(81,955)	(29,152)	(111,107)
Total Net Position, Beginning of Year	<u>295,834</u>	<u>(67,329)</u>	<u>228,505</u>
Total Net Position, End of Year	<u>\$ 213,879</u>	<u>\$ (96,481)</u>	<u>\$ 117,398</u>

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

**EDGEWATER BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b><u>Food Service</u></b>	<b><u>Preschool Program</u></b>	<b><u>Total</u></b>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 181,377	\$ 218,051	\$ 399,428
Cash Payments for Employees Salaries and Benefits	(175,635)	(270,108)	(445,743)
Cash Payments to Suppliers for Goods and Services	(189,694)		(189,694)
Cash Payments to Customers - Refunds	(6,103)	-	(6,103)
Net Cash (Used for) Operating Activities	(190,055)	(52,057)	(242,112)
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from Other Funds	4,567	270,107	274,674
Cash Received from State and Federal Subsidy Reimbursements	121,342	-	121,342
Net Cash Provided by Noncapital Financing Activities	125,909	270,107	396,016
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchase of Capital Assets	(55,170)	-	(55,170)
Net Cash (Used For) Capital and Related Financing Activities	(55,170)	-	(55,170)
<b>Cash Flows from Investing Activities</b>			
Interest Earnings Received	5,702	12,956	18,658
Net Cash Provided by Investing Activities	5,702	12,956	18,658
Net Increase in Cash and Cash Equivalents	(113,614)	231,006	117,392
Cash and Cash Equivalents, Beginning of Year	209,198	284,089	493,287
Cash and Cash Equivalents, End of Year	<u>\$ 95,584</u>	<u>\$ 515,095</u>	<u>\$ 610,679</u>
Reconciliation of Operating Income (Loss) to Net Cash (Used for) Operating Activities			
Operating (Loss)	\$ (240,544)	\$ (42,108)	(282,652)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities			
Depreciation	18,845		18,845
Non-Cash Federal Assistance-Food Distribution Program	33,189		33,189
Change in Assets, Liabilities and Deferred Inflows			
(Increase)/Decrease in Accounts Receivable	(378)	(349)	(727)
(Increase)/Decrease in Inventory	(1,777)		(1,777)
Increase/(Decrease) in Unearned Revenue	1,370	(9,600)	(8,230)
Increase/(Decrease) in Deferred Commodities Revenue	(760)	-	(760)
Total Adjustments	50,489	(9,949)	40,540
Net Cash (Used For) Operating Activities	<u>\$ (190,055)</u>	<u>\$ (52,057)</u>	<u>\$ (242,112)</u>
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	\$ 32,429		\$ 32,429

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

**B. New Accounting Standards**

During fiscal year 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.

**EDGEWATER BOARD OF EDUCATION  
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.

EDGEWATER BOARD OF EDUCATION  
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 and enterprise funds to be major funds.

The District reports the following major governmental funds:

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

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

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

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

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

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

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

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

Reclassifications

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

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

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

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

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

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

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

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

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

***2. Receivables***

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



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

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

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

**4. *Capital Assets***

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

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	15-30
Buildings	40
Building Improvements	20
Machinery, Equipment and Vehicles	8-15
Office Equipment and Furniture	5-15
Computer Equipment	5

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

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

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

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

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

***6. Compensated Absences***

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

***7. Pensions***

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

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

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**8. *Leases***

**Leases Receivable**

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

**9. *Financing Agreements***

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

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

**10. *Long-Term Obligations***

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

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

EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

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 2E).

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

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

Tuition Adjustment Reserve – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2023/2024 contract year and is required to be liquidated in the second year following the contract year with any remaining balance related to that contract year to be reserved and budgeted for property tax relief in the 2025/2026 original budget certified for taxes.

Tuition Adjustment Reserve - Designated for Subsequent Year's Expenditures – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2022/2023 contract year that is 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.

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.

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

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

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

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

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

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

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

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

12. Fund Balance Policies

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

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

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

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**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 Expenditures***

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

**EDGEWATER BOARD OF EDUCATION  
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 no longer have to submit their budgets that meet levy cap requirements for voter approval. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2023/2024. Also, during 2023/2024 the Board increased the original budget of the general fund by \$1,241,701 and the special revenue fund by \$985,822. The increases were funded by additional grant awards, student activity revenues and the reappropriation of prior year general fund encumbrances.

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.

EDGEWATER BOARD OF EDUCATION  
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>
<b>General Fund</b>			
Preschool Disabilities - Full Time			
Salaries of Teachers	\$ 171,342	\$ 214,924	\$ (43,582)
Undistributed Instruction - Tuition			
Tuition to CSSD and Reginal Day Schools	517,735	636,899	(119,164)
Other Suport Services - Students - Extra Svc			
Purchased Professional -Ed Svc	318,000	335,980	(17,980)
Unallocated Benefits			
Social Security Contributions	280,500	285,181	(4,681)

The above variances were offset with other available resources.

C. Deficit Fund Equity

The District has an accumulated deficit in net position of \$96,481 in the Preschool Program Enterprise Fund as of June 30, 2024. The District expects to eliminate this deficit through normal operations in the 2024/2025 fiscal year and if necessary a transfer from the 2024/2025 general fund budget.

D. Capital Reserve

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

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



**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**D. Capital Reserve (Continued)**

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

Balance, July 1, 2023		\$ 13,248,171
Increased by		
Interest Earnings	\$ 114,578	
Deposits Approved by Board Resolution	5,000,000	
Return of Unencumbered Budget Withdrawals	<u>1,498,582</u>	
Total Increases		<u>6,613,160</u>
		19,861,331
Decreased by:		
Withdrawals Approved in District Budget		<u>3,971,114</u>
Balance, June 30, 2024		<u>\$ 15,890,217</u>

The withdrawals from the capital reserve were for use in a department approved facilities projects, consistent with the District's Long Range Facilities Plan.

**E. Maintenance Reserve**

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

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

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

Balance, July 1, 2023	\$ 1,014,482
Increased by	
Deposits Approved by Board Resolution	<u>23,892</u>
Balance, June 30, 2024	<u>\$ 1,038,374</u>

The June 30, 2024 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,038,374.

EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

F. Emergency Reserve

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

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

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

Balance, July 1, 2023	\$ 363,160
Increased by	
Deposits Approved by Resolution	<u>10,808</u>
Balance, June 30, 2024	<u>\$ 373,968</u>

\$25,543 of the emergency reserve balance at June 30, 2024 was designated and appropriated for use in the 2024/2025 original budget certified for taxes.

G. 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 \$2,274,833. Of this amount, \$693,968 was designated and appropriated in the 2024/2025 original budget certified for taxes and the remaining amount of \$1,580,865 will be appropriated in the 2025/2026 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 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 was \$17,936,930 and bank and brokerage firm balances of the Board's deposits amounted to \$23,878,756. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 23,467,393
Uninsured and Collateralized	<u>411,363</u>
	<u>\$ 23,878,756</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 \$411,363 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department but not in the Board's name	<u>\$ 411,363</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.

**EDGEWATER BOARD OF EDUCATION  
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)**

As of June 30, 2024, the Board had the following investments:

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

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk. As of June 30, 2024, none of the Board’s investments were exposed to custodial credit risk. The Board’s investments are insured by FDIC and GUDPA.

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

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

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

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

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

Investments are valued based on price data obtained from observed transactions and market price quotations provided by the respective financial institution. Since the value is not obtained from a quoted price in an active market the investments held by the District at June 30, 2024 are categorized as Level 2.

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

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**B. Receivables**

Receivables as of June 30, 2024 for the district's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Preschool Program</u>	<u>Total</u>
Receivables:					
Intergovernmental-					
Federal		\$ 1,550,384	\$ 6,218		\$ 1,556,602
State	\$ 84,841	67,000	318		152,159
Accounts	<u>-</u>	<u>2,410</u>	<u>3,379</u>	<u>\$ 349</u>	<u>6,138</u>
Gross Receivables	84,841	1,619,794	9,915	-	1,714,899
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 84,841</u>	<u>\$ 1,619,794</u>	<u>\$ 9,915</u>	<u>\$ -</u>	<u>\$ 1,714,550</u>

**C. Leases Receivable**

On January 1, 2023, the District renewed a lease for its school parking lot with a third party. The lease was renewed for a 5-year term to December 31, 2027. The District will receive monthly payments of \$4,600 to \$5,177. The District recognized \$56,028 in lease revenue for the fiscal year ended June 30, 2024, which includes interest earnings of \$6,880. As of June 30, 2024 the District's receivable for lease payments, exclusive of future interest earnings is \$196,554 for the lease term ending December 31, 2027. Also, the District has a deferred inflows of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was \$196,554 for the lease term ending December 31, 2027.

The future lease revenue payments as of June 30, 2024 are as follows:

**Governmental Activities:**

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 52,206	\$ 5,503	\$ 57,709
2026	55,399	4,041	59,440
2027	58,733	2,491	61,224
2028	<u>30,216</u>	<u>845</u>	<u>31,061</u>
Total	<u>\$ 196,554</u>	<u>\$ 12,880</u>	<u>\$ 209,434</u>

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**D. Unearned Revenue**

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

Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 13,845
Grant Draw Downs Reserved for Encumbrances	<u>31,170</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 45,015</u>

**E. Capital Assets**

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

	Balance, July 1, 2023	Increases	Decreases	Balance, June 30, 2024
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 179,988	-	-	\$ 179,988
Construction in Progress	<u>335,213</u>	<u>\$ 1,406,532</u>	<u>\$ (131,649)</u>	<u>1,610,096</u>
Total Capital Assets, Not Being Depreciated	<u>515,201</u>	<u>1,406,532</u>	<u>(131,649)</u>	<u>1,790,084</u>
Capital Assets, Being Depreciated:				
Land Improvements	705,392	497,980		1,203,372
Buildings and Building Improvements	35,088,755	510,798		35,599,553
Machinery, Equipment and Vehicles	<u>1,969,081</u>	<u>265,867</u>	<u>(95,118)</u>	<u>2,139,830</u>
Total Capital Assets Being Depreciated	<u>37,763,228</u>	<u>1,274,645</u>	<u>(95,118)</u>	<u>38,942,755</u>
Less Accumulated Depreciation for:				
Site Improvements	(448,971)	(69,236)		(518,207)
Buildings and Building Improvements	(11,483,248)	(1,061,316)		(12,544,564)
Machinery, Equipment and Vehicles	<u>(1,611,781)</u>	<u>(98,881)</u>	<u>44,388</u>	<u>(1,666,274)</u>
Total Accumulated Depreciation	<u>(13,544,000)</u>	<u>(1,229,433)</u>	<u>44,388</u>	<u>(14,729,045)</u>
Total Capital Assets, Being Depreciated, Net	<u>24,219,228</u>	<u>45,212</u>	<u>(50,730)</u>	<u>24,213,710</u>
Governmental Activities Capital Assets, Net	<u>\$ 24,734,429</u>	<u>\$ 1,451,744</u>	<u>\$ (182,379)</u>	<u>\$ 26,003,794</u>

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**E. Capital Assets (Continued)**

	Balance, <u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2024</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Building Improvement	\$ 17,425			\$ 17,425
Machinery and Equipment	<u>222,791</u>	<u>\$ 55,170</u>	<u>-</u>	<u>277,961</u>
Total Capital Assets Being Depreciated	<u>240,216</u>	<u>55,170</u>	<u>-</u>	<u>295,386</u>
Less Accumulated Depreciation for:				
Building Improvement	(1,162)	(1,162)		(2,324)
Machinery and Equipment	<u>(154,717)</u>	<u>(17,683)</u>	<u>-</u>	<u>(172,400)</u>
Total Accumulated Depreciation	<u>(155,879)</u>	<u>(18,845)</u>	<u>-</u>	<u>(174,724)</u>
Total Capital Assets, Being Depreciated, Net	<u>84,337</u>	<u>36,325</u>	<u>-</u>	<u>120,662</u>
Business-Type Activities Capital Assets, Net	<u>\$ 84,337</u>	<u>\$ 36,325</u>	<u>\$ -</u>	<u>\$ 120,662</u>

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

**Governmental Activities:**

Instruction	
Regular	\$ 597,840
Special Education	136,331
Other Instruction	49,237
School-Sponsored Activities and Athletics	<u>3,930</u>
Total Instruction	<u>787,338</u>

**Support Services**

Student and Instruction Related Services	162,887
General Administrative Services	55,694
School Administrative Services	59,561
Central Administrative Services	52,609
Plant Operations and Maintenance	90,824
Pupil Transportation	<u>20,520</u>
Total Support Services	<u>442,095</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 1,229,433</u>
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**Business-Type Activities:**

Food Service Fund	<u>\$ 18,845</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 18,845</u>

EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Capital Assets (Continued)

Construction and Other Significant Commitments

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

<u>Project</u>	<u>Remaining Commitment</u>
Site Upgrades at Eleanor Van Gelder School	\$ 329,525
HVAC Upgrades at Eleanor Van Gelder School	<u>3,762,398</u>
Total	<u>\$ 4,091,923</u>

F. 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>
General Fund	Special Revenue Fund	\$ 1,566,475
General Fund	Food Service Fund	12,488
General Fund	Preschool Fund	<u>598,725</u>
Total		<u>\$ 2,177,688</u>

The above balances are the result of revenues deposited in one fund which are due to another fund or expenditures paid by one fund on behalf of another fund or to cover cash balances which were in an overdraft position.

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



EDGEWATER BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund Transfers

	Transfer In:			
	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
Transfer Out:				
General Fund		\$ 1,958,893		\$ 1,958,893
Capital Projects Fund	\$ 22,300	-	\$ 52,564	74,864
Total Transfers	\$ 22,300	\$ 1,958,893	\$ 52,564	\$ 2,033,757

The above transfers are the result of appropriations budgeted in one fund to finance expenditures in another fund or unexpended capital project balances cancelled to other funds.

G. Financing Agreements

Capital Financing Agreements

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

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

\$128,421, fiscal year 2024 Agreement for the acquisition of photo copiers for a term of 5 years due in monthly principal installments of \$1,982 to \$2,390 through August 15, 2028 interest at 4.60%	\$ 109,011
Total	\$ 109,011

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**G. Financing Agreements (Continued)**

**Capital Financing Agreements (Continued)**

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

**Governmental Activities:**

Fiscal Year Ending <u>June 30,</u>	<u>Capital Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 24,293	\$ 4,507	\$ 28,800
2026	25,435	3,365	28,800
2027	26,630	2,170	28,800
2028	27,881	919	28,800
2029	<u>4,772</u>	<u>28</u>	<u>4,800</u>
Total	<u>\$ 109,011</u>	<u>\$ 10,989</u>	<u>\$ 120,000</u>

**H. Long-Term Debt**

**General Obligation Bonds**

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

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

\$26,565,000, 2017 Refunding Bonds, due in annual installments of \$1,070,000 to \$1,910,000 through March 1, 2040 interest at 3.00% to 4.00%	<u>\$23,445,000</u>
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**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**General Obligation Bonds**

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

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>General Obligation Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 1,070,000	\$ 895,287	\$ 1,965,287
2026	1,120,000	852,488	1,972,488
2027	1,170,000	807,687	1,977,687
2028	1,220,000	760,887	1,980,887
2029	1,265,000	712,087	1,977,087
2030-2034	7,140,000	2,812,838	9,952,838
2035-2039	8,550,000	1,419,488	9,969,488
2040-2044	<u>1,910,000</u>	<u>76,400</u>	<u>1,986,400</u>
Total	<u>\$ 23,445,000</u>	<u>\$ 8,337,162</u>	<u>\$ 31,782,162</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:

2.5% of Equalized Valuation Basis (Municipal)	\$ 102,019,392
Less: Net Debt	<u>23,445,000</u>
Remaining Borrowing Power	<u>\$ 78,574,392</u>

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**Changes in Long-Term Liabilities**

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

	Balance, July 1, 2023	Additions	Reductions	Balance, June 30, 2024	Due Within One Year
<b>Governmental Activities:</b>					
Serial Bonds	\$ 24,465,000	-	\$ 1,020,000	\$ 23,445,000	\$ 1,070,000
Add: Premium	1,182,953	-	119,176	1,063,777	-
Total Bonds Payable	25,647,953	-	1,139,176	24,508,777	1,070,000
Capital Financing Agreements	48,937	\$ 82,673	22,599	109,011	24,293
Compensated Absences	231,985	27,838	3,816	256,007	20,000
Net Pension Liability	1,787,644	294,742	175,917	1,906,469	-
Governmental Activity Long-Term Liabilities	<u>\$ 27,716,519</u>	<u>\$ 405,253</u>	<u>\$ 1,341,508</u>	<u>\$ 26,780,264</u>	<u>\$ 1,114,293</u>

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

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

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

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

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

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

**B. Contingent Liabilities**

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

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 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.

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

**Plan Descriptions and Benefits Provided**

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

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

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

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

The following represents the membership tiers for PERS:

<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 age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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

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

The following represent the membership tiers for TPAF:

<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

**EDGEWATER BOARD OF EDUCATION  
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)**

Service retirement benefits of  $1/55^{\text{th}}$  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  $1/60^{\text{th}}$  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 PERS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

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

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

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

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

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Plan Amendments**

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

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. 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).



**EDGEWATER BOARD OF EDUCATION  
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)**

**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, 2022 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Employer and Employee Pension Contributions**

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

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

<u>Fiscal Year Ended June 30,</u>	<u>PERS</u>	<u>On-behalf TPAF</u>	<u>DCRP</u>
2024	\$ 175,917	\$ 1,889,910	\$ 29,799
2023	149,377	1,459,472	27,172
2022	130,639	1,956,814	13,014

**EDGEWATER BOARD OF EDUCATION  
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)**

In addition for fiscal years 2024, 2023 and 2022 State contributed \$920, \$707 and \$1,295, 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 \$470,345 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.

**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 \$1,906,469 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 .01316 percent, which was an increase of .00131 percent from its proportionate share measured as of June 30, 2022 of .01185 percent.

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**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 \$97,976 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	\$ 18,228	\$ 7,793
Changes of Assumptions	4,188	115,540
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	8,780	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>325,388</u>	<u>155,847</u>
Total	<u>\$ 356,584</u>	<u>\$ 279,180</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:

Year Ending <u>June 30,</u>	<u>Total</u>
2024	\$ (287,907)
2025	12,021
2026	379,403
2027	(25,319)
2028	(794)
Thereafter	<u>-</u>
	<u>\$ 77,404</u>

EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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.

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**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:

<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%

EDGEWATER BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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:

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>2,481,817</u>	\$ <u>1,906,469</u>	\$ <u>1,416,772</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).

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense 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 \$441,465 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 \$17,969,787. 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 .03521 percent, which was a decrease of .01166 percent from its proportionate share measured as of June 30, 2022 of .04687 percent.

EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (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.



**EDGEWATER BOARD OF EDUCATION  
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.

EDGEWATER BOARD OF EDUCATION  
 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)

*Sensitivity of Net Pension Liability*

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ 21,189,640	\$ 17,969,787	\$ 15,257,906

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.

EDGEWATER BOARD OF EDUCATION  
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 plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

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

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 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.

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**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 \$514,364, \$383,400 and \$457,191, 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.

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$567,622. 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 \$17,404,525. 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, 2022, the state's share of the OPEB liability attributable to the District was .03324 percent, which was an increase of .00226 percent from its proportionate share measured as of June 30, 2022 of .03098 percent.

EDGEWATER BOARD OF EDUCATION  
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)

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% Based on Years of Service	2.75% to 4.25% Based on Years of Service

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

**EDGEWATER BOARD OF EDUCATION  
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	\$ 15,691,941
Changes Recognized for the Fiscal Year:	
Service Cost	806,569
Interest on the Total OPEB Liability	612,966
Differences Between Expected and Actual Experience	720,078
Changes of Assumptions	35,080
Gross Benefit Payments	(477,817)
Contributions from the Member	15,708
Net Changes	\$ 1,712,584
Balance, June 30, 2023 Measurement Date	\$ 17,404,525

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.

**EDGEWATER BOARD OF EDUCATION  
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 <u>(2.65%)</u></b>	<b>Current Discount Rate <u>(3.65%)</u></b>	<b>1% Increase <u>(4.65%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 20,403,818</u>	<u>\$ 17,404,525</u>	<u>\$ 14,996,441</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>\$ 14,448,439</u>	<u>\$ 17,404,525</u>	<u>\$ 21,272,571</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. Subsequent Events**

**Appropriation of Fund Balance**

As of January 2, 2025 the Board approved the appropriation of an additional \$810,121 of capital reserve to the 2024/2025 General Fund budget for various capital improvement projects.

**Other Financing Agreements**

On April 15, 2024 the District approved entering into a financing agreement to purchase chromebooks in the amount of \$175,000. The term of this agreement is for 4 years beginning September 1, 2024 through July 1, 2027 with no annual payment of \$45,675.

**EDGEWATER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**G. Tax Abatements**

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

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

**NOTE 5 RECENT HEALTHCARE DEVELOPMENTS**

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

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

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

The Board has been awarded a total of \$2,833,313 in federal aid to address the effects of the COVID-19 pandemic



**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**EDGEWATER BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 28,767,112		\$ 28,767,112	\$ 28,767,112	
Interest Earned in Current Expense Emergency Reserve	50		50		\$ (50)
Interest Earned in Maintenance Reserve	50		50		(50)
Interest Earned in Capital Reserve Funds	50		50	114,578	114,528
Interest				920,111	920,111
Unrestricted Miscellaneous	39,910	-	39,910	436,177	396,267
Total Local Revenues	28,807,172	-	28,807,172	30,237,978	1,430,806
State Sources					
Special Education Aid	1,267,178	-	1,267,178	1,267,178	-
Security Aid	146,457	-	146,457	146,457	-
Transportation Aid	687,969	-	687,969	687,969	-
Extraordinary Special Education Costs Aid				587,913	587,913
Nonpublic School Transportation Costs				60,970	60,970
On-Behalf TPAF Contributions (Non-Budgeted)					
Pension Benefit Contribution				1,868,600	1,868,600
Pension - NCGI Premium				21,310	21,310
Post Retirement Medical Benefit Contribution				514,364	514,364
Long Term Disability Insurance				920	920
Reimbursed Social Security Contribution	-	-	-	470,345	470,345
Total State Revenues	2,101,604	-	2,101,604	5,626,026	3,524,422
Total Revenues	30,908,776	-	30,908,776	35,864,004	4,955,228
<b>CURRENT EXPENDITURES</b>					
Regular Programs - Instruction					
Salaries of Teachers					
Preschool	170,400	\$ 44,000	214,400	-	214,400
Kindergarten	651,266	(164,000)	487,266	427,607	59,659
Grades 1-5	3,376,071	120,000	3,496,071	3,347,455	148,616
Grades 6-8	335,364	43,000	378,364	364,641	13,723
Regular Programs - Home Instruction					
Salaries of Teachers	4,000	-	4,000	1,800	2,200
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	240,000	(125,000)	115,000	4,116	110,884
Purchased Technical Services	357,800	(1,000)	356,800	288,814	67,986
Other Purchased Services	3,000	1,000	4,000	3,900	100
General Supplies	514,100	41,409	555,509	230,995	324,514
Textbooks	131,000	68,223	199,223	81,476	117,747
Other Objects	3,000	-	3,000	1,250	1,750
Total Regular Programs	5,786,001	27,632	5,813,633	4,752,054	1,061,579
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	145,200	-	145,200	96,453	48,747
Other Salaries for Instruction	112,000	-	112,000	32,162	79,838
General Supplies	1,000	-	1,000	-	1,000
Total Learning / Language Disabilities	258,200	-	258,200	128,615	129,585
Multiple Disabilities					
Salaries of Teachers	62,322	(8,000)	54,322	54,322	-
Other Salaries for Instruction	62,000	-	62,000	38,823	23,177
General Supplies	22,000	17,228	39,228	32,560	6,668
Total Multiple Disabilities	146,322	9,228	155,550	125,705	29,845
Resource Room / Resource Center					
Salaries of Teachers	543,049	(43,000)	500,049	203,842	296,207
General Supplies	1,000	-	1,000	-	1,000
Total Resource Room / Resource Center	544,049	(43,000)	501,049	203,842	297,207

**EDGEWATER BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Autism					
Salaries of Teachers	\$ 254,023	-	\$ 254,023	\$ 214,899	\$ 39,124
Other Salaries for Instruction	98,000	-	98,000	86,202	11,798
General Supplies	50,000	\$ 28,031	78,031	74,092	3,939
Total Autism	402,023	28,031	430,054	375,193	54,861
Preschool Disabilities - Full - Time					
Salaries of Teachers	171,342	-	171,342	214,924	(43,582)
Other Salaries for Instruction	70,000	125,000	195,000	149,212	45,788
General Supplies	50,000	31,330	81,330	72,319	9,011
Total Preschool Disabilities - Full - Time	291,342	156,330	447,672	436,455	11,217
Total Special Education	1,641,936	150,589	1,792,525	1,269,810	522,715
Bilingual Education					
Salaries of Teachers	263,046	-	263,046	231,248	31,798
General Supplies	15,000	(8,000)	7,000	453	6,547
Total Bilingual Education	278,046	(8,000)	270,046	231,701	38,345
School Sponsored Co-Curricular Activities					
Salaries	10,725	21,525	32,250	30,475	1,775
Supplies and Materials	-	1,000	1,000	960	40
Total School Sponsored Co-Curricular Activities	10,725	22,525	33,250	31,435	1,815
Total - Instruction	7,716,708	192,746	7,909,454	6,285,000	1,624,454
Undistributed Expenditures					
Instruction (Tuition)					
Tuition - Other LEA's Within State - Regular	6,867,406	-	6,867,406	6,867,406	-
Tuition - Other LEA's Within State - Special	2,703,002	-	2,703,002	2,417,750	285,252
Tuition to County Vocational School District-Reg.	310,500	-	310,500	305,780	4,720
Tuition to CSSD and Regional Day Schools	517,735	-	517,735	636,899	(119,164)
Tuition to APSSD Within the State	1,937,616	-	1,937,616	853,152	1,084,464
Total Undistributed - Instruction (Tuition)	12,336,259	-	12,336,259	11,080,987	1,255,272
Attendance and Social Work Services					
Salaries	65,360	-	65,360	50,354	15,006
Other Purchased Services	20,021	-	20,021	15,621	4,400
Total Attendance and Social Work Services	85,381	-	85,381	65,975	19,406
Health Services					
Salaries	174,291	(5,900)	168,391	157,613	10,778
Purchased Professional and Technical Services	2,000	-	2,000	1,140	860
Other Purchases Services	7,500	287	7,787	3,141	4,646
Supplies and Materials	3,000	-	3,000	-	3,000
Total Health Services	186,791	(5,613)	181,178	161,894	19,284
Speech, OT, PT and Related Services					
Salaries	206,604	-	206,604	175,628	30,976
Purchased Professional - Educational Services	733,625	(81,000)	652,625	435,776	216,849
Supplies and Materials	2,000	-	2,000	180	1,820
Total Speech, OT, PT and Related Services	942,229	(81,000)	861,229	611,584	249,645
Other Support Services-Students-Extra Services					
Salaries	231,000	-	231,000	100,185	130,815
Purchased Professional-Educational Services	320,000	(2,000)	318,000	335,980	(17,980)
Supplies and Materials	5,000	-	5,000	-	5,000
Total Other Support Services-Extra Services	556,000	(2,000)	554,000	436,165	117,835

**EDGEWATER BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Guidance					
Salaries of Other Professional Staff	\$ 150,000	\$ (23,000)	\$ 127,000	\$ 62,620	\$ 64,380
Supplies and Materials	1,500	-	1,500	-	1,500
Total Guidance	151,500	(23,000)	128,500	62,620	65,880
Child Study Team					
Salaries of Other Professional Staff	328,276	23,000	351,276	340,387	10,889
Salaries of Secretarial and Clerical Assistants	57,200	-	57,200	57,200	-
Other Purchased Professional and Technical Services	268,170	83,000	351,170	320,934	30,236
Other Purchased Services	1,750	-	1,750	-	1,750
Supplies and Materials	5,000	-	5,000	1,016	3,984
Other Objects	1,400	-	1,400	499	901
Total Child Study Team	661,796	106,000	767,796	720,036	47,760
Educational Media Services/School Library					
Salaries	150,000	-	150,000	120,148	29,852
Supplies and Materials	6,000	(600)	5,400	4,073	1,327
Total Educational Media Services/School Library	156,000	(600)	155,400	124,221	31,179
Instructional Staff Training Services					
Salaries of Supervisors of Instruction	120,960	-	120,960	120,456	504
Purchased Professional-Educational Services	20,000	3,200	23,200	21,023	2,177
Supplies and Materials	1,500	1,215	2,715	567	2,148
Other Objects	1,400	144	1,544	1,544	-
Total Instructional Staff Training Services	143,860	4,559	148,419	143,590	4,829
Support Services General Administration					
Salaries	299,281	(8,000)	291,281	270,711	20,570
Salaries of State Fiscal Monitors	147,000	(54,000)	93,000	-	93,000
Legal Services	40,000	(5,275)	34,725	25,101	9,624
Audit Fees	45,000	38,215	83,215	50,145	33,070
Purchased Technical Services	2,500	-	2,500	1,908	592
Communications/Telephone	55,000	-	55,000	45,048	9,952
BOE Other Purchased Services	1,000	-	1,000	-	1,000
General Supplies	3,000	4,526	7,526	5,312	2,214
Miscellaneous Expenditures	8,100	-	8,100	5,928	2,172
BOE Membership Dues and Fees	9,500	-	9,500	9,106	394
Total Support Services General Administration	610,381	(24,534)	585,847	413,259	172,588
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	298,225	-	298,225	298,224	1
Salaries of Secretarial and Clerical Assistants	114,400	13,900	128,300	122,052	6,248
Supplies and Materials	6,000	15,135	21,135	18,416	2,719
Other Objects	2,500	-	2,500	-	2,500
Total Support Services School Administration	421,125	29,035	450,160	438,692	11,468
Central Services					
Salaries	357,503	54,000	411,503	393,573	17,930
Purchased Professional Services	47,000	(2,600)	44,400	21,680	22,720
Miscellaneous Purchased Services	6,000	(710)	5,290	4,824	466
Supplies and Materials	7,000	370	7,370	7,329	41
Miscellaneous Expenditures	3,540	730	4,270	4,249	21
Total Central Services	421,043	51,790	472,833	431,655	41,178
Administration Information Technology					
Other Purchased Services	3,500	2,710	6,210	6,210	-
Supplies and Materials	500	-	500	-	500
Other Objects	1,500	(500)	1,000	428	572
Total Administration Information Technology	5,500	2,210	7,710	6,638	1,072
Required Maintenance for School Facilities					
Salaries	241,837	-	241,837	237,253	4,584
Unused Vacation Payment to Terminated/Retired Staff	57,545	-	57,545	10,664	46,881
Cleaning, Repair & Maintenance Services	251,911	(26,427)	225,484	187,503	37,981
General Supplies	75,000	17,317	92,317	65,762	26,555
Other Objects	1,000	35,000	36,000	35,510	490
Total Required Maintenance for School Facilities	627,293	25,890	653,183	536,692	116,491

**EDGEWATER BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Custodial Services					
Salaries	\$ 551,265	\$ (1)	\$ 551,264	\$ 447,820	\$ 103,444
Unused Vacation Payment to Terminated/Retired Staff	48,505	-	48,505		48,505
Purchased Professional-Technical Services	3,500	-	3,500		3,500
Cleaning, Repair and Maintenance Services	119,950	38,950	158,900	128,441	30,459
Other Purchased Property Services	54,000	-	54,000	31,290	22,710
Insurance	160,000	-	160,000	134,771	25,229
General Supplies	91,000	14,446	105,446	41,813	63,633
Energy (Natural Gas)	170,000	3,500	173,500	173,284	216
Energy (Electricity)	150,000	(3,500)	146,500	131,024	15,476
Other Objects	14,700	-	14,700	2,024	12,676
Total Custodial Services	1,362,920	53,395	1,416,315	1,090,467	325,848
Student Transportation Services					
Salaries of Non-Instructional Aides	90,000	-	90,000	89,795	205
Salaries for Pupil Transportation (Between Home and School) - Regular	200,043	-	200,043	186,685	13,358
Other Purchased Prof. and Technical Serv	18,000	14,250	32,250	32,223	27
Lease Purchase Payments - School Buses		-			-
Contracted Serv. - Aid in Lieu Pymts Non-Pub School	150,000	(6,250)	143,750	136,209	7,541
Contracted Serv (Bet Home an School) Joint Agreements	1,494,804	23,255	1,518,059	1,090,740	427,319
Contracted Serv (Sp Ed. Students) ESCs & CTSA's	1,234,500	-	1,234,500	861,748	372,752
Miscellaneous Purchased Services - Transportation	73,000	(7,500)	65,500	16,285	49,215
General Supplies	14,500	(14,500)			-
Transportation Supplies	-	14,500	14,500	11,619	2,881
Other Objects	1,500	(500)	1,000	911	89
Total Student Transportation Services	3,276,347	23,255	3,299,602	2,426,215	873,387
Unallocated Benefits					
Social Security Contributions	280,500	-	280,500	285,181	(4,681)
Other Retirement Contributions	231,000	-	231,000	205,716	25,284
Unemployment Compensation	75,400	-	75,400	289	75,111
Workmen's Compensation	150,000	-	150,000	144,503	5,497
Health Benefits	2,736,500	-	2,736,500	1,724,732	1,011,768
Tuition Reimbursement	21,500	-	21,500	10,155	11,345
Other Employee Benefits	100,000	-	100,000	65,417	34,583
Unused Sick Payment to Terminated/Retired Staff	69,545	-	69,545	3,816	65,729
Total Unallocated Benefits	3,664,445	-	3,664,445	2,439,809	1,224,636
On Behalf TPAF Contributions (Non Budgeted)					
Pension Benefit Contribution		-		1,868,600	(1,868,600)
Pension -NCGI Premium		-		21,310	(21,310)
Post Retirement Medical Benefit Contribution		-		514,364	(514,364)
Long Term Disability Insurance		-		920	(920)
Reimbursed Social Security Contribution	-	-	-	470,345	(470,345)
Total On-Behalf Contributions	-	-	-	2,875,539	(2,875,539)
Total Undistributed Expenditures	25,608,870	159,387	25,768,257	24,066,038	1,702,219
Interest on Maintenance Reserve	50	-	50	-	50
Interest on Current Expense Ememrgency Reserve	50	-	50	-	50
Total Expenditures - Current Expenditures	33,325,678	352,133	33,677,811	30,351,038	3,326,773
<b>CAPITAL OUTLAY</b>					
Facilities Acquisition and Construction Services					
Legal Services	15,000	-	15,000		15,000
Architectural/Engineering Services	298,400	89,764	388,164	123,800	264,364
Construction Services	3,657,714	(1,159,089)	2,498,625	905,000	1,593,625
Assessment for Debt Service on SDA Funding	27,043	-	27,043	27,043	-
Total Facilities Acquisition and Construction Services	3,998,157	(1,069,325)	2,928,832	1,055,843	1,872,989
Interest on Capital Reserve	50	-	50	-	50
Assets Acquired Under Capital Financing Agreements (Non-Budgeted):					
Undistributed Expenditures				-	
General Administration			-	10,334	(10,334)
School Administration	-	-	-	62,005	(62,005)
Central Services	-	-	-	10,334	(10,334)
Total Assets Acquired Under Capital Financing Agreements (Non-Budgeted)	-	-	-	82,673	(82,673)

**EDGEWATER BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Total Capital Outlay	\$ 3,998,207	\$ (1,069,325)	\$ 2,928,882	\$ 1,138,516	\$ 1,790,366
Transfer of Funds to Charter Schools	72,925	-	72,925	71,155	1,770
Total Expenditures	37,396,810	(717,192)	36,679,618	31,560,709	5,118,909
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,488,034)	717,192	(5,770,842)	4,303,295	10,074,137
Other Financing Sources/(Uses)					
Capital Financing Agreement Proceeds				82,673	82,673
Transfers In - Capital Projects Fund				22,300	22,300
Transfers Out - Capital Projects Fund	-	(1,958,893)	(1,958,893)	(1,958,893)	-
Total Other Financing Sources/(Uses)	-	(1,958,893)	(1,958,893)	(1,853,920)	104,973
Net Change in Fund Balances	(6,488,034)	(1,241,701)	(7,729,735)	2,449,375	\$ 10,179,110
Fund Balances Beginning of Year	21,142,103	-	21,142,103	21,142,103	-
Fund Balances, End of Year	\$ 14,654,069	\$ (1,241,701)	\$ 13,412,368	\$ 23,591,478	\$ 10,179,110
Recapitulation of Fund Balances					
Restricted					
Capital Reserve				\$ 15,890,217	
Maintenance Reserve				1,038,374	
Emergency Reserve				348,425	
Emergency Reserve - Designated in Subsequent Year's Expenditures				25,543	
Tuition Adjustment Reserve (2023/2024)				1,010,000	
Tuition Adjustment Reserve (2022/2023) - Designated for Subsequent Year's Expenditures				922,000	
Excess Surplus				1,580,865	
Excess Surplus - Designated for Subsequent Year's Expenditures				693,968	
Assigned					
Year End Encumbrances				428,208	
Designated for Subsequent Year's Expenditures				393,767	
Unassigned				1,260,111	
Fund Balance Per State Budgetary Basis of Accounting				23,591,478	
Reconciliation to Governmental Funds Statements (GAAP)					
Less State Aid Revenue Not Recognized on GAAP Basis				(758,769)	
Fund Balance Per Governmental Funds (GAAP)				\$ 22,832,709	

**EDGEWATER BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 11,918	\$ 105,059	\$ 116,977	\$ 84,892	\$ (32,085)
Federal	1,398,179	801,723	2,199,902	1,911,445	(288,457)
Local Sources					
Miscellaneous	50	79,040	79,090	59,522	(19,568)
Total Revenues	<u>1,410,147</u>	<u>985,822</u>	<u>2,395,969</u>	<u>2,055,859</u>	<u>(340,110)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries	83,354	55,550	138,904	118,514	20,390
Purchased Professional & Technical Services	-	4,800	4,800	4,800	-
Tuition	135,883	37,766	173,649	173,649	-
Other Purchased Services	4,743	64,539	69,282	65,748	3,534
General Supplies	22,420	189,305	211,725	109,604	102,121
Textbooks	1,122	-	1,122	261	861
Co-Curricular/Extra-Curricular Activities	50	45,388	45,438	45,438	-
Total Instruction	<u>247,572</u>	<u>397,348</u>	<u>644,920</u>	<u>518,014</u>	<u>126,906</u>
Support Services					
Salaries		117,150	117,150	71,307	45,843
Purchased Professional & Technical Services	7,400	124,464	131,864	115,079	16,785
Purchased Professional & Educational Service	16,711	20,206	36,917	34,917	2,000
Other Purchased Services		3,163	3,163	3,163	-
Supplies and Materials	1,367	137,092	138,459	64,243	74,216
Other Objects	2,004	588	2,592	554	2,038
Total Support Services	<u>27,482</u>	<u>402,663</u>	<u>430,145</u>	<u>289,263</u>	<u>140,882</u>
Unallocated Employee Benefits	<u>42,732</u>	<u>88,103</u>	<u>130,835</u>	<u>88,212</u>	<u>42,623</u>
Capital Outlay					
Non-Instructional Equipment		15,577	15,577	15,577	-
Construction Services	<u>1,092,361</u>	<u>82,131</u>	<u>1,174,492</u>	<u>1,159,361</u>	<u>15,131</u>
Total Capital Outlay	<u>1,092,361</u>	<u>97,708</u>	<u>1,190,069</u>	<u>1,174,938</u>	<u>15,131</u>
Total Expenditures	<u>1,410,147</u>	<u>985,822</u>	<u>2,395,969</u>	<u>2,070,427</u>	<u>325,542</u>
Excess of Revenues Over Expenditures	-	-	-	(14,568)	(14,568)
Fund Balance, Beginning of Year	<u>59,091</u>	<u>-</u>	<u>59,091</u>	<u>59,091</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 59,091</u>	<u>\$ -</u>	<u>\$ 59,091</u>	<u>\$ 44,523</u>	<u>\$ (14,568)</u>
<b>Recapitulation of Fund Balance:</b>					
Restricted					
Student Activities				<u>\$ 44,523</u>	

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



**EDGEWATER BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULES  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 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><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 35,864,004	\$ 2,055,859
Difference - Budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2023-2024)	(758,769)	
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2022-2023)	689,190	
State Aid Advance Loan recognized for budgetary purposes, not recognized as revenues for GAAP Statements		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2024		(31,170)
Encumbrances, June 30, 2023, net of cancellations	<u>-</u>	<u>30,149</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 35,794,425</u>	<u>\$ 2,054,838</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 31,560,709	\$ 2,070,427
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2024		(31,170)
Encumbrances, June 30, 2023	<u>-</u>	<u>30,149</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 31,560,709</u>	<u>\$ 2,069,406</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**PENSION INFORMATION**

**AND**

**OTHER POST-EMPLOYMENT BENEFITS INFORMATION**

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

**Public Employees Retirement System**

**Last Ten Fiscal Years\***

	<u>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)	.01316	.01185%	.01116%	.01288%	.01170%	.01058%	.00975%	.01197%	.01232%	.01454%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,906,469	\$ 1,787,644	\$ 1,321,487	\$ 2,099,755	\$ 2,107,504	\$ 2,082,797	\$ 2,268,505	\$ 3,543,778	\$ 2,766,090	\$ 2,722,384
District's Covered-Employee Payroll	\$ 1,061,173	\$ 882,008	\$ 750,798	\$ 861,326	\$ 890,087	\$ 820,083	\$ 746,127	\$ 737,906	\$ 1,004,832	\$ 907,290
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	179.66%	202.68%	176.01%	243.78%	236.78%	253.97%	304.04%	480.25%	275.28%	300.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

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

**EDGEWATER BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS**

**Public Employees Retirement System**

**Last Ten Fiscal Years**

	<u>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	\$ 175,917	\$ 149,377	\$ 130,639	\$ 140,858	\$ 113,771	\$ 105,219	\$ 90,282	\$ 106,298	\$ 105,938	\$ 119,870
Contributions in Relation to the Contractually Required Contribution	<u>175,917</u>	<u>149,377</u>	<u>130,639</u>	<u>140,858</u>	<u>113,771</u>	<u>105,219</u>	<u>90,282</u>	<u>106,298</u>	<u>105,938</u>	<u>119,870</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 1,256,797	\$ 1,061,173	\$ 882,008	\$ 750,798	\$ 861,326	\$ 890,087	\$ 820,083	\$ 746,127	\$ 737,906	\$ 1,004,832
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.08%	14.81%	18.76%	13.21%	11.82%	11.01%	14.25%	14.36%	11.93%

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

**Teachers Pension and Annuity Fund**

**Last Ten Fiscal Years\***

	<u>2023</u>	<u>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>\$ 17,969,787</u>	<u>\$ 24,183,728</u>	<u>\$ 25,207,514</u>	<u>\$ 34,154,280</u>	<u>\$ 29,977,352</u>	<u>\$ 30,963,346</u>	<u>\$ 30,679,796</u>	<u>Not Available</u>	<u>\$ 23,946,788</u>	<u>\$ 18,635,646</u>
Total	<u>\$ 17,969,787</u>	<u>\$ 24,183,728</u>	<u>\$ 25,207,514</u>	<u>\$ 34,154,280</u>	<u>\$ 29,977,352</u>	<u>\$ 30,963,346</u>	<u>\$ 30,679,796</u>	<u>\$ -</u>	<u>\$ 23,946,788</u>	<u>\$ 18,635,646</u>
Covered Payroll	\$ 5,576,433	\$ 4,825,964	\$ 3,671,919	\$ 5,749,218	\$ 5,669,662	\$ 5,459,922	\$ 5,085,378	\$ 5,058,574	\$ 5,129,256	\$ 4,979,860
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%	25.41%	22.33%	28.71%	33.64%

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

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

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

**Postemployment Health Benefit Plan**

**Last Seven Fiscal Years\***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>							
Service Cost	\$ 806,569	\$ 1,490,816	\$ 1,799,706	\$ 978,114	\$ 897,167	\$ 982,776	\$ 1,190,596
Interest on Total OPEB Liability	612,966	415,854	555,315	540,881	622,784	660,837	566,356
Changes in Benefit Terms			(22,785)				
Differences Between Expected and Actual Experience	720,078	(3,013,307)	(5,122,955)	4,320,926	(2,032,079)	(1,738,670)	-
Changes of Assumptions	35,080	(4,209,504)	21,119	4,493,505	218,902	(1,768,606)	(2,566,421)
Gross Benefit Payments	(477,817)	(411,915)	(437,432)	(428,259)	(450,677)	(412,112)	(409,357)
Member Contributions	<u>15,708</u>	<u>13,214</u>	<u>14,197</u>	<u>12,981</u>	<u>13,359</u>	<u>14,243</u>	<u>15,074</u>
<b>Net Change in Total OPEB Liability</b>	1,712,584	(5,714,842)	(3,192,835)	9,918,148	(730,544)	(2,261,532)	(1,203,752)
<b>Total OPEB Liability - Beginning</b>	<u>15,691,941</u>	<u>21,406,783</u>	<u>\$ 24,599,618</u>	<u>\$ 14,681,470</u>	<u>\$ 15,412,014</u>	<u>\$ 17,673,546</u>	<u>18,877,298</u>
<b>Total OPEB Liability - Ending</b>	<u>17,404,525</u>	<u>15,691,941</u>	<u>\$ 21,406,783</u>	<u>\$ 24,599,618</u>	<u>\$ 14,681,470</u>	<u>\$ 15,412,014</u>	<u>\$ 17,673,546</u>
 District's Proportionate Share of OPEB Liability	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -
State's Proportionate Share of OPEB Liability	<u>17,404,525</u>	<u>15,691,941</u>	<u>24,599,618</u>	<u>24,599,618</u>	<u>14,681,470</u>	<u>15,412,014</u>	<u>17,673,546</u>
Total OPEB Liability - Ending	<u>17,404,525</u>	<u>15,691,941</u>	<u>\$ 24,599,618</u>	<u>\$ 24,599,618</u>	<u>\$ 14,681,470</u>	<u>\$ 15,412,014</u>	<u>\$ 17,673,546</u>
 Covered Payroll	 \$ 6,637,606	 \$ 6,458,441	 \$ 5,576,762	 \$ 4,533,245	 \$ 6,639,305	 \$ 6,489,745	 \$ 6,206,049
 District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll,	  0.00%	  0.00%	  0.00%	  0.00%	  0.00%	  0.00%	  0.00%

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

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

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

**EDGEWATER BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

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



**SCHOOL LEVELS SCHEDULES**

**GENERAL FUND**

NOT APPLICABLE

**SPECIAL REVENUE FUND**

**EDGEWATER BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>ESEA Title I</u>	<u>ESEA Title IIA</u>	<u>ESEA Title III</u>	<u>ESEA Title III - Immigrant</u>	<u>ESEA Title IV</u>	<u>High Impact Tutoring</u>	<u>(Exhibit) E-1a)</u>	<u>(Exhibit) E-1b)</u>	<u>Total 2024</u>
<b>REVENUES</b>									
Intergovernmental									
State								\$ 84,892	\$ 84,892
Federal	\$ 98,290	\$ 33,179	\$ 14,813	\$ 6,856	\$ 5,188	\$ 45,948	\$ 1,707,171	-	1,911,445
Other Sources	-	-	-	-	-	-	28,652	30,870	59,522
Total Revenues	<u>\$ 98,290</u>	<u>\$ 33,179</u>	<u>\$ 14,813</u>	<u>\$ 6,856</u>	<u>\$ 5,188</u>	<u>\$ 45,948</u>	<u>\$ 1,735,823</u>	<u>\$ 115,762</u>	<u>\$ 2,055,859</u>
<b>EXPENDITURES</b>									
Instruction									
Salaries of Teachers	\$ 23,725			\$ 4,310		\$ 12,179	\$ 78,300		\$ 118,514
Purchased Professional and Technical Services							4,800		4,800
Tuition							173,649		173,649
Other Purchased Services							64,539	\$ 1,209	65,748
General Supplies	11,101		\$ 11,062	-		8,349	77,840	1,252	109,604
Textbooks							-	261	261
Co-Curricular/Extra-Curricular Activities	-	-	-	-	-	-	-	45,438	45,438
Total Instruction	<u>34,826</u>	<u>-</u>	<u>11,062</u>	<u>4,310</u>	<u>-</u>	<u>20,528</u>	<u>399,128</u>	<u>48,160</u>	<u>518,014</u>
Support Services									
Salaries	\$ 3,500		1,000		\$ 2,850	1,500	62,457		71,307
Personnel Services - Employee Benefits	2,219		76	398	218	1,147	84,154	-	88,212
Purchased Professional/Technical Services	37,550				-	22,773	54,756	-	115,079
Purchased Professional and Educational Svc		\$ 32,917			2,000		-		34,917
Other Purchased Services				932			2,231		3,163
Supplies and Materials	20,195	262	2,675	1,216	120		39,775	-	64,243
Other Objects	-	-	-	-	-	-	-	554	554
Total Support Services	<u>63,464</u>	<u>33,179</u>	<u>3,751</u>	<u>2,546</u>	<u>5,188</u>	<u>25,420</u>	<u>243,373</u>	<u>554</u>	<u>377,475</u>
Capital Outlay									
Non - Instructional Equipment	-	-	-	-	-	-	961	14,616	15,577
Construction Services	-	-	-	-	-	-	1,092,361	67,000	1,159,361
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,093,322</u>	<u>81,616</u>	<u>1,174,938</u>
Total Expenditures	<u>\$ 98,290</u>	<u>\$ 33,179</u>	<u>\$ 14,813</u>	<u>\$ 6,856</u>	<u>\$ 5,188</u>	<u>\$ 45,948</u>	<u>\$ 1,735,823</u>	<u>\$ 130,330</u>	<u>\$ 2,070,427</u>
Excess (Deficiency) of Revenues and Other									
Net Change in Fund Balances	-	-	-	-	-	-	-	(14,568)	(14,568)
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	59,091	59,091
Fund Balance, End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,523</u>	<u>44,523</u>

EDGEWATER BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	IDEA <u>Basic</u>	IDEA <u>Preschool</u>	ARP <u>ESSER III</u>	ARP <u>Accelerated Learning</u>	ARP <u>Evidence Based Comp. Beyond the School Day</u>	ARP <u>Evidence Based Summer Learning</u>	NJTSS <u>Mental Health Support Staffing</u>	Local <u>Grants</u>	Total Exhibit <u>E-1</u>
<b>REVENUES</b>									
Intergovernmental									
State									\$ -
Federal	\$ 175,711	\$ 7,877	\$ 1,402,863	\$ 59,455	24,238	\$ 10,130	\$ 26,897		1,707,171
Other Sources	-	-	-	-	-	-	-	\$ 28,652	28,652
Total Revenues	<u>\$ 175,711</u>	<u>\$ 7,877</u>	<u>\$ 1,402,863</u>	<u>\$ 59,455</u>	<u>\$ 24,238</u>	<u>\$ 10,130</u>	<u>\$ 26,897</u>	<u>\$ 28,652</u>	<u>\$ 1,735,823</u>
<b>EXPENDITURES</b>									
Instruction									
Salaries of Teachers			\$ 70,000		\$ 8,300				\$ 78,300
Purchased Professional and Technical Services				-	4,800				4,800
Tuition	\$ 173,649								173,649
Other Purchased Services			61,339			\$ 3,200			64,539
General Supplies	2,062	-	39,184		8,320	5,224		\$ 23,050	77,840
Textbooks									-
Co-Curricular/Extra-Curricular Activities	-	-	-	-	-	-	-	-	-
Total Instruction	<u>175,711</u>	<u>-</u>	<u>170,523</u>	<u>-</u>	<u>21,420</u>	<u>8,424</u>	<u>-</u>	<u>23,050</u>	<u>399,128</u>
Support Services									
Salaries			47,000	\$ 13,457	2,000				62,457
Personnel Services - Employee Benefits			74,880	6,750	818	1,706			84,154
Purchased Professional / Technical Services		\$ 7,877		35,650			\$ 11,229		54,756
Purchased Professional and Educational Services									-
Other Purchased Services								\$ 2,231	2,231
Supplies and Materials			18,099	3,598			15,668	2,410	39,775
Other Objects	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>7,877</u>	<u>139,979</u>	<u>59,455</u>	<u>2,818</u>	<u>1,706</u>	<u>26,897</u>	<u>4,641</u>	<u>243,373</u>
Capital Outlay									
Non - Instructional Equipment	-	-	-	-	-	-	-	961	961
Construction Services	-	-	1,092,361	-	-	-	-	\$ -	1,092,361
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>1,092,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>961</u>	<u>1,093,322</u>
Total Expenditures	<u>\$ 175,711</u>	<u>\$ 7,877</u>	<u>\$ 1,402,863</u>	<u>\$ 59,455</u>	<u>\$ 24,238</u>	<u>\$ 10,130</u>	<u>\$ 26,897</u>	<u>\$ 28,652</u>	<u>\$ 1,735,823</u>
Net Change in Fund Balances	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

EDGEWATER BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	SDA Emergent Needs	Nonpublic Nursing	Nonpublic Textbook	Nonpublic Technology	Nonpublic Security	Nonpublic Corrective Speech	Local Recreation Improvement	Student Activities	Total Exhibit E-1
<b>REVENUES</b>									
Intergovernmental									
State	\$ 14,616	\$ 554	\$ 261	\$ 245	\$ 1,007	\$ 1,209	\$ 67,000		\$ 84,892
Federal									-
Other Sources	-	-	-	-	-	-	-	\$ 30,870	30,870
Total Revenues	<u>\$ 14,616</u>	<u>\$ 554</u>	<u>\$ 261</u>	<u>\$ 245</u>	<u>\$ 1,007</u>	<u>\$ 1,209</u>	<u>\$ 67,000</u>	<u>\$ 30,870</u>	<u>\$ 115,762</u>
<b>EXPENDITURES</b>									
Instruction									
Salaries of Teachers									
Purchased Professional and Technical Services									
Tuition									
Other Purchased Services						\$ 1,209			\$ 1,209
General Supplies				\$ 245	\$ 1,007				1,252
Textbooks			\$ 261						261
Co-Curricular/Extra-Curricular Activities	-	-	-	-	-	-	-	\$ 45,438	45,438
Total Instruction	<u>-</u>	<u>-</u>	<u>261</u>	<u>245</u>	<u>1,007</u>	<u>1,209</u>	<u>-</u>	<u>45,438</u>	<u>48,160</u>
Support Services									
Salaries									-
Personnel Services - Employee Benefits									-
Purchased Professional / Technical Services							-		-
Purchased Professional and Educational Services									-
Other Purchased Services									-
Supplies and Materials									-
Other Objects	-	\$ 554	\$ -	-	-	-	-	-	554
	<u>-</u>	<u>554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>554</u>
Capital Outlay									
Instructional Equipment									-
Non-Instructional Equipment	\$ 14,616								14,616
Construction Services	-	-	-	-	-	-	\$ 67,000	-	67,000
Total Capital Outlay	<u>14,616</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,000</u>	<u>-</u>	<u>81,616</u>
Total Expenditures	<u>\$ 14,616</u>	<u>\$ 554</u>	<u>\$ 261</u>	<u>\$ 245</u>	<u>\$ 1,007</u>	<u>1,209</u>	<u>67,000</u>	<u>\$ 45,438</u>	<u>\$ 130,330</u>
Net Change in Fund Balances	-	-	-	-	-	-	-	(14,568)	(14,568)
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	59,091	59,091
Fund Balance, End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,523</u>	<u>\$ 44,523</u>

**CAPITAL PROJECTS FUND**

**EDGEWATER BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Transfer to</u>		<u>Balance June 30, 2024</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	
Construction of New George Washington School	\$ 28,728,000	\$ 28,675,436			\$ 52,564	
Emergency Generator at Eleanor Van Gelder School	428,727	415,379		\$ 13,348	-	
Acquisition of Equipment (Capital Financing Agreement)	4,249			4,249	-	
HVAC System Upgrade - Eleanor Van Gelder School	<u>3,728,123</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ 3,728,123</u>
	<u>\$ 32,889,099</u>	<u>\$ 29,090,815</u>	<u>\$ -</u>	<u>\$ 17,597</u>	<u>\$ 52,564</u>	<u>\$ 3,728,123</u>
<b><u>Recapitulation to GAAP</u></b>						
Project Balance, June 30, 2024						\$ 3,728,123
Less: Unearned Grant Revenue						<u>(1,769,230)</u>
Fund Balance, June 30, 2024 - GAAP Basis						<u>\$ 1,958,893</u>
<b><u>Recapitulation of Fund Balance</u></b>						
Restricted for Capital Projects						
Year-End Encumbrances						\$ 3,739,019
Available for Capital Projects						<u>(1,780,126)</u>
Total Fund Balance, GAAP Basis						<u>\$ 1,958,893</u>

**EDGEWATER BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Revenues and Other Financing Sources**

Revenues:	
State Sources - SDA ROD Grant	\$ 1,769,230
Interest on Investments	4,703
Other Financing Sources:	
Transfer from Capital Reserve	<u>1,958,893</u>
Total Revenues and Other Financing sources	<u>3,732,826</u>

**Expenditures and Other Financing Uses**

Expenditures	
Construction Services	-
Other Financing Uses:	
Transfer to General Fund	22,300
Transfer to Debt Service Fund	<u>52,564</u>
Total Expenditures and Other Financing Uses	<u>74,864</u>

Excess of Revenues and Other Financing Sources	
Over Expenditures and Other Financing Uses	3,657,962
Fund Balance, Beginning of Year	<u>70,161</u>
Fund Balance, End of Year	<u>\$ 3,728,123</u>

**Reconciliation to GAAP**

Fund Balance, June 30, 2024 - Budgetary Basis	\$ 3,728,123
Less: Difference in Grants Revenue Recognized	<u>(1,769,230)</u>
Fund Balance, June 30, 2024 - GAAP Basis	<u>\$ 1,958,893</u>



**EDGEWATER BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
BUDGETARY BASIS  
CONSTRUCTION OF A NEW ELEMENTARY SCHOOL AND INSTALLATION OF  
SOLAR PANELS AT THE ELEANOR VAN GELDER SCHOOL  
FROM INCEPTION THROUGH JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds and Transfers	\$ 28,728,000	-	\$ 28,728,000	\$ 28,728,000
Total Revenues and Other Financing Sources	28,728,000	-	28,728,000	28,728,000
<b>Expenditures and Other Financing Uses</b>				
Salaries	88,260		88,260	90,000
Architectural / Engineering Services	2,091,905		2,091,905	2,100,000
Legal Services	59,265		59,265	60,000
Purchased Professional and Technical Services	297,368		297,368	300,000
Construction Services	23,714,253		23,714,253	23,750,000
Other Purchased Services	2,424,385	-	2,424,385	2,428,000
Transfer to Debt Service Fund	-	\$ 52,564	52,564	-
Total Expenditures	28,675,436	52,564	28,728,000	28,728,000
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 52,564	\$ (52,564)	\$ -	\$ -

**Additional project information:**

Project Number - New School	1270-N01-09-1000
Project Number - Solar	1270-050-09-1000
Grant Date	N/A
Bond Authorization Date	December 8, 2009
Bonds Authorized	\$ 28,728,400
Bonds Issued	\$ 28,728,000
Original Authorized Cost	\$ 28,725,400
Decrease in Authorized Costs	\$ (400)
Revised Authorized Cost	\$ 28,725,000

## Percentage Increase(Decrease) Over Original

Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	Completed
Revised Target Completion Date	Completed

EDGEWATER BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
BUDGETARY BASIS  
INSTALLATION OF GENERATOR AT THE ELEANOR VAN GELDER SCHOOL  
FROM INCEPTION THROUGH JUNE 30, 2024

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

**Additional project information:**

Project Number	1270-050-14-1008-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 441,500
Decrease in Authorized Costs	\$ (12,773)
Revised Authorized Cost	\$ 428,727

## Percentage Increase(Decrease) Over Original

Authorized Cost	-2.89%
Percentage Completion	100.00%
Original Target Completion Date	6/30/2016
Revised Target Completion Date	6/30/2019

EDGEWATER BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
BUDGETARY BASIS  
HVAC SYSTEM UPGRADE AT ELEANOR VAN GELDER SCHOOL  
FROM INCEPTION THROUGH JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA ROD Grant	\$ -	\$ 1,769,230	\$ 1,769,230	\$ 1,769,230
Transfer from Capital Reserve	-	1,958,893	1,958,893	1,958,893
Total Revenues and Other Financing Sources	-	3,728,123	3,728,123	3,728,123
<b>Expenditures</b>				
Construction Services	-	-	-	3,728,123
Total Expenditures	-	-	-	3,728,123
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ 3,728,123	\$ 3,728,123	\$ -

**Additional project information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 3,728,123
Original Authorized Cost - Capital Projects Portion	\$ 3,728,123
Percentage Increase(Decrease) Over Original	
Authorized Cost	N/A
Percentage Completion	0.00%
Original Target Completion Date	12/31/2024
Revised Target Completion Date	12/31/2024

## **PROPRIETARY FUNDS**

**EDGEWATER BOARD OF EDUCATION  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**NOT APPLICABLE**

## **LONG-TERM DEBT**

**EDGEWATER BOARD OF EDUCATION  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2024</u>
Refunding Schools Bonds	8/10/2017	\$ 26,565,000	3/1/2025	\$ 1,070,000	4.000	%			
			3/1/2026	1,120,000	4.000				
			3/1/2027	1,170,000	4.000				
			3/1/2028	1,220,000	4.000				
			3/1/2029	1,265,000	4.000				
			3/1/2030	1,325,000	4.000				
			3/1/2031	1,380,000	3.000				
			3/1/2032	1,425,000	4.000				
			3/1/2033	1,480,000	3.000				
			3/1/2034	1,530,000	4.000				
			3/1/2035	1,590,000	3.125				
			3/1/2036	1,640,000	4.000				
			3/1/2037	1,705,000	4.000				
			3/1/2038	1,775,000	4.000				
			3/1/2039	1,840,000	4.000				
			3/1/2040	1,910,000	4.000				
						\$ 24,465,000	-	1,020,000	23,445,000
						\$ 24,465,000	\$ -	\$ 1,020,000	\$ 23,445,000
							Paid by Budget	\$ 1,020,000	



**EDGEWATER BOARD OF EDUCATION  
SCHEDULE OF CAPITAL FINANCING AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Capital Financing Agreements</u>	Amount of Original Issue	Interest Rate	Balance, July 1, 2023	Issued	Retired	Transferred	Balance, June 30, 2024
2021 Acquisition of Copiers	95,118	4.95%	\$ 48,937	-	\$ 3,189	\$ (45,748)	-
2024 Acquisition of Copiers	128,421	4.60%	-	\$ 82,673	19,410	45,748	\$ 109,011
Total			<u>\$ 48,937</u>	<u>\$ 82,673</u>	<u>\$ 22,599</u>	<u>\$ -</u>	<u>\$ 109,011</u>
			Paid by Budget Appropriation		<u>\$ 22,599</u>		

**EDGEWATER BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 1,876,734		\$ 1,876,734	\$ 1,876,734	
State Sources					
Debt Service State Aid	<u>79,354</u>	<u>-</u>	<u>79,354</u>	<u>79,354</u>	<u>-</u>
Total Revenues	<u>1,956,088</u>	<u>-</u>	<u>1,956,088</u>	<u>1,956,088</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	1,020,000		1,020,000	1,020,000	-
Interest	<u>936,088</u>	<u>-</u>	<u>936,088</u>	<u>936,088</u>	<u>-</u>
Total Expenditures	<u>1,956,088</u>	<u>-</u>	<u>1,956,088</u>	<u>1,956,088</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>					
Transfer from Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,564</u>	<u>\$ 52,564</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,564</u>	<u>52,564</u>
Net Change in Fund Balances				52,564	52,564
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,564</u>	<u>\$ 52,564</u>
<b>Recapitulation of Fund Balance</b>					
Restricted for Debt Service:					
Available for Expenditures				<u>\$ 52,564</u>	

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

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

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

J-14 and J-15

#### **Operating Information**

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

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental activities</b>										
Net Investment in Capital Assets	\$ 776,791	\$ 17,074			\$ (1,033,289)	\$ (1,129,607)	\$ (1,099,004)	\$ (952,002)	\$ 490,947	\$ 2,645,723
Restricted	1,853,943	1,486,751	\$ 1,390,349	\$ 1,264,330	1,191,351	1,356,746	5,183,408	9,271,877	15,033,309	20,916,571
Unrestricted	(2,030,229)	(2,753,138)	(3,457,669)	(5,413,046)	(3,124,934)	(4,280,268)	286,313	2,760,340	3,045,272	1,588,617
<b>Total governmental activities net position</b>	<u>\$ 600,505</u>	<u>\$ (1,249,313)</u>	<u>\$ (2,067,320)</u>	<u>\$ (4,148,716)</u>	<u>\$ (2,966,872)</u>	<u>\$ (4,053,129)</u>	<u>\$ 4,370,717</u>	<u>\$ 11,080,215</u>	<u>\$ 18,569,528</u>	<u>\$ 25,150,911</u>
<b>Business-type activities</b>										
Net Investment in Capital Assets	\$ 1,399	\$ 1,183	\$ 967	\$ 751	\$ 69,931	\$ 61,306	\$ 52,679	\$ 67,267	\$ 84,337	\$ 120,662
Unrestricted	577,270	544,044	397,358	98,909	(11,496)	103,985	103,868	145,325	144,168	(3,264)
<b>Total business-type activities net position</b>	<u>\$ 578,669</u>	<u>\$ 545,227</u>	<u>\$ 398,325</u>	<u>\$ 99,660</u>	<u>\$ 58,435</u>	<u>\$ 165,291</u>	<u>\$ 156,547</u>	<u>\$ 212,592</u>	<u>\$ 228,505</u>	<u>\$ 117,398</u>
<b>District-wide</b>										
Net Investment in Capital Assets	\$ 778,190	\$ 18,257	\$ 967	\$ 751	\$ (963,358)	\$ (1,068,301)	\$ (1,046,325)	\$ (884,735)	\$ 575,284	\$ 2,766,385
Restricted	1,853,943	1,486,751	1,390,349	1,264,330	1,191,351	1,356,746	5,183,408	9,271,877	15,033,309	20,916,571
Unrestricted	(1,452,959)	(2,209,094)	(3,060,311)	(5,314,137)	(3,136,430)	(4,176,283)	390,181	2,905,665	3,189,440	1,585,353
<b>Total district net position</b>	<u>\$ 1,179,174</u>	<u>\$ (704,086)</u>	<u>\$ (1,668,995)</u>	<u>\$ (4,049,056)</u>	<u>\$ (2,908,437)</u>	<u>\$ (3,887,838)</u>	<u>\$ 4,527,264</u>	<u>\$ 11,292,807</u>	<u>\$ 18,798,033</u>	<u>\$ 25,268,309</u>

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental Activities										
Instruction										
Regular	\$ 4,723,302	\$ 4,871,840	\$ 6,527,759	\$ 7,937,022	\$ 13,091,508	\$ 13,522,613	\$ 15,677,966	\$ 13,456,338	\$ 12,481,156	\$ 14,807,847
Special Education	1,103,161	1,613,187	1,265,663	1,848,632	4,506,182	6,085,907	4,744,979	5,896,663	6,143,943	5,874,985
Other Instruction	498,542	348,981	310,137	512,939	495,992	600,927	322,554	473,631	439,608	395,312
School Sponsored Activities and Athletics	22,176	29,214	27,552	26,806	21,317	39,804	12,656	35,316	57,698	93,765
Support Services:										
Tuition	6,956,574	7,721,550	8,628,019	8,169,206	-	-	-	-	-	-
Student & Instruction Related Services	1,498,292	1,665,152	2,348,533	2,354,975	2,393,553	2,552,812	1,859,551	2,831,454	2,988,767	3,319,817
General Administrative Services	448,325	607,331	521,285	636,341	737,194	887,928	840,128	747,404	831,699	618,936
School Administrative Services	561,341	497,295	507,355	659,510	628,189	672,686	616,229	644,972	627,066	686,663
Central Administrative Services	378,193	363,084	406,665	590,283	555,650	585,120	589,405	600,184	609,920	670,662
Administrative Information Technology	12,698	6,050	-	-	-	-	-	-	-	-
Plant Operations and Maintenance	1,367,696	1,253,568	1,585,199	1,618,067	1,801,560	1,581,195	1,459,225	1,695,600	1,654,557	1,851,736
Pupil Transportation	1,448,681	1,506,819	1,692,283	1,934,947	1,829,109	1,585,252	1,180,730	2,098,704	2,386,941	2,564,330
Special Schools	5,333	-	-	-	-	-	-	-	-	-
Transfer of Funds to Charter Schools	-	-	-	-	-	-	-	-	-	-
State Assessment on EDA Grants	25,912	27,043	-	-	-	-	-	-	-	-
Interest on Long Term Debt	1,439,937	1,240,054	1,220,154	2,976,417	1,006,504	1,092,038	1,055,050	1,018,479	979,285	949,431
Unallocated Depreciation	5,257,189	1,032,360	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	<u>25,747,352</u>	<u>22,783,528</u>	<u>25,040,604</u>	<u>29,265,145</u>	<u>27,066,758</u>	<u>29,206,282</u>	<u>28,358,473</u>	<u>29,498,745</u>	<u>29,200,640</u>	<u>31,833,484</u>
Business-Type Activities:										
Food Service	280,095	276,209	568,781	380,658	364,472	199,778	129,527	328,018	331,157	414,826
Preschool Program	352,633	435,235	309,392	737,487	545,602	376,063	-	117,126	211,492	270,108
Total Business-Type Activities Expense	<u>632,728</u>	<u>711,444</u>	<u>878,173</u>	<u>1,118,145</u>	<u>910,074</u>	<u>575,841</u>	<u>129,527</u>	<u>445,144</u>	<u>542,649</u>	<u>684,934</u>
Total District Expenses	<u>\$ 26,380,080</u>	<u>\$ 23,494,972</u>	<u>\$ 25,918,777</u>	<u>\$ 30,383,290</u>	<u>\$ 27,976,832</u>	<u>\$ 29,782,123</u>	<u>\$ 28,488,000</u>	<u>\$ 29,943,889</u>	<u>\$ 29,743,289</u>	<u>\$ 32,518,418</u>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services	-	-	-	-	-	-	8,721	38,561	102,629	86,898
Operating Grants and Contributions	1,101,691	881,472	1,049,682	763,994	554,863	4,852,445	7,069,631	5,836,733	5,164,210	5,048,768
Capital Grants and Contributions	-	264,517	29,336	-	-	-	20,930	95,609	363,894	1,174,435
Total Governmental Activities Program Revenues	<u>1,101,691</u>	<u>1,145,989</u>	<u>1,079,018</u>	<u>763,994</u>	<u>554,863</u>	<u>4,852,445</u>	<u>7,099,282</u>	<u>5,970,903</u>	<u>5,630,733</u>	<u>6,310,101</u>

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Business-Type Activities:</b>										
Charges for Services										
Food Service	\$ 202,868	\$ 202,651	\$ 433,800	\$ 227,309	\$ 231,249	\$ 157,751	\$ 6,226	\$ 9,348	\$ 193,634	\$ 174,282
Preschool Program	493,177	361,600	202,969	489,950	547,625	448,303	-	89,100	169,667	228,000
Operating Grants and Contributions	123,045	112,773	94,502	95,788	98,105	72,083	113,355	402,530	190,170	152,887
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	819,090	677,024	731,271	813,047	876,979	678,137	119,581	500,978	553,471	555,169
Total District Program Revenues	\$ 1,920,781	\$ 1,823,013	\$ 1,810,289	\$ 1,577,041	\$ 1,431,842	\$ 5,530,582	\$ 7,218,863	\$ 6,471,881	\$ 6,184,204	\$ 6,865,270
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (24,645,661)	\$ (21,637,539)	\$ (23,961,586)	\$ (28,501,151)	\$ (26,511,895)	\$ (24,353,837)	\$ (21,259,191)	\$ (23,527,842)	\$ (23,569,907)	\$ (25,523,383)
Business-Type Activities	186,362	(34,420)	(146,902)	(305,098)	(33,095)	102,296	(9,946)	55,834	10,822	(129,765)
Total District-Wide Net Expense	\$ (24,459,299)	\$ (21,671,959)	\$ (24,108,488)	\$ (28,806,249)	\$ (26,544,990)	\$ (24,251,541)	\$ (21,269,137)	\$ (23,472,008)	\$ (23,559,085)	\$ (25,653,148)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 16,582,328	\$ 18,153,303	\$ 18,695,192	\$ 19,069,096	\$ 19,775,600	\$ 21,261,797	\$ 27,650,050	\$ 28,203,051	\$ 28,767,112	\$ 28,767,112
Property Taxes Levied for Debt Service	1,878,556	1,878,700	1,888,284	1,888,578	1,850,425	1,785,944	1,856,803	1,851,317	1,849,364	1,876,734
Unrestricted Federal and State Aid	1,156,921	1,118,630	2,513,303	5,348,605	4,711,682	24,566	28,117	29,245	30,665	41,379
Interest and Miscellaneous Income	134,915	359,665	46,800	113,476	245,833	155,458	149,067	153,727	412,079	1,419,541
Unrecorded Prior Year Expenditures	-	-	-	-	-	-	-	-	-	-
Cancellation of Grants Receivable	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	(2,885)	(1,000)	-	-	-
Total Governmental Activities	19,752,720	21,510,298	23,143,579	26,419,755	26,583,540	23,224,880	29,683,037	30,237,340	31,059,220	32,104,766
Business-Type Activities:										
Investment Earnings	587	979	-	6,433	3,349	1,675	202	211	5,091	18,658
Transfers	-	-	-	-	-	2,885	1,000	-	-	-
Total Business-Type Activities	587	979	-	6,433	3,349	4,560	1,202	211	5,091	18,658
Total District-Wide General Revenues and Other Changes in Net Position	\$ 19,753,307	\$ 21,511,277	\$ 23,143,579	\$ 26,426,188	\$ 26,586,889	\$ 23,229,440	\$ 29,684,239	\$ 30,237,551	\$ 31,064,311	\$ 32,123,424
<b>Change in Net Position</b>										
Governmental Activities	\$ (4,892,941)	\$ (127,241)	\$ (818,007)	\$ (2,081,396)	\$ 71,645	\$ (1,128,957)	\$ 8,423,846	\$ 6,709,498	\$ 7,489,313	\$ 6,581,383
Business-Type Activities	186,949	(33,441)	(146,902)	(298,665)	(29,746)	106,856	(8,744)	56,045	15,913	(111,107)
Total District Change in Net Position	\$ (4,705,992)	\$ (160,682)	\$ (964,909)	\$ (2,380,061)	\$ 41,899	\$ (1,022,101)	\$ 8,415,102	\$ 6,765,543	\$ 7,505,226	\$ 6,470,276

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ 1,801,377	\$ 1,326,957	\$ 1,322,011	\$ 1,122,523	\$ 1,087,523	\$ 1,294,028	\$ 9,790,525	\$ 15,246,368	\$ 17,344,781	\$ 21,509,392
Assigned		7,768	12,104	6,479	6,479	586,185	50,426	572,964	2,655,619	821,975
Unassigned	326,673	408,806	200,271	155,311	159,595	147,776	265,823	292,247	452,513	501,342
Total General Fund	<u>\$ 2,128,050</u>	<u>\$ 1,743,531</u>	<u>\$ 1,534,386</u>	<u>\$ 1,284,313</u>	<u>\$ 1,253,597</u>	<u>\$ 2,027,989</u>	<u>\$ 10,106,774</u>	<u>\$ 16,111,579</u>	<u>\$ 20,452,913</u>	<u>\$ 22,832,709</u>
All Other Governmental Funds										
Restricted for:										
Special Revenue Fund						\$ 42,700	\$ 42,739	\$ 56,639	\$ 59,091	\$ 44,523
Capital Projects Fund	\$ 52,566	\$ 152,025	\$ 68,337	\$ 68,337	\$ 72,577	72,582	72,586	70,161	70,161	1,958,893
Debt Service Fund		1	1	73,470	73,469	-				52,564
Unassigned (Deficit), Reported in:										
Special Revenue Fund		#	(2,251)	# (1,594)	(3,641)	(1,231)	-	-	-	-
Total all other governmental funds	<u>\$ 52,566</u>	<u>\$ 152,026</u>	<u>\$ 66,087</u>	<u>\$ 140,213</u>	<u>\$ 142,405</u>	<u>\$ 114,051</u>	<u>\$ 115,325</u>	<u>\$ 126,800</u>	<u>\$ 129,252</u>	<u>\$ 2,055,980</u>

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Tax Levy	\$ 18,460,884	\$ 20,032,003	\$ 20,583,476	\$ 20,957,674	\$ 21,626,025	\$ 23,047,741	\$ 29,506,853	\$ 30,054,368	\$ 30,616,476	\$ 30,643,846
Interest Earnings	3,363	4,035	88	16,140	29,804	23,118	15,910	23,818	289,178	1,034,689
Miscellaneous	131,552	355,630	46,712	97,336	216,029	153,842	599,287	218,485	237,141	496,492
State Sources	2,012,841	1,747,057	3,114,859	3,189,381	3,294,882	3,387,793	4,133,735	4,906,478	4,808,558	5,749,493
Federal Sources	245,772	517,562	475,211	483,985	514,648	481,194	671,097	794,546	946,781	1,885,534
Total revenue	20,854,412	22,656,287	24,220,346	24,744,516	25,681,388	27,093,688	34,926,882	35,997,695	36,898,134	39,810,054
<b>Expenditures</b>										
Instruction										
Regular Instruction	3,455,434	3,715,804	4,257,917	4,314,327	4,299,727	12,513,364	14,202,129	13,098,724	12,186,133	15,080,776
Special Education Instruction	760,330	1,237,052	825,386	944,580	1,062,722	5,879,904	4,436,707	5,815,408	6,080,195	5,901,420
Other Instruction	343,610	253,286	202,252	262,092	277,649	516,994	240,274	443,931	412,545	391,487
School Sponsored Activities and Athletics	15,285	21,287	18,034	13,697	11,933	36,107	9,682	32,273	55,387	90,746
Support Services:										
Instruction - Tuition	6,956,574	7,721,550	8,628,019	8,169,206	8,249,135					
Student & Inst. Related Services	1,190,105	1,368,861	1,898,686	1,584,174	1,663,144	2,286,208	1,555,142	2,731,723	2,921,459	3,357,121
General Administrative Services	381,498	524,946	365,651	379,775	475,552	813,948	732,310	708,165	806,194	589,465
School Administrative Services	388,199	362,218	322,933	340,354	354,787	582,793	484,043	606,871	598,897	663,783
Central Administrative Services	276,972	282,140	278,403	316,722	323,944	525,858	497,342	555,156	586,230	644,743
Administrative Information Technology	11,219	6,050	4,555	6,436	6,198	-				
Plant Operations and Maintenance	1,146,169	1,064,200	1,065,448	1,012,835	1,203,323	1,495,740	1,318,512	1,618,566	1,613,269	1,781,383
Pupil Transportation	1,431,702	1,494,738	1,466,841	1,659,064	1,599,085	1,565,945	1,160,570	2,081,320	2,384,141	2,552,072
Unallocated Benefits	2,799,533	2,301,158	3,064,896	3,828,869	4,245,597					
Special Schools	3,675									
Transfer to Charter Schools										
Capital Outlay	601,272	621,339	100,383	186,258	27,043	-	138,061	116,434	1,518,383	2,549,528
Cost of Issuance				181,308						
Debt Service										
Principal	700,000	720,000	750,000	1,220,000	815,000	894,850	1,121,338	1,160,761	2,424,383	1,042,599
Interest	1,265,917	1,246,717	1,226,342	682,074	1,099,313	1,075,754	1,044,831	1,009,083	970,132	941,080
Total Governmental Fund Expenditures	21,727,494	22,941,346	24,475,746	25,101,771	25,714,152	28,187,465	26,940,941	29,978,415	32,557,348	35,586,203
Excess (Deficiency) of revenues over (under) expenditures	(873,082)	(285,059)	(255,400)	(357,255)	(32,764)	(1,093,777)	7,985,941	6,019,280	4,340,786	4,223,851



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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Other Financing sources (uses)</b>										
Transfers In	117	265,057	88	293	33	13	5	140	98,580	2,033,757
Transfers Out	(117)	(265,057)	(88)	(293)	(33)	(2,898)	(1,005)	(140)	(98,580)	(2,033,757)
State Aid Advance Loan						1,800,000				
Capital Lease Proceeds							95,118			82,673
Cancellation of Grant Receivables and Payables			(39,684)							
Unrecorded Prior Year Expenditures										
Payment to Refunding Bond Escrow Agent				(28,260,478)						
Premium on Sale of Bonds				1,876,786						
Bond Proceeds				26,565,000						
Total other financing sources (uses)	-	-	(39,684)	181,308	-	1,797,115	94,118	-	-	82,673
Net change in fund balances	<u>\$ (873,082)</u>	<u>\$ (285,059)</u>	<u>\$ (295,084)</u>	<u>\$ (175,947)</u>	<u>\$ (32,764)</u>	<u>\$ 703,338</u>	<u>\$ 8,080,059</u>	<u>\$ 6,019,280</u>	<u>\$ 4,340,786</u>	<u>\$ 4,306,524</u>
Debt service as a percentage of noncapital expenditures	9.31%	8.81%	8.11%	7.63%	7.45%	6.99%	8.08%	7.27%	10.94%	6.00%

\* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Interest</u> <u>on</u> <u>Investments</u>	<u>Rental - Use of</u> <u>Facilities</u>	<u>Parking</u> <u>Fees</u>	<u>FEMA</u>	<u>Summer</u> <u>Program</u>	<u>Lynx</u> <u>Technologies</u>	<u>E-Rate</u>	<u>Prior Year</u> <u>Cancelled A/P</u>	<u>Prior Year</u> <u>Reimbursements</u>	<u>Prior Year</u> <u>Voids</u>	<u>Club</u> <u>Fees</u>	<u>Other</u>	<u>Total</u>
2015	\$ 3,363											\$ 131,426	\$ 134,789
2016	4,035	\$ 24,000							\$ 85,381	\$ 211,541	\$ 13,820	20,888	359,665
2017	88								1,056			45,568	46,712
2018	16,140											97,043	113,183
2019	29,804	20,000	\$ 48,000	\$ 80,431	\$ 10,520	\$ 10,000	\$ 1,018			9,185		36,875	245,833
2020	23,100	15,000	36,000				2,650			28,316		50,374	155,440
2021	15,901		48,000						64,355			20,802	149,058
2022	23,678		48,000						35,081	20,915		25,913	153,587
2023	289,178		68,439				2,774		50,050			67,700	478,141
2024	1,034,689		56,028				101,602	\$ 154,206	34,848	7,280	24,621	57,592	1,470,866

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2015	\$ 60,858,500	\$ 1,570,040,600		\$ 605,247,900	\$ 25,614,400	\$ 480,777,600	\$ 2,742,539,000	\$ 1,597,567	\$ 2,744,136,567	\$ 3,141,467,580	\$ 0.711
2016	89,097,900	1,644,915,900		592,568,500	25,614,400	460,069,100	2,812,265,800	1,575,594	2,813,841,394	3,352,389,394	0.722
2017	49,981,100	1,665,841,800		620,284,700	25,614,400	534,740,200	2,896,462,200	1,567,489	2,898,029,689	3,621,299,388	0.717
2018	76,160,100	1,800,727,000		587,567,400	25,614,400	457,899,700	2,947,968,600	1,458,659	2,949,427,259	3,821,748,979	0.722
2019	79,549,500	1,836,264,700		566,157,500	22,422,400	462,130,400	2,966,524,500	1,387,817	2,967,912,317	4,168,444,661	0.754
2020	120,962,000	1,846,569,600		526,490,600	6,422,400	462,130,400	2,962,575,000	1,437,792	2,964,012,792	4,080,524,372	0.789
2021	118,379,400	1,860,048,300		529,874,400	9,814,000	465,789,800	2,983,905,900	1,641,460	2,985,547,360	3,937,766,308	1.095
2022	212,770,600	2,397,271,900		714,053,400	10,301,100	737,771,155	4,072,168,155	1,993,757	4,074,161,912	3,949,270,072	0.745
2023	207,253,600	2,449,991,600		729,225,300	10,555,100	793,428,355	4,190,453,955	2,064,100	4,192,518,055	4,178,967,820	0.730
2024	214,623,500	2,534,101,900		737,074,300	8,959,900	793,983,355	4,288,742,955	2,064,100	4,290,807,055	4,507,055,253	0.721

Source: County Abstract of Ratables

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

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

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

Calendar Year	Total Direct School Tax Rate		Overlapping Rates			Total Direct and Overlapping Tax Rate
	Edgewater Local School District	Municipality of Edgewater *	County of Bergen			
2015	\$ 0.711	\$ 0.771	\$ 0.273			\$ 1.755
2016	0.722	0.766	0.291			1.779
2017	0.717	0.774	0.309			1.800
2018	0.722	0.787	0.324			1.833
2019	0.754	0.805	0.337			1.896
2020	0.789	0.816	0.340			1.945
2021	1.095	0.827	0.331			2.253
2022	0.745	0.633	0.234			1.612
2023	0.730	0.630	0.237			1.597
2024	0.721	0.624	0.244			1.589

Source: Municipal Tax Collector

\* Includes Library

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

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

Taxpayer	2024		2015	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Edgewater Retirement Partners LLC	\$ 150,000,000	3.50%	\$ 124,500,500	4.68%
Edgewater Financing LLC Avalonbay Com	147,025,755	3.43%	100,000,000	3.76%
The Edgewater Colony, Inc.	53,070,000	1.24%	72,724,100	2.74%
Edgewater Lofts LLC (Condos & Garage)	-	0.00%		
100 Alexander Way	98,525,700	2.30%		
Mel Mac River Club LLC	88,398,000	2.06%		
Windsor at Mariner's Tower , LLC	83,196,000	1.94%	69,935,000	2.63%
Riello Apts., LLC	83,196,000	1.94%		
AIMCO River Club LLC			51,343,700	1.93%
RREEF Amer REIT II	63,124,600	1.47%	30,425,600	1.14%
California State Teachers' Retirement System			31,984,900	1.20%
YNJ LLC c/o Mitsuiwa	43,022,300		31,640,000	1.19%
I. Park Edgewater, LLC			83,182,100	3.13%
Portside Gorge Associates, LLC			54,873,500	2.06%
One Main Street Edgewater LLC	43,022,300	1.00%		
	<u>\$ 852,580,655</u>	<u>18.87%</u>	<u>\$ 650,609,400</u>	<u>24.47%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 18,460,884	\$ 18,460,884	100.00%	
2016	20,282,952	20,282,952	100.00%	
2017	20,583,476	20,583,476	100.00%	
2018	20,957,674	20,957,674	100.00%	
2019	21,626,025	21,626,025	100.00%	
2020	23,047,741	23,047,741	100.00%	
2021	29,506,853	29,506,853	100.00%	
2022	30,054,368	30,054,368	100.00%	
2023	30,616,476	30,616,476	100.00%	
2024	30,643,846	30,643,846	100.00%	

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

Fiscal Year Ended June 30,	Governmental Activities					
	General Obligation Bonds	State Aid Advance Loan	Capital Financing Agreements	Total District	Population	Per Capita
2015	\$ 31,023,000			\$ 31,023,000	12,256	\$ 2,531
2016	30,653,000			30,653,000	11,884	2,579
2017	29,553,000			29,553,000	11,906	2,482
2018	28,860,000			28,860,000	12,158	2,374
2019	28,045,000		\$ 175,151	28,220,151	12,669	2,227
2020	27,200,000	\$ 1,800,000	125,301	27,325,301	13,365	2,045
2021	26,320,000	1,620,000	159,081	26,479,081	14,396	1,839
2022	25,410,000	1,440,000	88,320	25,498,320	14,647	1,741
2023	24,465,000	-	48,937	24,513,937	14,604	1,679
2024	23,445,000	-	109,011	23,554,011	14,678	1,605

\* Estimate

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$ 31,023,000		\$ 31,023,000	1.13%	\$ 2,531
2016	30,653,000		30,653,000	1.09%	2,579
2017	29,553,000	\$ 1	29,552,999	1.02%	2,482
2018	28,860,000	73,470	28,786,530	0.98%	2,368
2019	28,045,000	73,469	29,971,531	1.01%	2,366
2020	27,200,000		27,200,000	0.92%	2,035
2021	26,320,000		26,320,000	0.88%	1,828
2022	25,410,000	-	25,410,000	0.62%	1,735
2023	24,465,000		24,465,000	0.58%	1,670
2024	23,445,000	52,564	23,392,436	0.55%	1,594

Source: District records



**BOROUGH OF EDGEWATER SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2023  
(Unaudited)**

	<u><b>Total Debt</b></u>
Municipal Debt: (1)	
Borough of Edgewater School District (as of June 30, 2023)	\$ 23,445,000
Borough of Edgewater	<u>49,746,002</u>
	<u>73,191,002</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	31,613,633
Bergen County Utilities Authority (B)	<u>3,137,130</u>
Total Overlapping Debt	<u>34,750,763</u>
Total Direct and Overlapping Debt	<u>\$ 107,941,765</u>

Source:

(1) Township's 2023 Annual Debt Statement

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

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

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

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

	Equalized valuation basis
2023	\$ 4,526,305,849
2022	4,029,455,922
2021	<u>3,686,565,234</u>
	<u>\$ 12,242,327,005</u>
Average equalized valuation of taxable property	<u>\$ 4,080,775,668</u>
Debt limit (2.5 % of average equalization value)	\$ 102,019,392
Total Net Debt Applicable to Limit	<u>23,445,000</u>
Legal debt margin	<u>\$ 78,574,392</u>

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 76,485,828	\$ 79,294,532	\$ 84,292,970	\$ 89,961,981	\$ 96,762,442	\$ 97,874,686	\$ 97,218,866	\$ 94,078,899	\$ 94,286,967	\$ 102,019,392
Total net debt applicable to limit	<u>31,023,000</u>	<u>30,303,000</u>	<u>29,553,000</u>	<u>28,860,000</u>	<u>28,045,000</u>	<u>27,200,000</u>	<u>26,320,000</u>	<u>25,410,000</u>	<u>24,465,000</u>	<u>23,445,000</u>
Legal debt margin	<u>\$ 45,462,828</u>	<u>\$ 48,991,532</u>	<u>\$ 54,739,970</u>	<u>\$ 61,101,981</u>	<u>\$ 68,717,442</u>	<u>\$ 70,674,686</u>	<u>\$ 70,898,866</u>	<u>\$ 68,668,899</u>	<u>\$ 69,821,967</u>	<u>\$ 78,574,392</u>
Total net debt applicable to the limit as a percentage of debt limit	40.56%	38.22%	35.06%	32.08%	28.98%	27.79%	27.07%	27.01%	25.95%	22.98%

Source: Annual Debt Statements

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Borough Unemployment Rate</u>
2015	12,256	\$ 71,286	6.40%
2016	11,884	73,883	6.00%
2017	11,906	77,323	5.60%
2018	12,158	78,836	7.70%
2019	12,669	81,024	2.60%
2020	13,365	85,191	2.30%
2021	14,396	88,241	7.10%
2022	14,647	91,972	4.30%
2023	14,604	97,343	2.60%
2024	14,678	97,138	3.10%

Source: New Jersey State Department of Education

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

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

INFORMATION IS NOT AVAILABLE

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

<b><u>Function/Program</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>
Instruction										
Regular	52.7	54.2	56.4	58.4	61.7	60.4	42.0	48.0	51.0	55.0
Special Education	8.6	8.6	9.6	9.6	9.6	11.0	6.0	6.0	6.0	8.0
Other Special Education				7.0	7.0	14.9	5.5	7.0	10.0	6.0
Other Instruction	4.0	6.0	8.0							2.0
Support Services:										
Student and Instruction Related Services	29.1	28.0	27.0	27.2	27.8	12.6	10.0	11.0	13.0	13.0
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administrative Services	5.6	5.6	5.6	5.6	5.6	5.6	4.0	4.0	4.0	4.0
Central Services	3.8	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	5.0
Administrative Information Technology	-	-	-	-	-					
Plant Operations and Maintenance	14.0	12.5	12.5	12.5	13.5	13.5	11.0	10.0	9.0	9.0
Pupil Transportation							2.0	2.0	2.0	2.0
<b>Total</b>	<b><u>119.8</u></b>	<b><u>119.9</u></b>	<b><u>124.1</u></b>	<b><u>125.3</u></b>	<b><u>131.2</u></b>	<b><u>124.0</u></b>	<b><u>86.5</u></b>	<b><u>94.0</u></b>	<b><u>101.0</u></b>	<b><u>106.0</u></b>

Source: District Personnel Records

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

Enrollment-Grades <sup>a</sup>		Teacher/ Pupil Ratio									
Fiscal Year	Pre-K-6	7-12	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Elementary	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2015	905	379	\$ 18,901,616	\$ 14,721	0.94%	53.0	17.1:1	907.4	867.1	4.90%	95.56%
2016	906	381	19,462,818	15,123	2.73%	54.0	16.8:1	905.9	870.2	-0.17%	96.06%
2017	903	372	22,398,661	17,568	16.17%	56.0	16.1:1	906.4	862.3	0.06%	95.13%
2018	976	414	22,832,131	16,426	-6.50%	58.0	16.8:1	956.7	907.2	5.55%	94.83%
2019	982	496	23,772,796	16,084	-2.08%	61.0	16.1:1	986.3	935.2	3.09%	94.82%
2020	874	471	26,216,861	19,492	21.19%	60.0	14.6:1	924.1	887.2	-6.30%	96.01%
2021	681	535	24,636,711	20,260	3.94%	48.0	12.9:1	642.3	612.3	-30.50%	95.33%
2022	667	516	27,692,137	23,408	15.54%	60.0	11.1:1	665.8	627.5	3.66%	94.25%
2023	679	502	27,644,450	23,408	0.00%	66.0	10.2:1	659.0	618.4	-1.02%	93.84%
2024	686	506	31,052,996	26,051	11.29%	70.0	9.8:1	683.2	646.3	3.67%	94.60%

Sources: District records

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
George Washington School (2012):										
Square Feet	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Capacity Students	925	925	925	925	925	925	925	925	925	925
Enrollment	525	508	488	488	533	481	321	325	321	325
Eleanor Van Gelder School (1914):										
Enrollment	63,941	63,941	63,941	63,941	63,941	63,941	63,941	63,941	63,941	63,941
Capacity Students	565	565	565	565	565	565	565	565	565	565
Enrollment	382	398	418	418	429	393	358	342	358	369

Number of Schools at June 30, 2022  
Elementary - 2

N/A - Not Applicable

Source: District Records

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

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

	<u>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>										
George Washington	\$ 193,588	\$ 199,672	\$ 204,665	\$ 193,685	\$ 206,507	\$ 257,415	\$ 162,369	\$ 297,585	\$ 274,779	\$ 263,738
Eleanor Van Gelder	<u>82,966</u>	<u>86,266</u>	<u>89,403</u>	<u>89,635</u>	<u>133,926</u>	<u>166,941</u>	<u>105,301</u>	<u>192,992</u>	<u>178,202</u>	<u>272,954</u>
Grand Total	<u>\$ 276,554</u>	<u>\$ 285,938</u>	<u>\$ 294,068</u>	<u>\$ 283,320</u>	<u>\$ 340,433</u>	<u>\$ 424,356</u>	<u>\$ 267,670</u>	<u>\$ 490,577</u>	<u>\$ 452,981</u>	<u>\$ 536,692</u>

Source: District Records



**BOROUGH OF EDGEWATER SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2024**  
**(Unaudited)**

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

Source: School District's records

**SINGLE AUDIT**



# 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  
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ROBERT W. HAAG, CPA, RMA, PSA

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

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

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Edgewater Board of Education  
Edgewater, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Edgewater Board of Education as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Edgewater Board of Education's basic financial statements and have issued our report thereon dated January 2, 2025.

**Report on Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses or significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2024-003 to be a material weakness.



A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 to be significant deficiencies.

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

As part of obtaining reasonable assurance about whether the Edgewater Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which are described in the accompanying schedule of schedule of findings and questioned costs as items 2024-001, 2024-002 and 2024-003.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Edgewater Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 2, 2025.


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

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

### **Purpose of this Report**

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

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

  
Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
January 2, 2025





# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Edgewater Board of Education  
Edgewater, New Jersey

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

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

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

In our opinion, the Edgewater Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 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 Edgewater Board of Education 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 Edgewater Board of Education's compliance with the compliance requirements referred to above.

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

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

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

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

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

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

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

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which are described in the accompanying schedule of findings and questioned costs as items 2024-004 through 2024-006. Our opinion on each major federal and state program is not modified with respect to these matters.

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

### ***Report on Internal Control Over Compliance***

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



A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-004 and 2024-005 to be significant deficiencies.

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

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

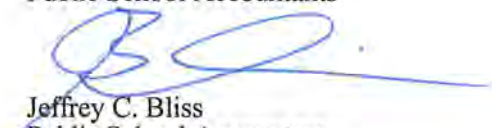
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Edgewater Board of Education, as of and for the fiscal year ended June 30, 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 January 2, 2025, which contained unmodified and modified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

*LERCH, VINCI & BLISS, LLP*

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

  
Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
January 2, 2025

**EDGEWATER BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance, July 1, 2023			Carryover/ (Walkover) Unearned Revenue	Carryover/ (Walkover) Account Receivable	Cash Received	Budgetary Expenditures	Transfers/ Adjustment	Refund of Prior Years Balances	Balance, June 30, 2024			Memo GAAP Receivable
					(Account Receivable)	Unearned Revenue	Due to Grantor							(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Agriculture																	
Passed-through State Department of Agriculture																	
Enterprise Fund																	
School Breakfast Program	10.553	241NJ304N1099	7/1/23-6/30/24	\$ 14,975						\$ 13,894	\$ 14,975			\$ (1,081)			\$ (1,081)
School Breakfast Program	10.553	231NJ304N1099	7/1/22-6/30/23	15,412	\$ (1,359)					1,359							
National School Lunch Program																	
Cash Assistance	10.555	241NJ304N1099	7/1/23-6/30/24	75,361						70,224	75,361			(5,137)			(5,137)
Cash Assistance	10.555	231NJ304N1099	7/1/22-6/30/23	87,011	(6,477)					6,477							
Non-Cash Assistance (Food Distribution)	10.555	231NJ304N1099	7/1/23-6/30/24	32,429						32,429	27,443				\$ 4,986		
Non-Cash Assistance (Food Distribution)	10.555	221NJ304N1099	7/1/22-6/30/23	43,567		\$ 5,746					5,746						
Pandemic EBT Administrative Costs	10.649		7/1/23-6/30/24	653						653	653						
Local Food for School Cooperative Program	10.185		7/1/23-6/30/24	4,148						4,148	4,148						
Supply Chain Assistance	10.555	231NJ304N1099	7/1/23-6/30/24	19,835	-	-	-	-	-	19,835	19,835	-	-	-	-	-	-
Total Child Nutrition /Enterprise Fund					(7,836)	5,746	-	-	-	149,019	148,161	-	-	(6,218)	4,986	-	(6,218)
U.S. Department of Education																	
Passed-Through State Department of Education																	
of Education																	
Special Revenue Fund																	
ESEA																	
Title I	84.010	S010A230030	7/1/23-9/30/24	198,379				\$ 68	\$ (68)	59,965	98,290	\$ 700		(138,482)	100,857		(37,625)
Title I	84.010	S010A220030	7/1/22-9/30/23	145,200	(20,370)	68	-	(68)	68	20,302	-	-	-	-	-	-	-
Total ESEA Title I					(20,370)	68	-	-	-	80,267	98,290	700	-	(138,482)	100,857	-	(37,625)
Title II, Part A	84.367A	S367A230029	7/1/23-9/30/24	33,179		-				25,368	33,179			(7,811)	-		(7,811)
Title II, Part A	84.367A	S367A220029	7/1/22-9/30/23	22,958	(17,850)	-	-	-	-	17,850	-	-	-	-	-	-	-
Total ESEA Title II, Part A					(17,850)	-	-	-	-	43,218	33,179	-	-	(7,811)	-	-	(7,811)
Title III	84.365	S365A230030	7/1/23-9/30/24	20,586				22	(22)	10,245	14,813			(10,363)	5,795		(4,568)
Title III	84.365	S365A220030	7/1/22-9/30/23	19,009	(13,227)	22	-	(22)	22	13,205	-	-	-	-	-	-	-
Title III - Immigrant	84.365	S365A230030	7/1/23-9/30/24	10,569		-	-	-	-	3,000	6,856			(7,569)	3,713		(3,856)
					(13,227)	22	-	-	-	26,450	21,669	-	-	(17,932)	9,508	-	(8,424)
ESEA Title IV	84.424	S424A230031	7/1/23-9/30/24	11,011						2,000	5,188			(9,011)	5,823		(3,188)
ESEA Title IV	84.424	S424A220031	7/1/22-9/30/23	12,756	(10,124)					10,124							
ESEA Title IV	84.424	S424A210031	7/1/21-9/30/22	15,028		3,878	-									\$ 3,878	-
					(10,124)	3,878	-	-	-	12,124	5,188	-	-	(9,011)	5,823	3,878	(3,188)
I.D.E.A. Part B, Basic Regular	84.027	H027A230100	7/1/23-9/30/24	175,716		-				135,001	175,711			(40,715)	5		(40,710)
I.D.E.A. Part B, Preschool	84.173	H173A230114	7/1/23-9/30/24	7,877							7,877			(7,877)	-		(7,877)
I.D.E.A. Part B, Preschool	84.173	H173A220114	7/1/22-9/30/23	7,648	(5,736)	-	-	-	\$ -	5,736	-			-	-	-	-
Total Special Education Cluster IDEA					(5,736)	-	-	-	-	140,737	183,588	-	-	(48,592)	5	-	(48,587)

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



**EDGEWATER BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance, July 1, 2023			Carryover/ (Walkover) Unearned Revenue	Carryover/ (Walkover) Account Receivable	Cash Received	Budgetary Expenditures	Transfers/ Adjustment	Refund of Prior Years Balances	Balance, June 30, 2024			Memo GAAP Receivable
					(Account Receivable)	Unearned Revenue	Due to Grantor							(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education Passed-Through State Department of Education (Continued)																	
Elementary and Secondary School Emergency Relief (ESSER)																	
CARES Act - ESSER I	84.425D	5425D200027	3/3/20-9/30/22					\$ 4,299					\$ 4,299				
Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)																	
ESSER II	84.425D	S425D210027	3/13/20-9/20/23	674,856	\$ (20,306)	-			\$ 20,306								-
Learning Acceleration	84.425D	S425D210027	3/13/20-9/20/23	43,309	-	\$ 139										\$ 139	
Mental Health	84.425D	S425D210027	3/13/20-9/20/23	45,000	-	66	-									66	-
American Rescue Plan																	
ARP ESSER III	84.425U	S425U210027	3/13/20-9/30/24	1,516,696	(1,491,696)	1,492,196				90,000	\$ 1,402,863		\$ (1,401,696)	\$ 89,333			\$ (1,312,363)
Accelerated Learning Coach & Educator Supp	84.425U	S425U210027	3/13/20-9/30/24	107,549	(87,549)	64,407				38,000	59,455		(49,549)	4,952			(44,597)
Evidence Based Summer Learning & Enrichm	84.425U	S425U210027	3/13/20-9/30/24	40,000	(33,000)	32,924				-	10,130		(33,000)	22,794			(10,206)
Evidence Based Comprehensive Beyond the S	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000				-	24,238		(40,000)	15,762			(24,238)
NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	(45,000)	45,000	-	-	-	12,000	26,897	-	-	(33,000)	18,103	-	(14,897)
High Impact Tutoring Competitive Grant	84.425	E2300233	0/11/23-8/31/2024	58,000	-	-	-	-	-	7,500	45,948	-	-	(50,500)	12,052	-	(38,448)
Total ESSER Cluster					(1,717,551)	1,674,732	4,299	-	-	167,806	1,569,531	-	4,299	(1,607,745)	162,996	205	(1,444,749)
Total Special Revenue Fund																	
					(1,784,858)	1,678,700	\$ 4,299	-	-	470,602	1,911,445	700	\$ 4,299	(1,829,573)	279,189	4,083	\$ (1,550,384)
Total Federal Awards																	
					\$ (1,792,694)	\$ 1,684,446	\$ 4,299	\$ -	\$ -	\$ 619,621	\$ 2,059,606	\$ 700	\$ 4,299	\$ (1,835,791)	\$ 284,175	4,083	\$ (1,556,602)

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

**EDGEWATER BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2023	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Balance, June 30, 2024			Memo Cumulative	
									(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Total Expenditures
State Department of Education													
General Fund:													
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	\$ 1,267,178		\$ 1,164,159	\$ 1,267,178			\$ (103,019)				\$ 1,267,178
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	1,210,840	\$ (87,998)	87,998				-				-
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	146,457		134,550	146,457		-	(11,907)	-	-	-	146,457
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	45,596	(3,314)	3,314	-	-	-	-	-	-	-	-
Total State Aid Public Cluster				(91,312)	1,390,021	1,413,635	-	-	(114,926)	-	-	-	1,413,635
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	687,967		632,039	687,969			(55,930)				687,969
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	618,022	(44,914)	44,914								-
Nonpublic Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	60,970			60,970			(60,970)			\$ (60,970)	60,970
Nonpublic Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	41,184	(41,184)	41,184				-				-
Extraordinary Aid	24-495-034-5120-473	7/1/23-6/30/24	587,913			587,913			(587,913)				587,913
Extraordinary Aid	23-495-034-5120-473	7/1/22-6/30/23	552,964	(552,964)	552,964				-				-
On Behalf Payments													-
TPAF Social Security	24-495-034-5094-003	7/1/23-6/30/24	470,345		446,474	470,345			(23,871)			(23,871)	470,345
TPAF Social Security	23-495-034-5094-003	7/1/22-6/30/23	399,148	(42,547)	42,547				-			-	-
TPAF Pension and OPEB													-
Pension - NCGI Premium	24-495-034-5094-004	7/1/23-6/30/24	21,310	-	21,310	21,310			-				21,310
Pension Benefit Contribution	24-495-034-5094-002	7/1/23-6/30/24	1,868,600	-	1,868,600	1,868,600			-				1,868,600
Post Retirement Medical Benefit Contribution	24-495-034-5094-001	7/1/23-6/30/24	514,364	-	514,364	514,364			-				514,364
Long Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	920	-	920	920	-	-	-	-	-	-	920
Total General Fund				(772,921)	5,555,337	5,626,026	-	-	(843,610)	-	-	(84,841)	5,626,026
Special Revenue Fund:													
Safety Grant	Not Available	7/1/16-6/30/17	3,421	3,421				-	-	\$ 3,421	-	-	-
Climate Awareness Grant	23-WB01-G02	4/1/23-6/30/23	6,660	(6,275)	6,275				(385)	385		-	-
Schools Development Authority (SDA)													
Emergent and Capital Maintenance Needs	Not Available	7/1/23-6/30/24	14,616	-	14,616	14,616							14,616
Handicapped Services Chpt 193:													
Corrective Speech	24-100-034-5120-066	7/1/23-6/30/24	4,650		4,650	1,209					\$ 3,441	-	1,209
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	5,580	3,162	-	-	-	\$ 3,162	-	-	-	-	-
Total Handicapped Services (Chpt 193) Cluster				3,162	4,650	1,209	-	3,162	-	-	3,441	-	1,209
New Jersey Nonpublic Aid:													
Textbook Aid	24-100-034-5120-064	7/1/23-6/30/24	289		289	261					28		261
Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	1,320	54				54			-		-
Nursing Services	24-100-034-5120-070	7/1/23-6/30/24	600		600	554					46		554
Nursing Services	23-100-034-5120-070	7/1/22-6/30/23	2,240	19			\$ 688	19			688		-
Nonpublic Technology	24-100-034-5120-373	7/1/23-6/30/24	245		245	245					-		245
Nonpublic Technology	23-100-034-5120-373	7/1/22-6/30/23	840	2				2			-		-
Nonpublic Security	24-100-034-5120-084	7/1/23-6/30/24	1,025		1,025	1,007					18		1,007
Nonpublic Security	23-100-034-5120-084	7/1/22-6/30/23	4,100	171	-	-	-	171	-	-	-	-	-
State Department of Community Affairs													
Local Recreation Improvement Grant	Not Available	1/1/24-12/31/24	67,000	-	-	67,000	-	-	(67,000)	-	-	(67,000)	67,000
Total Special Revenue Fund				554	27,700	84,892	688	3,408	(67,385)	3,806	4,221	(67,000)	84,892

**EDGEWATER BOARD OF EDUCATION**  
**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, July 1, 2023	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Balance, June 30, 2024			Memo	
									(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Agriculture													
Food Service:													
School Breakfast Program	24-100-010-3350-023	7/1/23-6/30/24	\$ 279		\$ 256	\$ 279			\$ (23)			\$ (23)	\$ 279
School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	247	\$ (27)	27				-			-	-
National School Lunch Program				-									
(State Share)	24-100-010-3350-023	7/1/23-6/30/24	4,447		4,152	4,447		-	(295)	-	-	(295)	4,447
(State Share)	23-100-010-3350-023	7/1/22-6/30/23	4,419	(316)	316	-	-	-	-	-	-	-	-
Total Food Service Fund				(343)	4,751	4,726	-	-	(318)	-	-	(318)	4,726
State Department of Education													
Debt Service Fund													
Type II Debt Service Aid	24-495-034-5120-075	7/1/23-6/30/24	79,354	-	79,354	79,354	-	-	-	-	-	-	79,354
Capital Projects Fund													
New Jersey Schools Development Authority													
HVAC System Upgrades - EVG School	Not Available	N/A	1,769,230	-	-	-	-	-	(1,769,230)	\$ 1,769,230	-	-	-
Total Capital Projects Fund				-	-	-	-	-	(1,769,230)	1,769,230	-	-	-
Total State Financial Assistance Subject to Single Audit Determination				(772,710)	5,667,142	5,794,998	\$ 688	\$ 3,408	(2,680,543)	1,773,036	\$ 4,221	\$ (152,159)	\$ 5,794,998
State Financial Assistance													
Not Subject to Major Program Determination													
General Fund													
On-Behalf TPAF Pension System													
Contributions-NCGI	24-100-034-5094-004	7/1/23-6/30/24			(21,310)	(21,310)							(21,310)
On-Behalf TPAF Pension System													
Contributions- Normal	24-100-034-5094-002	7/1/23-6/30/24			(1,868,600)	(1,868,600)							(1,868,600)
On-Behalf TPAF Post-Retirement Medical													
Contribution	24-100-034-5094-001	7/1/23-6/30/24			(514,364)	(514,364)							(514,364)
On-Behalf TPAF Long Term													
Disability Insurance	24-100-034-5094-004	7/1/23-6/30/24	-	-	(920)	(920)	-	-	-	-	-	-	(920)
Total State Financial Assistance Subject to Major Program Determination				(772,710)	3,261,948	3,389,804	\$ 688	\$ 3,408	(2,680,543)	1,773,036	4,221	\$ (152,159)	\$ 3,389,804

**EDGEWATER BOARD OF EDUCATION  
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 Edgewater Board of Education received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board's Financial Statements.

**NOTE 2 BASIS OF PRESENTATION**

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

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an a decrease of \$69,579 for the general fund and a decrease of \$1,021 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		\$ 5,556,447	\$ 5,556,447
Special Revenue Fund	\$ 1,885,534	113,692	1,999,226
Debt Service Fund		79,354	79,354
Food Service Fund	<u>148,161</u>	<u>4,726</u>	<u>152,887</u>
Total Awards and Financial Assistance	<u>\$ 2,033,695</u>	<u>\$ 5,754,219</u>	<u>\$ 7,787,914</u>

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

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$470,345 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 \$1,889,910, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$514,364 and TPAF Long-Term Disability Insurance in the amount of \$920 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.

## **Financial Statement Section**

Unmodified

X	yes	no
1	0	1
2	1	0
3	0	1
4	1	0
5	0	1
6	1	0
7	0	1
8	1	0
9	0	1
10	1	0
11	0	1
12	1	0
13	0	1
14	1	0
15	0	1
16	1	0
17	0	1
18	1	0
19	0	1
20	1	0
21	0	1
22	1	0
23	0	1
24	1	0
25	0	1
26	1	0
27	0	1
28	1	0
29	0	1
30	1	0
31	0	1
32	1	0
33	0	1
34	1	0
35	0	1
36	1	0
37	0	1
38	1	0
39	0	1
40	1	0
41	0	1
42	1	0
43	0	1
44	1	0
45	0	1
46	1	0
47	0	1
48	1	0
49	0	1
50	1	0
51	0	1
52	1	0
53	0	1
54	1	0
55	0	1
56	1	0
57	0	1
58	1	0
59	0	1
60	1	0
61	0	1
62	1	0
63	0	1
64	1	0
65	0	1
66	1	0
67	0	1
68	1	0
69	0	1
70	1	0
71	0	1
72	1	0
73	0	1
74	1	0
75	0	1
76	1	0
77	0	1
78	1	0
79	0	1
80	1	0
81	0	1
82	1	0
83	0	1
84	1	0
85	0	1
86	1	0
87	0	1
88	1	0
89	0	1
90	1	0
91	0	1
92	1	0
93	0	1
94	1	0
95	0	1
96	1	0
97	0	1
98	1	0
99	0	1
100	1	0

X yes

X yes

yes            X       no

yes            X    none reported

Unmodified

yes      X    no

Name of Federal Program or Cluster

CRRSA and ARP  
ESSER - Program Cluster

\$750,000

X	yes	no
---	-----	----

## State Awards Section

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

(2) Significant deficiencies identified that are not considered to be material weakness(es)? X yes                      none reported

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08?     X     yes          no

[illegible]

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

Auditee qualified as low-risk auditee?	X	yes	no
----------------------------------------	---	-----	----

**EDGEWATER BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**Finding 2024-001**

The year-end monthly Board Secretary's and Treasurer's reports for June 2024 were not in agreement.

**Criteria or specific requirement:**

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

**Condition**

See Finding 2024-001

**Context**

The Treasurer's June 30, 2024 monthly report did not include the certificates of deposit balances and the reconciled bank account balances were not in agreement with the Board Secretary's June 2024 report.

**Effect**

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

**Cause**

Unknown.

**Recommendation**

The monthly financial reports of the Board Secretary and Treasurer of School Monies be reconciled and in agreement prior to submission to the Board for their approval.

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

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



**EDGEWATER BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**Finding 2024-002**

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

**Criteria or Specific Requirement**

Internal controls pertaining to financial accounting and reporting of Enterprise Fund expenses.

**Condition**

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

**Context**

Preschool program salaries and employee benefit expenses totaling \$270,108 were charged to the General Fund budget.

**Effect**

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

**Cause**

Unknown.

**Recommendation**

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

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

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

**EDGEWATER BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**Finding 2024-003**

With respect to year end encumbrances and accounts payable:

- Our audit of year end open purchase orders in the General and Special Revenue Fund revealed certain encumbrances were deemed overstated at June 30, 2024. Audit adjustments were made to cancel these purchase orders, accordingly.
- Our audit of payments made subsequent to June 30, 2024 and other supporting documentation revealed unrecorded liabilities and encumbrances that were not reflected in the District's accounting records at year end. Audit adjustments were made to record these amounts.

**Criteria or Specific Requirement**

Internal controls over year end closing procedures of open orders.

**Condition**

Certain encumbrances were determined to have been overstated and deemed invalid at year end. In addition, certain encumbrances and accounts payable were not recorded at year end.

**Context**

- Reserve for encumbrances recorded in the General and Special Revenue Fund totaling \$890,114 were determined to be overstated.
- Certain liabilities and encumbrances for transportation services, student related services, the TPAF reimbursement to the State for federally funded salaries, professional services and change orders for construction contracts were not recorded as of June 30, 2024.
  - Total unrecorded payables were \$244,595.
  - Total unrecorded reserve for encumbrances were \$53,389.

**Effect**

Financial statements may not properly reflect liabilities, expenditures and fund balance at year end.

**Cause**

Unknown.

**Recommendation**

Procedures be reviewed and revised to ensure open purchase orders are reviewed at year end and invalid orders be cancelled accordingly. In addition, greater care be exercised to ensure all current year liabilities and encumbrances are recorded at year end.

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

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

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

There are none.

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

**Finding 2024-004**

The year-end monthly Board Secretary's and Treasurer's reports for June 2024 were not in agreement.

**State Program Information**

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

**Criteria or Specific Requirement**

State Aid – Public Compliance Supplement

**Condition**

See Finding 2024-004.

**Questioned Costs**

None.

**Context**

The Treasurer's June 30, 2024 monthly report did not include the certificates of deposit balances and the reconciled bank account balances were not in agreement with the Board Secretary's June 2024 report.

**Effect**

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

**Cause**

Unknown.

**Recommendation**

The monthly financial reports of the Board Secretary and Treasurer of School Monies be reconciled and in agreement prior to submission to the Board for their approval.

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

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

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

**Finding 2024-005**

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

- No documentation was provided to support certain contracts indicated as awarded through publicly advertised bids in accordance with the requirements of the Public School Contract Law (N.J.S.A. 18A:18A).
- We noted cooperative purchasing program contract award information was not on file in the District and not being reviewed to ensure amounts invoiced were goods or services and prices in the approved cooperative purchasing program award.
- We noted payments made for several goods and services which exceeded the quote threshold, however competitive quotations were not provided for audit.
- Business Registration Certificated (BRC) or Political Contribution Disclosure Forms (PCD) were not provided or available for certain vendors.
- We noted approved professional service contract awards for which the post-award contract advertisement notices were not provided for audit.
- We noted one contract was awarded that required a post award notice to the Office of the State Comptroller that were no filed as required.
- We noted change orders totaling \$438,455 to original contract awards for construction services that were not approved by Board resolution in the current fiscal year. We noted only \$21,075 of the change orders noted above were approved by resolution in July 2024.

**State Program Information**

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

**Criteria or Specific Requirement**

State Aid – Public Compliance Supplement

**Condition**

See Finding 2024-005

**Questioned Costs**

None.

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

**Finding 2024-005 (Continued)**

**Context**

See Finding 2024-005.

**Effect**

District is not in compliance with the requirements of the Public Schools Contract Law and State procurement regulations.

**Cause**

Unknown.

**Recommendation**

Internal control procedures over purchasing be reviewed and revised to ensure all contract awards and purchases which exceed the bid and quote thresholds are made in accordance with the requirements of the Public School Contracts Law and State procurement regulations. In addition, documentation be maintained on file and made available for audit to support the district's compliance with the procedures required under the Public School Contracts Law and State procurement regulations.

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

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

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

**Finding 2024-006**

The Board did not approve the resolution to transfer unanticipated revenue or unexpended line item appropriation to the capital reserve, maintenance reserve and emergency reserve in June of the budget year. The resolution to transfer to the respective reserves was approved in July 2024.

**State Program Information**

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

**Criteria or Specific Requirement**

State Aid – Public Compliance Supplement  
N.J.A.C. 6A:23A-14.3

**Condition**

See Finding 2024-006

**Questioned Costs**

None.

**Context**

The Board resolution to deposit year end transfers to the year end reserves was not approved between June 1 and June 30 of the budget year.

**Effect**

Deposits to reserve accounts at year-end were not approved timely in accordance with the New Jersey Administrative Code.

**Cause**

Unknown.

**Recommendation**

Greater care be exercised to ensure the District approve the deposits into the reserve accounts in June as required.

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

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

**EDGEWATER BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b)) and New Jersey OMB's Circular 15-08.

**Findings 2023-001 and 2023-004**

**Condition**

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

**Current Status**

Partial corrective action was taken. See Findings 2024-001 and 2024-004.

**Finding 2023-002**

**Condition**

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

**Current Status**

See Finding 2024-002.

**Finding 2023-003**

**Condition**

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

**Current Status**

Corrective action was taken.