

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1
BOARD OF EDUCATION**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Little Falls, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

**Passaic Valley Regional High School District No. 1
Board of Education**

Little Falls, New Jersey

For The Fiscal Year Ended June 30, 2021

Prepared by

Business Office

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BOARD OF EDUCATION
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INTRODUCTORY SECTION

**Passaic Valley Regional High School District #1
100 East Main Street
Little Falls, New Jersey 07424
973-890-2500**

March 4, 2022

Honorable President and
Members of the Board of Education
Passaic Valley Regional High School #1
Little Falls, NJ 07424

Dear Board Members:

The comprehensive annual financial report of the Passaic Valley Regional High School District#1 for the fiscal year ending June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation and disclosures, rests with the management of the Board of Education of the Passaic Valley Regional High School District #1. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive annual financial report is presented in four sections as follows:

- The Introductory Section includes this transmittal letter, the District's organizational chart, list of professional advisors and a list of principal officials.
- The Financial Section includes the basic financial statements and schedules, required supplementary information, management's discussion and analysis as well as the auditor's report thereon.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section includes the Auditor's report on the internal control structure and compliance with applicable laws and regulations and finding and recommendations. The District is required to undergo an annual single audit in conformity with the provisions of U.S. Uniform Guidance and New Jersey State Office of Management and Budget Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:**

Passaic Valley Regional High School District #1 is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB). All funds of the District are included in this report. The Passaic Valley Regional High School District #1 Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 9 through 12. These include regular, technical, as well as, special education. The District completed the 2020-2021 fiscal year with an enrollment of 1,037 students. The following details the changes in the student enrollment of the district over the last ten years.

Enrollment

Fiscal Year		
2010-2011	1,350	.05%
2011-2012	1,353	.01%
2012-2013	1,395	.04%
2013-2014	1,385	-.01%
2014-2015	1,345	-.03%
2015-2016	1,338	-.01%
2016-2017	1,294	-.04%
2017-2018	1,276	-.02%
2018-2019	1,171	-.09%
2019-2020	1,111	-.06%
2020-2021	1,037	-.08%

2. **ECONOMIC CONDITION AND OUTLOOK:**

The Passaic Valley Regional High School District #1 is experiencing a period of development and expansion, which is expected to continue. The increasing number of businesses relocating to the area result in an increase in the employment level which results in an increased tax base, both residential and industrial, and an increase in annual daily enrollment. This expansion is expected to continue which suggests that the Passaic Valley Regional High School District #1 area will continue to prosper.

3. **MAJOR INITIATIVES:**

Passaic Valley High School is a ninth through twelfth grade institution, located on a beautiful 45 acre Passaic Valley Campus consisting of four athletic fields, which affords students many academic and co-curricular opportunities. Teaching and learning are conducted in an atmosphere conducive to critical and creative thinking, skills we believe are absolutely vital for survival in the 21st century.

The graduating class of 2021 reported the following post-graduate plans:

Class of 2021

4 Year College	57%
2 Year College	21%
Other	11%
Employment	9%
Military	2%

SAT/ACT Scores

SAT Scores

Mean Score Distribution

ERW	519
MATH	522

Act Scores

Mean Score Distribution

Reading	22
English	23
Math	23
Science	23
STEM	24

4. **INTERNAL ACCOUNTING CONTROLS:**

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that:

(1) The cost of a control should not exceed the benefits likely to be derived:

and

(2) The valuation of costs and benefits requires estimates and judgments by management.

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

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriate budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2021.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. DEBT ADMINISTRATION:

At June 30, 2021, the District had \$2,588,000 in outstanding bonds payable. Additional information regarding the District's debt is contained in the "Notes to the Financial Statements", Note 3.

8. FINANCIAL INFORMATION AT FISCAL YEAR-END:

The Board developed its 2020-2021 budgets under the State's funding formula. An analysis of the expenditures in the financial section of this report will show that the Board was prudent in presenting the community with an accurate picture of educational needs.

9. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements". The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect 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, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

11. OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants (CPA) or registered municipal accountants. The accounting firm of Lerch, Vinci and Higgins was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related Uniform Guidance and state Treasury Circular letter 15-08 OMB. The auditor's report on the basic financial statements and schedules and required supplementary information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10. **ACKNOWLEDGMENTS:**

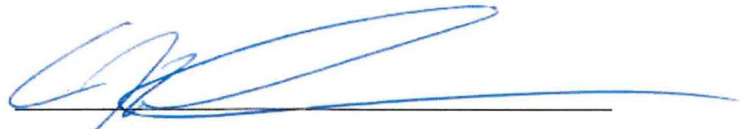
We would like to express our appreciation to the members of the Passaic Valley High School District #1 Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our Office of Business Administration Staff.

Respectfully submitted,



Mr. Bracken Healy

Superintendent of Schools

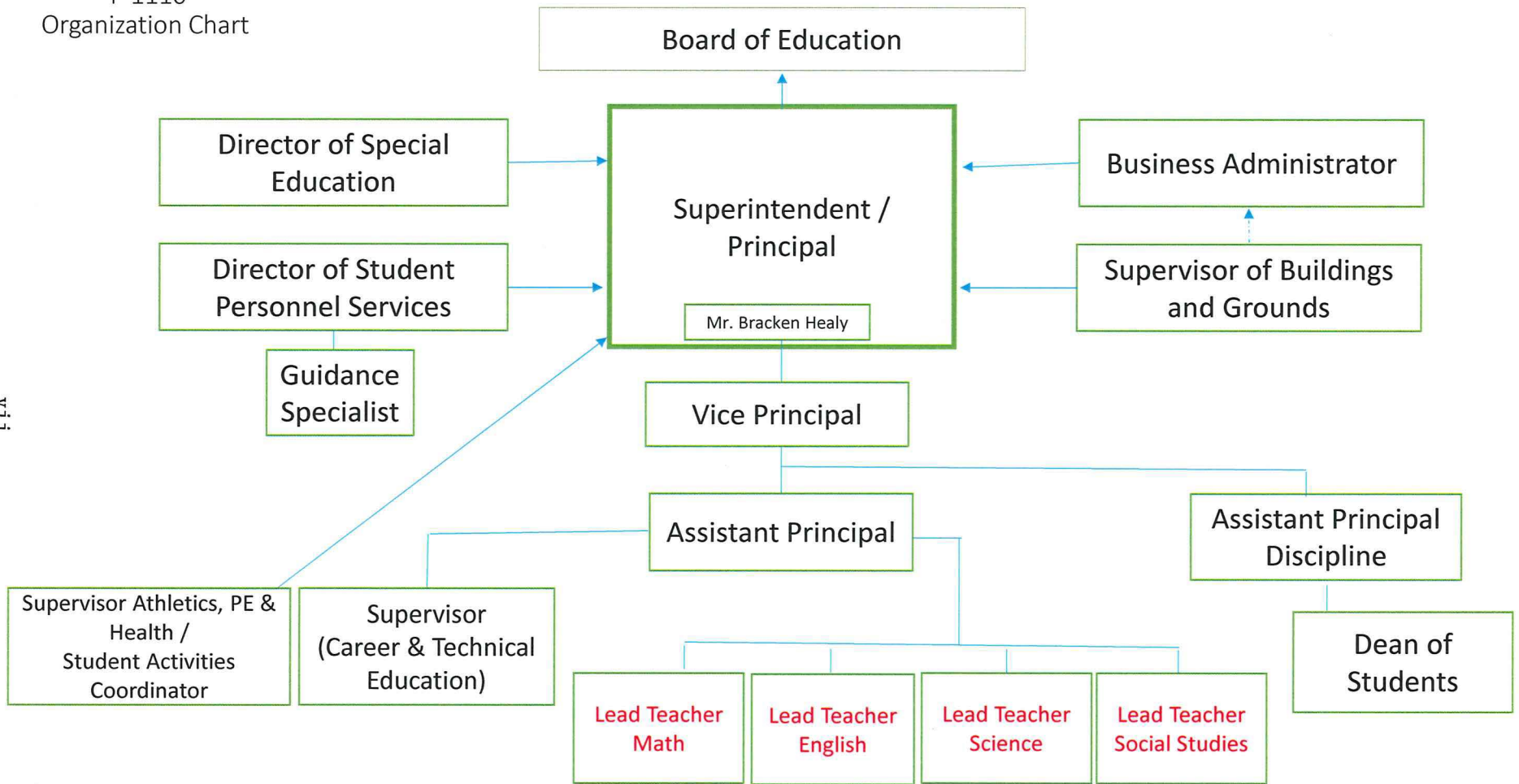


Mr. Colin J. Monahan

School Business

Administrator/Board Secretary

P 1110
Organization Chart



T.T.A

Approved

PASSAIC VALLEY REGIONAL HIGH SCHOOL #1
LITTLE FALLS, NEW JERSEY 07424

ROSTER OF OFFICIALS: JUNE 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires January</u>
Sam Yodice Jr. - President	2023
Jaclyn Luker – Vice President	2023
Peter D’Angelo	2023
Raymond Luke Damiano	2022
Nicholas Doell	2022
Dr. Vincent Varcadipane	2022
Giovanni D’Ambrosio	2024
Lori Brigati	2024
Dr. Charles Cathcart	2024

OTHER OFFICIALS

Dr. JoAnn Cardillo – Superintendent of Schools

Colin Monahan – School Business Administrator/Board Secretary

Raymond Reddin – Board Attorney

Passaic Valley Regional High School District #1

Board of Education

Consultants and Advisors

Audit Firm

Lerch Vinci & Higgins, LLP
17-17 Route 208
Fair Lawn, N.J. 07410

Attorney

Raymond Reddin
485 Totowa Rd.
Totowa, N.J. 07512

Official Depository

Lakeland Bank
Main Street
Little Falls, N.J. 07424

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, 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
RALPH M. PICONE, III, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Passaic Valley Regional High School District No. 1 Board of Education
Little Falls, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Passaic Valley Regional High School District No. 1 Board of Education, as of and for the fiscal year ended June 30, 2021 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the business-type activities and each major fund of the Passaic Valley Regional High School District No.1 Board of Education as of June 30, 2021, 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.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2021, the Passaic Valley Regional High School District No. 1 Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities which provided guidance on identifying fiduciary activities and how they should be reported. The adoption of this standard resulted in a change to how previously reported fiduciary fund activities are currently reported in the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

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, 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.

Other Information

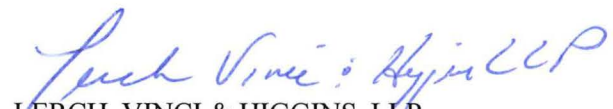
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Passaic Valley Regional High School District No.1 Board of Education's basic financial statements. The introductory section, financial schedules, statistical section, schedule of expenditures 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 Passaic Valley Regional High School District No. 1 Board of Education.

The schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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, 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.

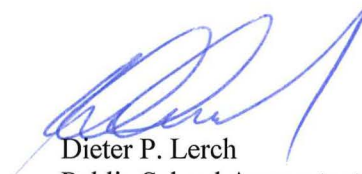
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated March 4, 2022 on our consideration of the Passaic Valley Regional High School District No.1 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 Passaic Valley Regional High School District No.1 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 Passaic Valley Regional High School District No.1 Board of Education's internal control over financial reporting and compliance.



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



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
March 4, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Passaic Valley Regional High School District No. 1 Board of Education Little Falls, New Jersey

Management's Discussion and Analysis Year Ended June 30, 2021

This section of the Passaic Valley Regional High School District No. 1 Board of Educations' comprehensive annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2020-2021) and the prior year (2019-2020) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2020-2021 fiscal year are as follows:

- The assets and deferred outflows of resources of the Passaic Valley Regional High School District No. 1 Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$5,714,721 (net position).
- The District's total net position increased \$1,718,332.
- Overall district-wide revenues were \$39,386,037. General revenues accounted for \$27,962,352 or 71% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$11,423,685 or 29% of total revenues.
- The school district had \$37,505,701 in expenses for governmental activities; only \$11,281,455 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$27,962,263 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 \$6,625,143. Of this amount, \$769,148 is available for spending at the District's discretion (unassigned fund balance – General Fund).

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 Passaic Valley Regional High School District No. 1 Board of Education.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Passaic Valley Regional High School District No. 1 Board of Educations' overall financial status.

Passaic Valley Regional High School District No. 1 Board of Education Little Falls, New Jersey

Management’s Discussion and Analysis (continued) Year Ended June 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

- The remaining statements are fund financial statements that focus on individual parts of the Passaic Valley Regional High School District No. 1 Board of Educations’, reporting the Board’s operation in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
- Proprietary funds statements offer short- and long-term financial information about the activities the District operates like businesses.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Figure A-1 summarizes the major features of the Board’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.

Figure A-1 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 special education and building maintenance, administration and community education	Activities the district operates similar to private businesses: Food Service
Required financial Statements	Statements of net position Statement of activities	Balance sheet Statement of revenues, expenditures and changes in fund balances	Statement of net position Statement of revenues, expenses, and changes in fund net position Statement of cash flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, liabilities, and deferred outflows/ inflows of resources 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 thereafter; no capital assets or long-term liabilities included	All assets, liabilities, and deferred inflows of resources 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.

Passaic Valley Regional High School District No. 1 Board of Education Little Falls, New Jersey

Management's Discussion and Analysis (continued) Year Ended June 30, 2021

District-Wide Statements

The district-wide statements report information about the Passaic Valley Regional High School District No. 1 Board of Education 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, liabilities and deferred inflows/outflows 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 they have changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health or position.

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

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

- *Governmental activities*- Most of the district's basic services are included here, such as regular and special education, transportation, administration and community education. Property taxes and state aids finance most of these activities.
- *Business-type activities*- The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund is included here.

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The district uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

**Passaic Valley Regional High School District No. 1 Board of Education
Little Falls, New Jersey**

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2021**

The district has three kinds of funds:

- *Governmental funds*- Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain 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.

**FINANCIAL ANALYSIS OF THE PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1
BOARD OF EDUCATION AS A WHOLE**

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

Table A-1 provides a summary of the school district's net position for 2021 and 2020 (Restated).

Net position. The district's combined net position was \$5,714,721 and \$3,996,389, on June 30, 2021 and 2020 (Restated), respectively. (See Table A-1).

**Passaic Valley Regional High School District No. 1 Board of Education
Little Falls, New Jersey**

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2021**

**Table A-1
Statement of Net Position
As of June 30, 2021 and 2020**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u> (Restated)
Current Assets	\$ 7,115,168	\$ 5,402,563	\$ 29,188	\$ 25,230	\$ 7,144,356	\$ 5,427,793
Capital Assets	<u>7,701,920</u>	<u>7,711,966</u>	<u>49,555</u>	<u>59,438</u>	<u>7,751,475</u>	<u>7,771,404</u>
Total Assets	<u>14,817,088</u>	<u>13,114,529</u>	<u>78,743</u>	<u>84,668</u>	<u>14,895,831</u>	<u>13,199,197</u>
Deferred Outflows of Resources	<u>622,773</u>	<u>799,353</u>	<u>-</u>	<u>-</u>	<u>622,773</u>	<u>799,353</u>
Long-Term Liabilities	6,558,244	8,191,647			6,558,244	8,191,647
Other Liabilities	<u>1,184,492</u>	<u>301,762</u>	<u>25,224</u>	<u>11,464</u>	<u>1,209,716</u>	<u>313,226</u>
Total Liabilities	<u>7,742,736</u>	<u>8,493,409</u>	<u>25,224</u>	<u>11,464</u>	<u>7,767,960</u>	<u>8,504,873</u>
Deferred Inflows of Resources	<u>2,035,923</u>	<u>2,004,828</u>	<u>-</u>	<u>-</u>	<u>2,035,923</u>	<u>2,004,828</u>
Net Position						
Net Investment in capital assets	5,113,920	4,498,966	49,555	59,438	5,163,475	4,558,404
Restricted	683,204	590,478			683,204	590,478
Unrestricted	<u>(135,922)</u>	<u>(1,166,259)</u>	<u>3,964</u>	<u>13,766</u>	<u>(131,958)</u>	<u>(1,152,493)</u>
Total Net Position	<u>\$ 5,661,202</u>	<u>\$ 3,923,185</u>	<u>\$ 53,519</u>	<u>\$ 73,204</u>	<u>\$ 5,714,721</u>	<u>\$ 3,996,389</u>

**Passaic Valley Regional High School District No. 1 Board of Education
Little Falls, New Jersey**

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2021**

**Table A-2
Change in Net Position
For The Years Ended June 30, 2021 and 2020**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,255,595	\$ 1,136,782	\$ 6,762	\$ 349,503	\$ 1,262,357	\$ 1,486,285
Operating Grants and Contributions	10,025,860	7,599,389	135,468	158,939	10,161,328	7,758,328
General Revenues						
Property Taxes	27,279,539	26,767,270			27,279,539	26,767,270
State Aid - Formula Grants	354,083	354,625			354,083	354,625
Other	<u>328,641</u>	<u>148,961</u>	<u>89</u>	<u>1,179</u>	<u>328,730</u>	<u>150,140</u>
Total Revenues	<u>39,243,718</u>	<u>36,007,027</u>	<u>142,319</u>	<u>509,621</u>	<u>39,386,037</u>	<u>36,516,648</u>
Expenses						
Instruction						
Regular	18,779,558	17,438,305			18,779,558	17,438,305
Special Education	6,093,642	5,293,627			6,093,642	5,293,627
School Sponsored Activities and Athletics	1,707,771	1,186,077			1,707,771	1,186,077
Support Services						
Student and Instruction Related Services	3,101,532	2,736,769			3,101,532	2,736,769
General Administrative Services	784,035	728,430			784,035	728,430
School Administrative Services	1,331,933	1,293,180			1,331,933	1,293,180
Plant Operations and Maintenance	3,652,990	3,709,467			3,652,990	3,709,467
Pupil Transportation	1,365,998	1,756,797			1,365,998	1,756,797
Business and Other Support Services	590,376	496,083			590,376	496,083
Interest on Debt	97,866	118,146			97,866	118,146
Food Services	<u>-</u>	<u>-</u>	<u>162,004</u>	<u>546,923</u>	<u>162,004</u>	<u>546,923</u>
Total Expenses	<u>37,505,701</u>	<u>34,756,881</u>	<u>162,004</u>	<u>546,923</u>	<u>37,667,705</u>	<u>35,303,804</u>
Change in Net Position	<u>\$ 1,738,017</u>	<u>\$ 1,250,146</u>	<u>\$ (19,685)</u>	<u>\$ (37,302)</u>	<u>\$ 1,718,332</u>	<u>\$ 1,212,844</u>

Passaic Valley Regional High School District No. 1 Board of Education Little Falls, New Jersey

Management’s Discussion and Analysis (continued) Year Ended June 30, 2021

Governmental Activities. The District’s total revenues were \$39,243,718. The local share of the revenues, that included property taxes, tuition, transportation, interest, and miscellaneous revenue, amounted to \$27,962,263 or 71% of total revenues. Funding from state and federal sources amounted to \$11,281,455 or 29%.

The District’s expenses are predominantly related to instruction and support services. Instruction totaled \$26,580,971 (71%) and student support services totaled \$10,826,864 (28%) of total expenditures interest on debt totaled \$97,866. (See Figure A-3.)

Figure A-3 Revenues by Sources – Governmental Activities
For Fiscal Year 2021

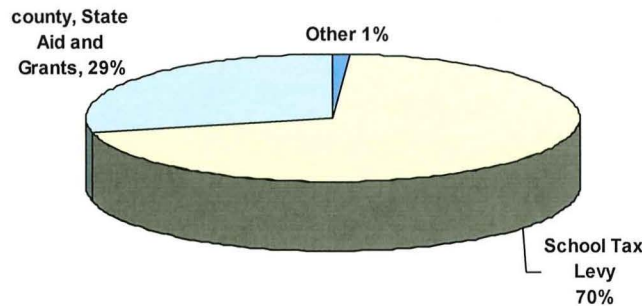
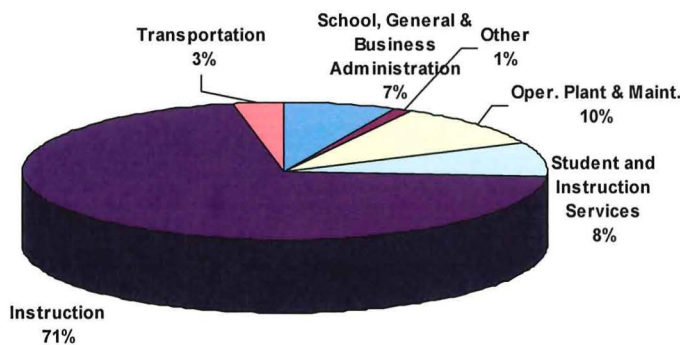


Table A-4 Expenses by Function – Governmental Activities
For Fiscal Year 2021



**Passaic Valley Regional High School District No. 1 Board of Education
Little Falls, New Jersey**

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2021**

**Table A-3
Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2021 and 2020**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Instruction				
Regular	\$ 18,779,558	\$ 17,438,305	\$ 12,297,398	\$ 13,436,885
Special Education	6,093,642	5,293,627	3,912,793	1,953,281
School Sponsored Activities and Athletics	1,707,771	1,186,077	1,251,558	1,114,965
Support Services				
Student and Instruction Related Services	3,101,532	2,736,769	2,095,111	2,173,462
General Administrative Services	784,035	728,430	612,451	607,612
School Administrative Services	1,331,933	1,293,180	969,393	1,028,941
Plant Operations and Maintenance	3,652,990	3,709,467	3,404,182	3,637,627
Pupil Transportation	1,365,998	1,756,797	1,079,319	1,501,998
Business Services	590,376	496,083	540,615	491,006
Interest on Debt	97,866	118,146	61,426	74,933
Total	\$ 37,505,701	\$ 34,756,881	\$ 26,224,246	\$ 26,020,710

Business-Type Activities

The cost of Business-Type Activities for the fiscal years ended June 30, 2021 and 2020 were \$162,004 and \$546,923, respectively. These costs were funded by operating grants and charges for services (Detailed on Table A-2).

**Passaic Valley Regional High School District No. 1 Board of Education
Little Falls, New Jersey**

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$6,625,143. As of June 30, 2020 (Restated), the fund balance was \$5,662,117.

Revenues for the District's governmental funds were \$36,357,682 while total expenditures were \$35,394,656.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students for grades 9 through 12 including pupil transportation activities and capital outlay projects.

The following schedule presents a summary of General Fund revenues for the fiscal years ended June 30, 2021 and 2020.

General Fund Revenues

	Fiscal Year Ended		Amount of Increase (Decrease)	Change
	June 30			
	<u>2021</u>	<u>2020</u>		
Local Sources				
Property Taxes	\$ 26,796,303	\$ 26,270,885	\$ 525,418	2%
Tuition/Transportation	1,255,595	1,136,782	118,813	10%
Miscellaneous	328,530	148,116	180,414	122%
Intergovernmental				
Federal Sources	23,850	22,667	1,183	5%
State Sources	<u>6,188,331</u>	<u>5,468,744</u>	<u>719,587</u>	13%
Total General Fund Revenues	<u>\$ 34,592,609</u>	<u>\$ 33,047,194</u>	<u>\$ 1,545,415</u>	5%

**Passaic Valley Regional High School District No. 1 Board of Education
Little Falls, New Jersey**

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2021**

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2021 and 2020.

General Fund Expenditures

	Fiscal Year Ended June 30		Amount of Increase (Decrease)	Change
	<u>2021</u>	<u>2020</u>		
Current Expense:				
Instruction	\$ 23,648,204	\$ 22,000,156	\$ 1,648,048	7%
Undistributed Expenses	9,894,787	10,193,554	(298,767)	-3%
Capital Outlay	<u>30,789</u>	<u>249,503</u>	<u>(218,714)</u>	-88%
 Total Expenditures	 <u>\$ 33,573,780</u>	 <u>\$ 32,443,213</u>	 <u>\$ 1,130,567</u>	 3%

Total General Fund expenditures increased by \$1,130,567 or 3% from the previous year.

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

Revenues of the Special Revenue Fund were \$1,032,785 and \$613,141, for the years ended June 30, 2021 and 2020. Federal sources accounted for 73% and 99% of the Special Revenue Fund's revenue for the years ended June 30, 2021 and 2020.

Proprietary Funds

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

Enterprise Fund - The District uses an Enterprise Fund to report activities related to the Food Services programs. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

**Passaic Valley Regional High School District No. 1 Board of Education
Little Falls, New Jersey**

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2021**

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Over the course of the year, the District revised the annual operating budget several times. These budget amendments are the result of the implementation of budgets for specially funded projects and the reinstating prior year purchase orders being carried over.

Capital Assets. At the end of the fiscal year 2021, the school district had invested in land, buildings, furniture, machinery and equipment as stated in Table A-4 as follows:

Table A-4

	Governmental Activities			Business-Type Activities		
	2021	2020	Increase (Decrease)	2021	2020	Increase (Decrease)
Buildings and Building Improvements	\$ 13,107,546	\$ 13,107,546	\$ -			
Improvements other than Buildings	1,851,326	1,851,326	-			
Machinery and Equipment	2,094,068	1,988,590	105,478	\$ 250,407	\$ 250,407	-
	17,052,940	16,947,462	105,478	250,407	250,407	-
Less Accumulated Depreciation	9,351,020	9,235,496	115,524	200,852	190,969	\$ 9,883
Total	\$ 7,701,920	\$ 7,711,966	\$ (10,046)	\$ 49,555	\$ 59,438	\$ (9,883)

Debt Administration. As of June 30, 2021 and 2020 the school district had long-term debt and outstanding long-term liabilities in the amounts of \$7,208,244 and \$8,191,647, respectively.

Long-Term Liabilities

Table A-5
Long-Term Debt
Outstanding Long-Term Liabilities

	2021	2020
Serial Bonds	\$ 2,588,000	\$ 3,213,000
Net Pension Liability	4,507,008	4,867,631
Compensated Absences Payable	113,236	111,016
Total	\$ 7,208,244	\$ 8,191,647

**Passaic Valley Regional High School District No. 1 Board of Education
Little Falls, New Jersey**

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2021**

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 financial information, contact the Business Office at the Passaic Valley Regional High School District No. 1 Board of Education, East Main Street, Little Falls, New Jersey 07424.

BASIC FINANCIAL STATEMENTS

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 4,824,980	\$ 14,181	\$ 4,839,161
Receivables, net			
Receivables from Other Governments	2,084,255	15,374	2,099,629
Other Receivables	197,387	1,225	198,612
Internal Balances	8,546	(8,546)	-
Inventory		6,954	6,954
Capital Assets			
Being Depreciated Net	<u>7,701,920</u>	<u>49,555</u>	<u>7,751,475</u>
Total Assets	<u>14,817,088</u>	<u>78,743</u>	<u>14,895,831</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	<u>622,773</u>	<u>-</u>	<u>622,773</u>
Total Assets and Deferred Outflows of Resources	<u>15,439,861</u>	<u>78,743</u>	<u>15,518,604</u>
LIABILITIES			
Accounts Payable	243,267	17,727	260,994
Payroll Deductions & Withholdings Payable	185,855		185,855
Accrued Interest Payable	44,467		44,467
Unearned Revenue	60,903	7,497	68,400
Noncurrent Liabilities			
Due Within One Year	650,000		650,000
Due Beyond One Year	<u>6,558,244</u>	<u>-</u>	<u>6,558,244</u>
Total Liabilities	<u>7,742,736</u>	<u>25,224</u>	<u>7,767,960</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	<u>2,035,923</u>	<u>-</u>	<u>2,035,923</u>
Total Liabilities and Deferred Inflows of Resources	<u>9,778,659</u>	<u>25,224</u>	<u>9,803,883</u>
NET POSITION			
Net Investment in Capital Assets	5,113,920	49,555	5,163,475
Restricted for:			
Capital Projects	162,069		162,069
Other Purposes	521,135		521,135
Unrestricted	<u>(135,922)</u>	<u>3,964</u>	<u>(131,958)</u>
Total Net Position	<u>\$ 5,661,202</u>	<u>\$ 53,519</u>	<u>\$ 5,714,721</u>

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:							
Instruction:							
Regular	\$ 18,779,558	\$ 1,255,595	\$ 5,226,565		\$ (12,297,398)		\$ (12,297,398)
Special Education	6,093,642		2,180,849		(3,912,793)		(3,912,793)
School Sponsored Co-Curricular Activities	1,707,771		456,213		(1,251,558)		(1,251,558)
Support Services:							
Student & Instruction Related Services	3,101,532		1,006,421		(2,095,111)		(2,095,111)
School Administrative Services	1,331,933		362,540		(969,393)		(969,393)
General Administrative Services	784,035		171,584		(612,451)		(612,451)
Plant Operations and Maintenance	3,652,990		248,808		(3,404,182)		(3,404,182)
Pupil Transportation	1,365,998		286,679		(1,079,319)		(1,079,319)
Business and Other Support Services	590,376		49,761		(540,615)		(540,615)
Interest on Long-Term Debt	97,866	-	36,440	-	(61,426)	-	(61,426)
Total Governmental Activities	37,505,701	1,255,595	10,025,860	-	(26,224,246)	-	(26,224,246)
Business-Type Activities:							
Food Service	162,004	6,762	135,468	-	-	\$ (19,774)	(19,774)
Total Business-Type Activities	162,004	6,762	135,468	-	-	(19,774)	(19,774)
Total Primary Government	\$ 37,667,705	\$ 1,262,357	\$ 10,161,328	\$ -	(26,224,246)	(19,774)	(26,244,020)

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Net (Expense) Revenue and Changes in Net Position		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 26,796,303		\$ 26,796,303
Taxes Levied for Debt Service	483,236		483,236
State Aid - Restricted for Debt Service	212,500		212,500
State Aid - Unrestricted	141,583		141,583
Miscellaneous Income	<u>328,641</u>	<u>\$ 89</u>	<u>328,730</u>
 Total General Revenues	 <u>27,962,263</u>	 <u>89</u>	 <u>27,962,352</u>
 Change in Net Position	 1,738,017	 (19,685)	 1,718,332
 Net Position—Beginning of Year (Restated)	 <u>3,923,185</u>	 <u>73,204</u>	 <u>3,996,389</u>
 Net Position—End of Year	 <u>\$ 5,661,202</u>	 <u>\$ 53,519</u>	 <u>\$ 5,714,721</u>

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

FUND FINANCIAL STATEMENTS

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 4,384,260	\$ 394,083	\$ 46,637		\$ 4,824,980
Accounts Receivable	197,387				197,387
Tax Levy Receivable	1,941,095			\$ 10,281	1,951,376
Receivables From Other Governments	66,155	66,724			132,879
Due from Other Funds	<u>25,464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,464</u>
Total Assets	<u>\$ 6,614,361</u>	<u>\$ 460,807</u>	<u>\$ 46,637</u>	<u>10,281</u>	<u>\$ 7,132,086</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable and Other Liabilities	\$ 219,142	\$ 24,125			\$ 243,267
Due to Other Funds			\$ 6,637	\$ 10,281	16,918
Payroll Deductions & Withholdings Payable	185,855				185,855
Unearned Revenue	<u>-</u>	<u>60,903</u>	<u>-</u>	<u>-</u>	<u>60,903</u>
Total Liabilities	<u>404,997</u>	<u>85,028</u>	<u>6,637</u>	<u>10,281</u>	<u>506,943</u>
Fund Balances:					
Restricted:					
Capital Reserve	122,069				122,069
Excess Surplus	2,190,408				2,190,408
Excess Surplus - Designated for Subsequent Year's Expenditures	2,400,478				2,400,478
Capital Projects			40,000		40,000
Unemployment Compensation	145,356				145,356
Student Activities		154,332			154,332
Athletics		50,623			50,623
Scholarships		170,824			170,824
Assigned:					
Designated for Subsequent Year's Expenditures	258,267				258,267
Year End Encumbrances	323,638				323,638
Unassigned	<u>769,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>769,148</u>
Total Fund Balances	<u>6,209,364</u>	<u>375,779</u>	<u>40,000</u>	<u>-</u>	<u>6,625,143</u>
Total Liabilities and Fund Balances	<u>\$ 6,614,361</u>	<u>\$ 460,807</u>	<u>\$ 46,637</u>	<u>\$ 10,281</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$17,052,940 and the accumulated depreciation is \$9,351,020. 7,701,920

The District has financed capital assets through the issuance of long-term debt. The interest accrual at year end is: (44,467)

Deferred Inflows and Outflows related to the net pension liability are not reported in the funds. (1,413,150)

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

	Bonds Payable	\$ 2,588,000	
	Net Pension Liability	4,507,008	
	Compensated Absences	<u>113,236</u>	
			<u>(7,208,244)</u>

Net Position of Governmental Activities (Exhibit A-1) \$ 5,661,202

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources:					
Property Tax Levy	\$ 26,796,303			\$ 483,236	\$ 27,279,539
Tuition	1,255,595				1,255,595
Interest Earnings	14,917		\$ 112		15,029
Miscellaneous	313,613	\$ 277,610	-	-	591,223
Total - Local Sources	<u>28,380,428</u>	<u>277,610</u>	<u>112</u>	<u>483,236</u>	<u>29,141,386</u>
State Sources	6,188,331			248,940	6,437,271
Federal Sources	23,850	755,175	-	-	779,025
Total Revenues	<u>34,592,609</u>	<u>1,032,785</u>	<u>112</u>	<u>732,176</u>	<u>36,357,682</u>
EXPENDITURES					
Instruction					
Regular	16,735,837	254,347			16,990,184
Special Education	5,620,707	267,366			5,888,073
School Sponsored Co-Curricular Activities	1,291,660	329,125			1,620,785
Support Services and Undistributed Costs					
Student & Instruction Related Services	2,612,743	163,173			2,775,916
General Administrative Services	722,128				722,128
School Administrative Services	1,190,968				1,190,968
Business & Other Support Services	559,482				559,482
Plant Operations and Maintenance	3,444,214				3,444,214
Pupil Transportation	1,365,252				1,365,252
Capital Outlay	30,789	74,689			105,478
Debt Service					
Principal				625,000	625,000
Interest and other charges	-	-	-	107,176	107,176
Total Expenditures	<u>33,573,780</u>	<u>1,088,700</u>	<u>-</u>	<u>732,176</u>	<u>35,394,656</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>1,018,829</u>	<u>(55,915)</u>	<u>112</u>	<u>-</u>	<u>963,026</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	112				112
Transfers Out	-	-	(112)	-	(112)
Total Other Financing Sources (Uses)	<u>112</u>	<u>-</u>	<u>(112)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,018,941	(55,915)	-	-	963,026
Fund Balance, Beginning of Year (Restated)	<u>5,190,423</u>	<u>431,694</u>	<u>40,000</u>	<u>-</u>	<u>5,662,117</u>
Fund Balance, End of Year	<u>\$ 6,209,364</u>	<u>\$ 375,779</u>	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 6,625,143</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 963,026

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the period.

Depreciation Expense	\$	(115,524)	
Capital Outlays		<u>105,478</u>	
			(10,046)

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Bond Principal			625,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The details are as follows:

Decrease in Accrued Interest		9,309	
Compensated Absences		(2,220)	
Net Pension Liability		<u>152,948</u>	
			<u>160,037</u>

Change in Net Position of Governmental Activities **\$ 1,738,017**

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2021**

	Business-Type Activities Enterprise Fund <u>Food Services</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 14,181
Intergovernmental Receivable	
State	491
Federal	14,883
Accounts Receivable	1,225
Inventories	<u>6,954</u>
 Total Current Assets	 <u>37,734</u>
 Capital Assets	
Furniture, Machinery and Equipment	250,407
Less: Accumulated Depreciation	<u>(200,852)</u>
 Total Capital Assets, Net	 <u>49,555</u>
 Total Assets	 <u>87,289</u>
 LIABILITIES	
Current Liabilities	
Accounts Payable	17,727
Due to Other Funds	8,546
Unearned Revenue	<u>7,497</u>
 Total Current Liabilities	 <u>33,770</u>
 NET POSITION	
Net Investment in Capital Assets	49,555
Unrestricted	<u>3,964</u>
 Total Net Position	 <u>\$ 53,519</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Fund <u>Food Services</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales-Reimbursable Programs	\$ 6,762
Daily Sales - Nonreimbursable Programs	
Other Sales	<u>-</u>
Total Operating Revenues	<u>6,762</u>
OPERATING EXPENSES	
Cost of Sales - Reimbursable Programs	50,262
Cost of Sales - Nonreimbursable Programs	
Cost of Sales - USDA Commodities	16,218
Labor Cost	27,567
Management Fee	31,720
Supplies and Materials	8,219
Repairs and Maintenance	1,915
Insurance	11,993
Other Expenses	4,227
Depreciation	<u>9,883</u>
Total Operating Expenses	<u>162,004</u>
Operating Loss	<u>(155,242)</u>
NONOPERATING REVENUES	
State Sources	
State School Lunch Program	3,171
Federal Sources	
Food Distribution Program	16,218
National School Breakfast Program	44,851
National School Lunch Program	71,228
Interest Income	<u>89</u>
Total Nonoperating Revenues	<u>135,557</u>
Change in Net Position	(19,685)
Total Net Position - Beginning of Year	<u>73,204</u>
Total Net Position - End of Year	<u>\$ 53,519</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Fund Food Services
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 8,020
Cash Payments for Employees' Salaries and Benefits	(27,567)
Cash Payments to Suppliers for Goods and Services	<u>(105,071)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(124,618)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	<u>106,440</u>
Net Cash Provided by Noncapital Financing Activities	<u>106,440</u>
Cash Flows from Investing Activities	
Interest Income	<u>89</u>
Net Cash Provided by Investing Activities	<u>89</u>
Net Decrease in Cash and Cash Equivalents	(18,089)
Cash and Cash Equivalents, Beginning of Year	<u>32,270</u>
Cash and Cash Equivalents, End of Year	<u>\$ 14,181</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	<u>\$ (155,242)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Non-Cash Federal Assistance - Food Distribution Program	16,218
Depreciation	9,883
Change in Assets and Liabilities	
(Increase)/Decrease in Accounts Receivable	1,258
(Increase)/Decrease in Inventory	9,675
Increase/(Decrease) in Due to Other Funds	(20,170)
Increase/(Decrease) in Accounts Payable	16,137
Increase/(Decrease) in Deferred Revenue	<u>(2,377)</u>
Total Adjustments	<u>30,624</u>
Net Cash Used for Operating Activities	<u>\$ (124,618)</u>
Non-Cash Financing Activities:	
Fair Value of Food Distribution Program Commodities Received - National School Lunch Program	<u>\$ 16,218</u>

NOTES TO THE FINANCIAL STATEMENTS

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Passaic Valley Regional High School District No. 1 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 nine elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a grade nine (9) through grade twelve (12) school district.

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

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Passaic Valley Regional High School District No. 1 Board of Education this includes general operations, food service 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 2021, the District adopted the following GASB statement:

- GASB No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

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.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

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.

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, lease purchases 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.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations 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 and acquisitions under capital leases are reported as other financing sources.

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

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

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

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, if any, 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. 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>
Buildings and Building Improvements	40
Improvements Other Than Buildings	20
Heavy Equipment	10
Office Equipment and Furniture	10
Computer Equipment	5

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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*

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

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

6. *Compensated Absences*

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated 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 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.

8. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that is required to be appropriated in the 2022/2023 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, 2021 audited excess surplus that was appropriated in the 2021/2022 original budget certified for taxes.

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

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

Student Activities and Athletics – 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.

Scholarship Awards – This restriction was created to represent the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

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.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2021/2022 District budget certified for taxes.

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.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

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.

10. Fund Balance Policies

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

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

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2019-2020 and 2020/2021 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The 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. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, 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 beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 24, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2020/2021. Also, during 2020/2021 the Board increased the original budget by \$868,854. The increase was funded by grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

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

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020	\$ 42,938
Increased by:	
Unspent Balance of Capital Outlay	<u>79,131</u>
Balance, June 30, 2021	<u>\$ 122,069</u>

C. 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, 2021 is \$4,590,886. Of this amount, \$2,400,478 was designated and appropriated in the 2021/2022 original budget certified for taxes and the remaining amount of \$2,190,408 will be appropriated in the 2022/2023 original budget certified for taxes.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2020, the book value of the Board's deposits were \$4,839,161 and bank and brokerage firm balances of the Board's deposits amounted to \$7,148,054. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ <u>7,148,054</u>
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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, 2020 the Board's bank balances were not exposed to custodial credit risk.

Investments

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

As of June 30, 2021, the Board had no outstanding investments.

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

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

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

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2021 for the district's individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts	\$ 197,387		\$ 1,225	\$ 198,612
Intergovernmental				
Federal		\$ 66,724	14,883	81,607
State	66,155		491	66,646
Local	<u>1,941,095</u>	-	-	<u>1,941,095</u>
Gross Receivables	<u>2,204,637</u>	<u>66,724</u>	<u>16,599</u>	<u>2,287,960</u>
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 2,204,637</u>	<u>\$ 66,724</u>	<u>\$ 16,599</u>	<u>\$ 2,287,960</u>

C. Unearned Revenue

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

Special Revenue Fund	
Unencumbered Local Grant Donations	\$ <u>60,903</u>
Total Unearned Revenue for Governmental Funds	\$ <u>60,903</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	<u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>	
Governmental Activities:					
Capital Assets, Being Depreciated:					
Buildings and Building Improvements	\$ 13,107,546			\$	13,107,546
Improvements Other Than Buildings	1,851,326				1,851,326
Machinery and Equipment	<u>1,988,590</u>	<u>\$ 105,478</u>	<u>-</u>		<u>2,094,068</u>
Total Capital Assets Being Depreciated	<u>16,947,462</u>	<u>105,478</u>	<u>-</u>		<u>17,052,940</u>
Less Accumulated Depreciation for:					
Buildings	7,103,171	36,071			7,139,242
Improvements Other Than Buildings	1,104,101	35,647			1,139,748
Machinery and Equipment	<u>1,028,224</u>	<u>43,806</u>	<u>-</u>		<u>1,072,030</u>
Total Accumulated Depreciation	<u>9,235,496</u>	<u>115,524</u>	<u>-</u>		<u>9,351,020</u>
Total Capital Assets, Being Depreciated, Net	<u>7,711,966</u>	<u>(10,046)</u>	<u>-</u>		<u>7,701,920</u>
Government Activities Capital Assets, Net	<u>\$ 7,711,966</u>	<u>\$ (10,046)</u>	<u>\$ -</u>	<u>\$</u>	<u>7,701,920</u>
	Balance, <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	Balance, <u>June 30, 2021</u>
Business-Type Activities:					
Capital Assets, Being Depreciated:					
Machinery and Equipment	\$ 250,407	<u>-</u>	<u>-</u>	\$ -	\$ 250,407
Total Capital Assets Being Depreciated	<u>250,407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,407</u>
Less Accumulated Depreciation for:					
Machinery and Equipment	<u>190,969</u>	<u>\$ 9,883</u>	<u>-</u>	<u>-</u>	<u>200,852</u>
Total Accumulated Depreciation	<u>190,969</u>	<u>9,883</u>	<u>-</u>	<u>-</u>	<u>200,852</u>
Total Capital Assets, Being Depreciated, Net	<u>59,438</u>	<u>(9,883)</u>	<u>-</u>	<u>-</u>	<u>49,555</u>
Business-Type Activities Capital Assets, Net	<u>\$ 59,438</u>	<u>\$ (9,883)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,555</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental activities:

Instruction		
Regular		\$ 20,794
School Sponsored Co-Curricular Activities		<u>1,155</u>
Total Instruction		<u>21,949</u>
Support Services		
Student and Instruction Related Services		12,708
Operations and Maintenance of Plant		<u>80,867</u>
Total Support Services		<u>93,575</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 115,524</u>

Business-Type Activities:

Food Service Fund		\$ 9,883
Total Depreciation Expense-Business-Type Activities		<u>\$ 9,883</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2021, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 6,637
General Fund	Food Service Fund	8,546
General Fund	Debt Service Fund	<u>10,281</u>
		<u>\$ 25,464</u>

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

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund transfers

	<u>Transfers In:</u>	
	<u>General</u>	
	<u>Fund</u>	<u>Total</u>
<u>Transfer Out:</u>		
Capital Projects Fund	\$ 112	\$ 112
	<u>\$ 112</u>	<u>\$ 112</u>

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

F. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets or other purposes permitted by statute. The 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, 2021 is comprised of the following issue:

\$6,788,000, 2011 Bonds, due in annual installments of \$638,000 to \$650,000 through July 1, 2024, interest at 3.400% - 3.85%	<u>\$2,588,000</u>
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Governmental Activities

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

<u>Fiscal Year</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 650,000	\$ 86,051	\$ 736,051
2023	650,000	63,301	713,301
2024	650,000	38,520	688,520
2025	<u>638,000</u>	<u>12,760</u>	<u>650,760</u>
	<u>\$ 2,588,000</u>	<u>\$ 200,632</u>	<u>\$ 2,788,632</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2021 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 173,903,561
Less: Net Debt	<u>2,588,000</u>
Remaining Borrowing Power	<u>\$ 171,315,561</u>

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

	Balance, July 1, 2020	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, 2021	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 3,213,000		\$ 625,000	\$ 2,588,000	\$ 650,000
Compensated Absences	111,016	\$ 2,220		113,236	
Net Pension Liability	<u>4,867,631</u>	<u>-</u>	<u>360,623</u>	<u>4,507,008</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 8,191,647</u>	<u>\$ 2,220</u>	<u>\$ 985,623</u>	<u>\$ 7,208,244</u>	<u>\$ 650,000</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

The relationship between the Board and the insurance fund 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.

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

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

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

<u>Fiscal</u> <u>Year Ended</u> <u>June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Earnings</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2021	\$ 50,000	\$ 19,348	\$ 180	\$ 18	\$ 145,356
2020	30,000	19,342	1,179	70,447	75,846
2019	None	20,023	195	8,411	95,569

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, 2021, 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.

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NOTE 4 OTHER INFORMATION (Continued)

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, 2021, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

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) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represents the membership tiers for PERS:

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

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

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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

The following represent the membership tiers for TPAF:

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

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required or do not work the minimum required hours 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.

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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

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

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

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

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

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

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 NOTES TO THE FINANCIAL STATEMENTS
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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, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32%. The collective net pension liability of the State funded TPAF at June 30, 2020 is \$66.0 billion and the plan fiduciary net position as a percentage of total pension liability is 24.60%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

Actuarial Methods and Assumptions

In the July 1, 2019 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 2021.

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, 2021 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2021, 2020 and 2019 were equal to the required contributions.

During the fiscal years ended June 30, 2021, 2020 and 2019 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, was required to contribute for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Year Ended June 30,	PERS	On-behalf TPAF	DCRP
2021	\$ 302,345	\$ 2,826,724	\$ 11,899
2020	262,775	2,134,410	10,514
2019	269,894	1,947,390	12,702

In addition, for fiscal years 2021, 2020 and 2019, the District contributed \$0, \$1,100 and \$858, respectively, for PERS and the State contributed \$1,035, \$1,460 and \$1,372, respectively, for TPAF for long-term disability insurance premium (LTDI).

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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

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 \$684,744 during the fiscal year ended June 30, 2021 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2019 through June 30, 2020. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2020 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2020.

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$4,507,008 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. 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, 2020. At June 30, 2020, the District's proportionate share was 0.02764 percent, which was an increase of 0.00063 percent from its proportionate share measured as of June 30, 2019 of 0.02701 percent.

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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, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$149,397 for PERS. The pension contribution made by the District during the current 2020/2021 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, 2021 with a measurement date of the prior fiscal year end of June 30, 2020. 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, 2021 for contributions made subsequent to the measurement date. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 82,065	\$ 15,939
Changes of Assumptions	146,212	1,887,127
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	154,053	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>240,443</u>	<u>132,857</u>
Total	<u>\$ 622,773</u>	<u>\$ 2,035,923</u>

At June 30, 2021, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2022	\$ (482,611)
2023	(497,011)
2024	(312,966)
2025	(98,076)
2026	(22,486)
Thereafter	<u>-</u>
	<u>\$ (1,413,150)</u>

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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, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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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, 2019) 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 PERS's target asset allocation as of June 30, 2020 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%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	7.00%
2020	June 30, 2019	6.28%

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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 (Continued)

There was no crossover period for the PERS defined benefit plan. Therefore the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of 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>\$ 5,673,571</u>	<u>\$ 4,507,008</u>	<u>\$ 3,517,147</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, 2020. A sensitivity analysis specific to the District's net pension liability at June 30, 2020 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.

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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2019 through June 30, 2020. 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, 2020, the State's pension contribution was less 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, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$3,914,501 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, 2021 the State's proportionate share of the net pension liability attributable to the District is \$62,950,030. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. 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, 2020. At June 30, 2020, the State's share of the net pension liability attributable to the District was 0.09559 percent, which was a decrease of 0.0014 percent from its proportionate share measured as of June 30, 2019 of 0.09699percent.

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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, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
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FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2020) 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, 2020 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%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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)

Discount Rate

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

Fiscal Year	Measurement Date	Discount Rate
2021	June 30, 2020	5.40%
2020	June 30, 2019	5.60%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

Period of Projected Benefit

Payments for which the Following
Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2062
Municipal Bond Rate *	From July 1, 2062 and Thereafter

* The municipal bond return rate used is 2.21% as of the measurement date of June 30, 2020. 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.

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 5.40%, 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 (4.40 percent) or 1-percentage-point higher (6.40 percent) than the current rate:

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 73,942,183</u>	<u>\$ 62,950,030</u>	<u>\$ 53,822,892</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2020. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2020 was not provided by the pension system.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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)

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.

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 an Agency Fund in the New Jersey Comprehensive Annual Financial Report effective for the fiscal year ended June 30, 2020. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a 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.

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 and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. 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.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2019:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
Total	<u>366,108</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 plans. 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

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2020 is \$67.8 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2019 which were rolled forward to June 30, 2020.

Actuarial Methods and Assumptions

In the June 30, 2019 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.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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 \$1.18 billion to the OPEB plan in fiscal year 2019.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution, an 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, 2021, 2020 and 2019 were \$885,851, \$791,827 and \$883,333, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2019 through June 30, 2020. 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, 2021, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,684,111. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the OPEB liability attributable to the District is \$55,604,631. 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, 2020 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the District was 0.08200 percent, which was a decrease of 0.00406 percent from its proportionate share measured as of June 30, 2019 of 0.08606 percent.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.45%
Rate Thereafter	1.55% to 4.45%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 Healthy "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2020.

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 (Continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Discount Rate

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	2.21%
2020	June 30, 2019	3.50%

The discount rate 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.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Changes in the Total OPEB Liability

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2019 Measurement Date	\$ 35,910,337
Changes Recognized for the Fiscal Year:	
Service Cost	1,412,113
Interest on the Total OPEB Liability	1,290,000
Differences Between Expected and Actual Experience	7,773,815
Changes of Assumptions	10,157,056
Gross Benefit Payments	(968,031)
Contributions from the Member	29,341
Net Changes	<u>\$ 19,694,294</u>
Balance, June 30, 2020 Measurement Date	<u>\$ 55,604,631</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 % percent in 2019 to 2.21% percent in 2020.

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, 2020.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 2.21%, 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 (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	1% Decrease <u>(1.21%)</u>	Current Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 67,034,253	\$ 55,604,631	\$ 46,667,768

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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 44,885,933	\$ 55,604,631	\$ 68,368,218

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 were not provided by the pension system.

NOTE 5 RESTATEMENT

On July 1, 2020, the Passaic Valley Regional High School District No.1 Board of Education implemented GASB Statement No. 84 "Fiduciary Activities". The Passaic Valley Regional High School District No.1 Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2020 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll related activities which were previously reported as fiduciary activities to governmental activities. The effect of this restatement is to increase net position of governmental activities by \$507,540 from \$3,415,645 as previously reported to \$3,923,185 as of June 30, 2020.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 RESTATEMENT (Continued)

Governmental Funds

The financial statements of the governmental funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll activities previously reported as fiduciary funds to governmental funds. The effect of this restatement is to increase fund balances of governmental funds by \$507,540 from \$5,154,577 as previously reported to \$5,662,117 as of June 30, 2020. General Fund fund balance increased \$75,846 from \$5,114,577 as previously reported to \$5,190,423 as of June 30, 2020. Special Revenue Fund fund balance increased \$431,694 from \$0 as previously reported to \$431,694 as of June 30, 2020.

Fiduciary Funds

The financial statements of the fiduciary funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities to governmental funds as noted above. The effect of this restatement is to decrease total fiduciary net position by \$75,846 from \$75,846 as previously reported to \$0 as of June 30, 2020.

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

Governor Phil Murphy (the “Governor”) of the State of New Jersey (the “State”) declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measure, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the governor’s pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

Recently, the United States Congress has passed relief and stimulus legislations including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. The Plan 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 School District. It is too early to predict if the legislation will have its intended affect.

The largest portion of the School District’s revenues is derived from local tax revenues levied by the Borough. In that regard, under applicable State statutes, the Borough annually is required to pay 100% of the amount levied for operations and debt service to the School District regardless of delinquencies in applicable property tax collections. The ability of the Borough to fully collect property taxes on a timely basis may be affected by the economic impact of the Pandemic; however, the District does not anticipate an interruption in the timely collection of property taxes from the Borough.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

BUDGETARY COMPARISON SCHEDULES

REQUIRED SUPPLEMENTARY INFORMATION - PART II

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Transfers</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 26,796,303		\$ 26,796,303	\$ 26,796,303	
Tuition from Other LEA's Within the State	1,275,000		1,275,000	1,255,595	\$ (19,405)
Investment Income	-		-	14,137	14,137
Interest Earned in Capital Reserve	600		600	600	-
Interest Earned on Unemployment Reserves	-		-	180	180
Miscellaneous	100,000	-	100,000	313,613	213,613
Total Local Sources	28,171,903	-	28,171,903	28,380,428	208,525
State Sources					
Categorical Special Education Aid	930,237	\$ (62,279)	867,958	867,958	
Equalization Aid	140,892		140,892	140,892	
Categorical Security Aid	42,576		42,576	42,576	
Categorical Transportation Aid	251,474		251,474	251,474	
Extraordinary Aid	350,000		350,000	851,448	501,448
Non Public Transportation Reimbursement				32,770	32,770
On-behalf TPAF Normal Costs (Non-budgeted)				2,773,946	2,773,946
On-behalf TPAF NCGI Premium (Non-budgeted)				52,778	52,778
On-behalf Post Retirement Medical Contribution (Non-budgeted)				885,851	885,851
On-behalf Long-Term Disability Insurance (Non-budgeted)				1,035	1,035
Reimbursed TPAF Social Security Contributions (Non-budgeted)	-	-	-	684,744	684,744
Total State Sources	1,715,179	(62,279)	1,652,900	6,585,472	4,932,572
Federal Sources					
Medicaid Reimbursement	19,037	-	19,037	23,850	4,813
Total Federal Sources	19,037	-	19,037	23,850	4,813
Total Revenues	29,906,119	(62,279)	29,843,840	34,989,750	5,145,910
EXPENDITURES					
CURRENT EXPENSE					
Instruction - Regular Programs					
Salaries of Teachers Grades 9-12	7,404,162	(22,786)	7,381,376	7,090,716	290,660
Regular Programs- Home Instruction					
Salaries of Teachers	21,000	-	21,000	19,306	1,694
Other Salaries for Instruction	336,000	(45,045)	290,955	174,662	116,293
Purchased Professional - Educational Services	22,000	28,000	50,000	26,177	23,823
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	34,000	(3,500)	30,500	21,755	8,745
Purchased Technical Services	20,750	21,000	41,750	41,559	191
Other Purchased Services	239,526	(4,876)	234,650	209,468	25,182
General Supplies	194,597	16,236	210,833	165,853	44,980
Textbooks	27,685	22,786	50,471	37,875	12,596
Other Objects	10,866	-	10,866	1,433	9,433
Total Regular Programs	8,310,586	11,815	8,322,401	7,788,804	533,597

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Transfers</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES					
CURRENT EXPENSE					
Instruction - Special Education Programs					
Multiple Disabilities					
Salaries of Teachers	\$ 55,020	\$ (35,609)	\$ 19,411	-	\$ 19,411
Total Multiple Disabilities	55,020	(35,609)	19,411	-	19,411
Resource Room					
Salaries of Teachers	620,639	18,432	639,071	\$ 639,071	-
General Supplies	2,000	-	2,000	-	2,000
Total Resource Room	622,639	18,432	641,071	639,071	2,000
Autism					
Other Salaries for Instruction	126,000	25,177	151,177	151,177	-
Purchased Professional-Educational Services	2,075,000	36,959	2,111,959	2,100,679	11,280
General Supplies	-	2,768	2,768	168	2,600
Total Autism	2,201,000	64,904	2,265,904	2,252,024	13,880
Home Instruction					
Salaries of Teachers	34,000	2,532	36,532	36,532	-
Total Home Instruction	34,000	2,532	36,532	36,532	-
Total Special Education	2,912,659	50,259	2,962,918	2,927,627	35,291
School Sponsored Co-Curricular Activities					
Salaries	174,754	(10,532)	164,222	155,121	9,101
Supplies and Materials	91,050	8,842	99,892	80,315	19,577
Other Objects	250	-	250	-	250
Total School Sponsored Co-Curricular Activities	266,054	(1,690)	264,364	235,436	28,928
Co-Curricular Athletics					
Salaries	549,414	-	549,414	545,383	4,031
Purchased Services	110,000	2,275	112,275	52,019	60,256
Supplies and Materials	162,200	(8,841)	153,359	126,491	26,868
Total Co-Curricular Athletics	821,614	(6,566)	815,048	723,893	91,155
Total - Instruction	12,310,913	53,818	12,364,731	11,675,760	688,971
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Special	168,077	(160,000)	8,077	-	8,077
Tuition to County Voc.School Dist. - Reg.	4,322,674	-	4,322,674	4,322,548	126
Tuition to County Voc.School Dist. - Special Ed.	151,829	-	151,829	52,045	99,784
Tuition to Priv. Sch. For the Disables within State	1,987,970	103,586	2,091,556	1,892,516	199,040
Tuition - State Facilities	61,944	-	61,944	41,879	20,065
Total Undistributed Expenditures - Instruction	6,692,494	(56,414)	6,636,080	6,308,988	327,092

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Transfers</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES					
CURRENT EXPENSE					
Health Services					
Salaries	\$ 122,800		\$ 122,800	\$ 110,864	\$ 11,936
Purchased Professional and Technical Services	65,000	\$ (23,330)	41,670	11,076	30,594
Supplies and Materials	7,000	-	7,000	2,174	4,826
Total Health Services	194,800	(23,330)	171,470	124,114	47,356
Speech, OT, PT & Related Services					
Salaries	15,822	40,848	56,670	56,670	-
Purchased Professional Educational Services	111,629	16,459	128,088	123,984	4,104
Total Speech, OT, PT & Related Services	127,451	57,307	184,758	180,654	4,104
Other Support Services - Students - Extra Services					
Purchased Professional Educational Services	76,000	(9,048)	66,952	41,439	25,513
Total Other Support Services- Student- Extra Serv.	76,000	(9,048)	66,952	41,439	25,513
Guidance					
Salaries of Other Professional Staff	569,885	1,285	571,170	571,170	-
Salaries of Sec. & Clerical Assts.	72,674	(28)	72,646	71,972	674
Purchased Professional-Educational Services	1,750	-	1,750	-	1,750
Other Purchased Professional and Technical Services	3,670	-	3,670	250	3,420
Other Purchased Services	126,000	3,444	129,444	125,108	4,336
Supplies and Materials	40,000	(3,507)	36,493	5,993	30,500
Other Objects	1,815	-	1,815	1,474	341
Total Guidance	815,794	1,194	816,988	775,967	41,021
Child Study Teams					
Salaries of Other Professional Staff	341,278	-	341,278	340,804	474
Salaries of Sec. & Clerical Assts.	53,099	-	53,099	51,889	1,210
Other Purchased Professional and Technical Services	1,500	-	1,500	-	1,500
Supplies and Materials	3,000	-	3,000	1,827	1,173
Total Child Study Teams	398,877	-	398,877	394,520	4,357
Improvement of Instructional Services					
Salaries of Other Professional Staff	12,000	-	12,000	-	12,000
Other Purchased Services	19,500	(2,086)	17,414	13,221	4,193
Total Improvement of Instructional Services	31,500	(2,086)	29,414	13,221	16,193
Educational Media Services/School Library					
Salaries	94,410	5,000	99,410	99,410	-
Salaries of Technology Coordinators	110,365	(5,000)	105,365	99,474	5,891
Supplies and Materials	20,000	3,551	23,551	22,086	1,465
Other Objects	350	-	350	295	55
Total Educational Media Services/School Library	225,125	3,551	228,676	221,265	7,411

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXPENDITURES	Original Budget	Transfers	Modified Budget	Actual	Variance Favorable (Unfavorable)
CURRENT EXPENSE					
Support Services General Administration					
Salaries	\$ 250,206		\$ 250,206	\$ 249,098	\$ 1,108
Legal Services	80,799	\$ (1,734)	79,065	53,144	25,921
Audit Fees	37,000	-	37,000	30,318	6,682
Architectural/Engineering Services	15,000	58,000	73,000	62,703	10,297
Other Purchased Professional Services	7,580	12,500	20,080	12,045	8,035
Communications/Telephone	139,150	-	139,150	119,093	20,057
BOE Other Purchased Services	2,000	-	2,000	1,000	1,000
Other Purchased Services	22,000	-	22,000	15,404	6,596
General Supplies	6,000	46	6,046	5,087	959
BOE In-House Training/Meeting Supplies	5,000	-	5,000	934	4,066
Miscellaneous Expenditures	1,785	-	1,785	474	1,311
BOE Membership Dues and Fees	12,000	-	12,000	10,776	1,224
Total Support Services General Administration	<u>578,520</u>	<u>68,812</u>	<u>647,332</u>	<u>560,076</u>	<u>87,256</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals	624,196	(8,030)	616,166	469,592	146,574
Salaries of Secretarial and Clerical Assistants	274,710	6,773	281,483	279,838	1,645
Other Purchased Services	19,000	20,000	39,000	10,227	28,773
Supplies and Materials	15,000	20,000	35,000	-	35,000
Other Objects	8,950	-	8,950	7,128	1,822
Total Support Services School Administration	<u>941,856</u>	<u>38,743</u>	<u>980,599</u>	<u>766,785</u>	<u>213,814</u>
Central Services					
Salaries	328,999	32,302	361,301	356,371	4,930
Purchased Technical Services	40,000	12	40,012	40,012	-
Miscellaneous Purchased Services	3,250	113	3,363	2,985	378
Supplies and Materials	12,500	-	12,500	8,710	3,790
Interest on Lease Purchase Agreement	4,156	-	4,156	-	4,156
Miscellaneous Expenditures	4,200	-	4,200	175	4,025
Total Central Services	<u>393,105</u>	<u>32,427</u>	<u>425,532</u>	<u>408,253</u>	<u>17,279</u>
Undist. Expend. - Required Maint. For School Facilities					
Salaries	374,676	16,000	390,676	364,317	26,359
Cleaning, Repair, and Maintenance	136,630	78,000	214,630	185,946	28,684
General Supplies	8,000	-	8,000	7,474	526
Other Objects	300	12,200	12,500	12,500	-
Total Undist. Expend - Required Maint. For School Facilities	<u>519,606</u>	<u>106,200</u>	<u>625,806</u>	<u>570,237</u>	<u>55,569</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Transfers</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES					
CURRENT EXPENSE					
Custodial Services					
Salaries	\$ 1,065,454		\$ 1,065,454	\$ 1,028,306	\$ 37,148
Cleaning, Repair, and Maintenance Services	247,117	\$ (142,708)	104,409	73,102	31,307
Other Purchased Property Services	32,500	-	32,500	22,961	9,539
Insurance	182,000	7,826	189,826	167,954	21,872
General Supplies	170,000	12,231	182,231	177,428	4,803
Energy (Natural Gas)	95,000	30,000	125,000	107,682	17,318
Energy (Electricity)	250,000	(30,000)	220,000	140,416	79,584
Total Custodial Services	2,042,071	(122,651)	1,919,420	1,717,849	201,571
Care and Upkeep of Grounds					
Salaries	289,233	-	289,233	281,468	7,765
Cleaning, Repair, and Maintenance Services	35,500	22,000	57,500	42,858	14,642
General Supplies	57,600	(5,000)	52,600	33,875	18,725
Total Care and Upkeep of Grounds	382,333	17,000	399,333	358,201	41,132
Security					
Salaries	170,000	-	170,000	165,696	4,304
Purchased Professional and Technical Services	122,400	-	122,400	3,815	118,585
General Supplies	5,000	-	5,000	2,288	2,712
Total Security	297,400	-	297,400	171,799	125,601
Student Transportation Services					
Sal. for Pupil Trans. (Btwn. Home & School) - Reg Management Fee - ESC & CTSA	47,000	(32,302)	14,698	8,600	6,098
Other Purchased Professional and Technical Services	9,000	5,550	14,550	10,750	3,800
Contracted Serv- Aid in Lieu Pymts- NonPub Sch	180,000	44,404	224,404	213,553	10,851
Contracted Services (Between Home and School) - Vendors	504,000	17,298	521,298	423,634	97,664
Contracted Services (Other Than Between Home and School) - Vendors	165,000	-	165,000	65,165	99,835
Contracted Services (Reg Students) - ESC's & CTSA's	390,000	-	390,000	280,351	109,649
Contracted Services (Sp Ed Students) - ESC's & CTSA's	592,000	158,316	750,316	359,250	391,066
Miscellaneous Purchased Services - Transportation	7,500	-	7,500	300	7,200
Other Objects	350	-	350	-	350
Total Student Transportation Services	1,894,850	193,266	2,088,116	1,361,603	726,513
Personal Services - Employee Benefits					
Social Security Contributions	364,000	-	364,000	304,685	59,315
Other Retirement Contributions	275,000	39,244	314,244	314,244	-
Unemployment Compensation	-	50,000	50,000	-	50,000
Workmen's Compensation	116,499	2,557	119,056	119,056	-
Health Benefits	3,112,000	(237,016)	2,874,984	2,511,099	363,885
Tuition Reimbursement	21,500	21,500	43,000	38,846	4,154
Other Employee Benefits	60,445	(1,483)	58,962	37,054	21,908
Total Unallocated Benefits - Employee Benefits	3,949,444	(125,198)	3,824,246	3,324,984	499,262
On-behalf TPAF Normal Costs (Non-budgeted)					
				2,773,946	(2,773,946)
On-behalf TPAF NCGI Premium (Non-budgeted)					
				52,778	(52,778)
On-behalf Post Retirement Medical Contribution (Non-budgeted)					
				885,851	(885,851)
On-behalf Long-Term Disability Insurance (Non-budgeted)					
				1,035	(1,035)
Reimbursed TPAF Social Security Contributions (Non-budgeted)					
	-	-	-	684,744	(684,744)
Total On-behalf Contributions	-	-	-	4,398,354	(4,398,354)
Total Undistributed Expenditures	19,561,226	179,773	19,740,999	21,698,309	(1,957,310)
Total Expenditures - Current Expense	31,872,139	233,591	32,105,730	33,374,069	(1,268,339)

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Transfers</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction					
Grades 9-12	\$ 5,000	\$ 13,978	\$ 18,978	\$ 13,978	\$ 5,000
Undistributed Expenditures					
School Buses - Regular	62,000	-	62,000	888	61,112
Care and Upkeep of Grounds	10,000	-	10,000	3,098	6,902
Total Equipment	77,000	13,978	90,978	17,964	73,014
Facilities Acquisition and Construction Services					
Lease Purchase Agreement	18,342	-	18,342	12,825	5,517
Assessment for Debt Service on SDA Funding	34	-	34	34	-
Total Facilities Acquisition and Construction Services	18,376	-	18,376	12,859	5,517
Interest Deposit to Capital Reserve	600	-	600	-	600
Total Capital Outlay	95,976	13,978	109,954	30,823	79,131
Transfer of Funds to Charter Schools	162,346	34,737	197,083	168,888	28,195
Total Expenditures	32,130,461	282,306	32,412,767	33,573,780	(1,161,013)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(2,224,342)	(344,585)	(2,568,927)	1,415,970	3,984,897
Other Financing Sources					
Operating Transfers In	-	-	-	112	112
Total Other Financing Sources	-	-	-	112	112
Excess to Fund Balance	(2,224,342)	(344,585)	(2,568,927)	1,416,082	3,985,009
Fund Balances, Beginning of Year	5,725,369	-	5,725,369	5,725,369	-
Fund Balances, End of Year	\$ 3,501,027	\$ (344,585)	\$ 3,156,442	\$ 7,141,451	\$ 3,985,009
Recapitulation:					
Restricted:					
Capital Reserve				\$ 122,069	
Excess Surplus				2,190,408	
Excess Surplus - Designated for Subsequent Year's Expenditures				2,400,478	
Unemployment Compensation				145,356	
Assigned:					
Designated for Subsequent Year's Expenditures				258,267	
Year - End Encumbrances				323,638	
Unassigned Fund Balance				1,701,235	
				7,141,451	
Less: State Payments Not Recognized on GAAP					
Delayed State Aid				(932,087)	
Fund Balance, GAAP Basis				\$ 6,209,364	

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Federal Sources	\$ 509,261	\$ 292,600	\$ 801,861	\$ 755,175	\$ (46,686)
Local Sources	-	334,632	334,632	277,610	(57,022)
Total Revenues	<u>509,261</u>	<u>627,232</u>	<u>1,136,493</u>	<u>1,032,785</u>	<u>(103,708)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	105,642	9,500	115,142	115,142	-
Tuition	332,733	(65,367)	267,366	267,366	-
Student Activities		261,431	261,431	261,431	-
Athletics		41,824	41,824	41,824	-
Scholarships		25,870	25,870	25,870	-
General Supplies	9,708	131,355	141,063	113,010	28,053
Total Instruction	<u>448,083</u>	<u>404,613</u>	<u>852,696</u>	<u>824,643</u>	<u>28,053</u>
Support Services					
Salaries	16,855	18,605	35,460	35,460	-
Employee Benefits	23,323	2,552	25,875	24,125	1,750
Purchased Professional and Technical Services	21,000	5,008	26,008	23,500	2,508
Supplies and Materials	-	116,754	116,754	106,283	10,471
Total Support Services	<u>61,178</u>	<u>142,919</u>	<u>204,097</u>	<u>189,368</u>	<u>14,729</u>
Facilities Acquisition and Construction Services					
Equipment	-	79,700	79,700	74,689	5,011
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>79,700</u>	<u>79,700</u>	<u>74,689</u>	<u>5,011</u>
Total Expenditures	<u>509,261</u>	<u>627,232</u>	<u>1,136,493</u>	<u>1,088,700</u>	<u>47,793</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55,915)</u>	<u>(55,915)</u>
Fund Balances, Beginning of Year (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>431,694</u>	<u>(431,694)</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 375,779</u>	<u>\$ (375,779)</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
GENERAL AND SPECIAL REVENUE FUNDS
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 Funds 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.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 34,989,750	\$ 1,032,785
Difference - Budget to GAAP		
Certain State Aid payments recognized for GAAP Statements, not recognized for budgetary purposes - Prior Year	534,946	
Certain State Aid payments recognized for budgetary purposes, not recognized for GAAP statements - Current Year	<u>(932,087)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 34,592,609</u>	<u>\$ 1,032,785</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule	<u>\$ 33,573,780</u>	<u>\$ 1,088,700</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 33,573,780</u>	<u>\$ 1,088,700</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS INFORMATION

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Public Employees Retirement System

Last Eight Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.02764%	0.02701%	0.02713%	0.02824%	0.02627%	0.02569%	0.02642%	0.02773%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 4,507,008</u>	<u>\$ 4,867,631</u>	<u>\$ 5,342,517</u>	<u>\$ 6,573,106</u>	<u>\$ 7,781,123</u>	<u>\$ 5,768,924</u>	<u>\$ 4,947,099</u>	<u>\$ 5,301,355</u>
District's Covered Payroll	<u>\$ 2,070,099</u>	<u>\$ 1,962,641</u>	<u>\$ 1,876,778</u>	<u>\$ 1,880,749</u>	<u>\$ 1,816,776</u>	<u>\$ 1,772,170</u>	<u>\$ 2,530,590</u>	<u>\$ 2,479,065</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	218%	248%	285%	349%	428%	326%	195%	214%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.92%	52.08%	48.72%

* 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. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Eight Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 302,345	\$ 262,775	\$ 269,894	\$ 261,585	\$ 233,400	\$ 220,943	\$ 217,827	\$ 209,003
Contributions in Relation to the Contractually Required Contribution	<u>302,345</u>	<u>262,775</u>	<u>269,894</u>	<u>261,585</u>	<u>233,400</u>	<u>220,943</u>	<u>217,827</u>	<u>209,003</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	<u>\$ 2,110,212</u>	<u>\$ 2,070,099</u>	<u>\$ 1,962,641</u>	<u>\$ 1,876,778</u>	<u>\$ 1,880,749</u>	<u>\$ 1,816,776</u>	<u>\$ 1,772,170</u>	<u>\$ 2,530,590</u>
Contributions as a Percentage of Covered Payroll	14.3%	12.7%	13.8%	13.9%	12.4%	12.2%	12.3%	8.3%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Teachers Pension and Annuity Fund

Last Eight Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 62,950,030</u>	<u>\$ 59,520,685</u>	<u>\$ 61,401,113</u>	<u>\$ 64,296,813</u>	<u>\$ 77,301,786</u>	<u>\$ 60,390,129</u>	<u>\$ 50,859,308</u>	<u>\$ 48,374,689</u>
Total	<u>\$ 62,950,030</u>	<u>\$ 59,520,685</u>	<u>\$ 61,401,113</u>	<u>\$ 64,296,813</u>	<u>\$ 77,301,786</u>	<u>\$ 60,390,129</u>	<u>\$ 50,859,308</u>	<u>\$ 48,374,689</u>
District's Covered Payroll	<u>\$ 10,011,929</u>	<u>\$ 10,400,631</u>	<u>\$ 10,123,671</u>	<u>\$ 10,055,660</u>	<u>\$ 10,064,142</u>	<u>\$ 9,946,970</u>	<u>\$ 10,997,122</u>	<u>\$ 10,520,829</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.74%	33.64%	33.76%

* 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. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 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, 2021**

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 4E.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last Four Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 1,412,113	\$ 1,359,242	\$ 1,463,836	\$ 1,764,868
Interest on Total OPEB Liability	1,290,000	1,544,548	1,605,580	1,391,093
Differences Between Expected and Actual Experience	7,773,815	(5,540,532)	(2,379,193)	
Changes of Assumptions	10,157,056	535,426	(4,484,777)	(5,797,814)
Gross Benefit Payments	(968,031)	(1,102,341)	(1,045,020)	(843,153)
Contribution from the Member	29,341	32,676	36,118	31,047
Net Change in Total OPEB Liability	19,694,294	(3,170,981)	(4,803,456)	(3,453,959)
Total OPEB Liability - Beginning	35,910,337	39,081,318	43,884,774	47,338,733
Total OPEB Liability - Ending	<u>\$ 55,604,631</u>	<u>\$ 35,910,337</u>	<u>\$ 39,081,318</u>	<u>\$ 43,884,774</u>
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	55,604,631	35,910,337	39,081,318	43,884,774
Total OPEB Liability - Ending	<u>\$ 55,604,631</u>	<u>\$ 35,910,337</u>	<u>\$ 39,081,318</u>	<u>\$ 43,884,774</u>
District's Covered Payroll	<u>\$ 12,082,028</u>	<u>\$ 12,363,272</u>	<u>\$ 12,000,449</u>	<u>\$ 11,936,409</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%

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

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

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 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, 2021**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

EXHIBITS D-1, D-2 AND D-3

NOT APPLICABLE

SPECIAL REVENUE FUND

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ESEA Title I	ESEA Title II-A	IDEA Part B Basic	CARES	Coronavirus Relief Fund	Digital Divide	Other Local Programs	Student Activities	Activities	Scholarships	Total
REVENUES											
Intergovernmental											
Federal	\$ 156,645	\$ 42,790	\$ 267,366	\$ 115,088	\$ 69,984	\$ 103,302					\$ 755,175
Other	-	-	-	-	-	-	\$ 4,400	\$ 183,430	\$ 81,663	\$ 8,117	277,610
Total Revenues	\$ 156,645	\$ 42,790	\$ 267,366	\$ 115,088	\$ 69,984	\$ 103,302	\$ 4,400	\$ 183,430	\$ 81,663	\$ 8,117	\$ 1,032,785
EXPENDITURES											
Instruction											
Salaries of Teachers	\$ 115,142										\$ 115,142
Tuition			\$ 267,366								267,366
Student Activities								\$ 261,431			261,431
Athletics									\$ 41,824		41,824
Scholarships										\$ 25,870	25,870
General Supplies	9,708	-	-	-	-	\$ 103,302	-	-	-	-	113,010
Total Instruction	124,850	-	267,366	-	-	103,302	-	261,431	41,824	25,870	824,643
Support Services											
Salaries	-	\$ 30,460		\$ 5,000							35,460
Employee Benefits	21,795	2,330									24,125
Purchased Professional and Technical Serv.	10,000	10,000		3,500							23,500
Supplies and Materials	-	-	-	31,899	\$ 69,984	-	\$ 4,400	-	-	-	106,283
Total Support Services	31,795	42,790	-	40,399	69,984	-	4,400	-	-	-	189,368
Facilities Acquisition and Construction											
Equipment	-	-	-	74,689	-	-	-	-	-	-	74,689
Total Facilities Acquisition and Cons.	-	-	-	74,689	-	-	-	-	-	-	74,689
Total Expenditures	\$ 156,645	\$ 42,790	\$ 267,366	\$ 115,088	\$ 69,984	\$ 103,302	\$ 4,400	\$ 261,431	\$ 41,824	\$ 25,870	\$ 1,088,700
Excess (Deficiency) of Revenues Over (Under) Expenditures								(78,001)	39,839	(17,753)	(55,915)
Fund Balances, Beginning of Year (Restated)								232,332	10,785	188,577	431,694
Fund Balances, End of Year								\$ 154,331	\$ 50,624	\$ 170,824	\$ 375,779

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

THIS SCHEDULE IS NOT APPLICABLE

CAPITAL PROJECTS FUND

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance, June 30, 2021</u>
		<u>Prior Year</u>	<u>Current Year</u>	
Electrical Upgrades	\$ 40,000	\$ -	\$ -	\$ 40,000
	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 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, 2021**

Revenues and Other Financing Sources**Revenues**

Interest Earnings	\$ <u>112</u>
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Total Revenues	<u>112</u>
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Expenditures and Other Financing Uses**Expenditures****Other Financing Uses**

Transfer to General Fund	<u>112</u>
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Total Expenditures and Transfers	<u>112</u>
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Excess (Deficiency) of Revenues Over (Under) Expenditures	-
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Fund Balance - Beginning of Year	<u>40,000</u>
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Fund Balance - End of Year	<u><u>\$ 40,000</u></u>
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PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
BUDGETARY BASIS
ELECTRICAL UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Transfer from Capital Reserve	\$ 40,000	\$ -	\$ 40,000	\$ -
Total Revenues	40,000	-	40,000	-
EXPENDITURES AND OTHER FINANCING SOURCES				
Construction Services	-	-	-	-
Total Expenditures and other Financing Sources	-	-	-	-
Excess (deficiency) of Revenues over (under) Expenditures	\$ 40,000	\$ -	\$ 40,000	\$ -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Issue Date	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 40,000
Additional Authorized Cost	-
Revised Authorized Cost	\$ 40,000

ENTERPRISE FUNDS

EXHIBIT G-1

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4.

EXHIBIT G-2

**COMBINING STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5.

EXHIBIT G-3

**COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6.

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 LONG TERM DEBT
 SCHEDULE OF SERIAL BONDS PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, June 30, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>					
Renovations and Improvements at Passaic Valley High School	7/8/2011	\$ 6,788,000	7/1/21-23	\$ 650,000	3.550 - 3.750%				
			7/1/2024	638,000	3.85%	\$ 3,213,000	-	\$ 625,000	\$ 2,588,000
						\$ 3,213,000	\$ -	\$ 625,000	\$ 2,588,000

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
LONG-TERM DEBT
STATEMENT OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

THIS SCHEDULE IS NOT APPLICABLE

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable / (Unfavorable)</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 483,236		\$ 483,236	\$ 483,236	-
Intergovernmental					
Debt Service Aid Type II	<u>248,940</u>	<u>-</u>	<u>248,940</u>	<u>248,940</u>	<u>-</u>
 Total Revenues	 <u>732,176</u>	 <u>-</u>	 <u>732,176</u>	 <u>732,176</u>	 <u>-</u>
EXPENDITURES					
Regular Debt Service					
Interest	107,176		107,176	107,176	-
Principal	<u>625,000</u>	<u>-</u>	<u>625,000</u>	<u>625,000</u>	<u>-</u>
 Total Expenditures	 <u>732,176</u>	 <u>-</u>	 <u>732,176</u>	 <u>732,176</u>	 <u>-</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess to Fund Balance	-	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

This part of the Passaic Valley Regional High School District No. 1 Board of Education's comprehensive annual 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 comprehensive annual financial reports for the relevant year.

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NET POSITION BY COMPONENT
 LAST TEN FISCAL YEARS
 (Unaudited)
 (accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
			(Restated)							
Governmental Activities										
Net Investment in Capital Assets	\$ 12,323	\$ 538,415	\$ 999,257	\$ 1,348,375	\$ 1,690,914	\$ 2,136,503	\$ 3,090,355	\$ 3,911,693	\$ 4,498,966	\$ 5,113,920
Restricted	49,598	600	1	1	1	1,000,000	91,206	66,206	590,478	683,204
Unrestricted	<u>1,083,553</u>	<u>2,038,658</u>	<u>(2,643,765)</u>	<u>(2,470,470)</u>	<u>(2,409,741)</u>	<u>(2,335,583)</u>	<u>(1,675,679)</u>	<u>(1,812,400)</u>	<u>(1,166,259)</u>	<u>(135,922)</u>
Total Governmental Activities Net Position	<u>\$ 1,145,474</u>	<u>\$ 2,577,673</u>	<u>\$ (1,644,507)</u>	<u>\$ (1,122,094)</u>	<u>\$ (718,826)</u>	<u>\$ 800,920</u>	<u>\$ 1,505,882</u>	<u>\$ 2,165,499</u>	<u>\$ 3,923,185</u>	<u>\$ 5,661,202</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 51,143	\$ 82,886	\$ 81,563	\$ 68,287	\$ 72,526	\$ 86,829	\$ 76,543	\$ 66,255	\$ 59,438	\$ 49,555
Restricted										
Unrestricted	<u>152,082</u>	<u>151,433</u>	<u>130,177</u>	<u>101,961</u>	<u>55,948</u>	<u>59,546</u>	<u>36,112</u>	<u>44,251</u>	<u>13,766</u>	<u>3,964</u>
Total Business-Type Activities Net Position	<u>\$ 203,225</u>	<u>\$ 234,319</u>	<u>\$ 211,740</u>	<u>\$ 170,248</u>	<u>\$ 128,474</u>	<u>\$ 146,375</u>	<u>\$ 112,655</u>	<u>\$ 110,506</u>	<u>\$ 73,204</u>	<u>\$ 53,519</u>
District-Wide										
Net Investment in Capital Assets	\$ 63,466	\$ 621,301	\$ 1,080,820	\$ 1,416,662	\$ 1,763,440	\$ 2,223,332	\$ 3,166,898	\$ 3,977,948	\$ 4,558,404	\$ 5,163,475
Restricted	49,598	600	1	1	1	1,000,000	91,206	66,206	590,478	683,204
Unrestricted	<u>1,235,635</u>	<u>2,190,091</u>	<u>(2,513,588)</u>	<u>(2,368,509)</u>	<u>(2,353,793)</u>	<u>(2,276,037)</u>	<u>(1,639,567)</u>	<u>(1,768,149)</u>	<u>(1,152,493)</u>	<u>(131,958)</u>
Total District Net Position	<u>\$ 1,348,699</u>	<u>\$ 2,811,992</u>	<u>\$ (1,432,767)</u>	<u>\$ (951,846)</u>	<u>\$ (590,352)</u>	<u>\$ 947,295</u>	<u>\$ 1,618,537</u>	<u>\$ 2,276,005</u>	<u>\$ 3,996,389</u>	<u>\$ 5,714,721</u>

Note 1 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Note 2 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 11,241,633	\$ 11,837,456	\$ 12,353,088	\$ 14,890,828	\$ 15,869,208	\$ 17,115,620	\$ 17,448,043	\$ 17,293,503	\$ 17,438,305	\$ 18,779,558
Special Education	2,438,282	3,228,110	3,232,387	3,431,786	4,023,656	4,192,108	5,071,735	4,900,118	5,293,627	6,093,642
Other Instruction	27,175	26,270	35,242	47,772	48,408	24,225	2,841	-	-	-
School Sponsored Activities And Athletics	1,097,836	1,088,063	1,102,848	1,213,804	1,256,982	1,348,228	1,515,902	1,641,462	1,186,077	1,707,771
Support Services:										
Student & Instruction Related Services	1,915,879	2,019,635	2,165,967	2,529,604	2,940,549	3,242,787	3,005,216	2,895,009	2,736,769	3,101,532
School Administrative Services	939,296	921,657	881,705	1,094,809	1,312,940	1,634,234	1,478,788	1,437,475	1,293,180	1,331,933
General Administration	573,026	613,658	631,712	544,974	581,694	691,713	693,538	713,751	728,430	784,035
Plant Operations And Maintenance	3,015,157	3,227,203	3,346,008	3,440,555	2,876,412	3,597,066	3,667,182	3,760,507	3,709,467	3,652,990
Pupil Transportation	1,475,776	1,599,648	1,710,771	1,689,665	1,760,112	1,614,067	1,944,707	1,929,198	1,756,797	1,365,998
Business and Other Support Services	908,870	844,702	840,623	856,608	687,827	578,274	549,621	529,285	496,083	590,376
Interest On Long-Term Debt	301,218	269,660	247,416	226,874	204,623	182,876	162,176	137,645	118,146	97,866
Total Governmental Activities Expenses	23,934,148	25,676,062	26,547,767	29,967,279	31,562,411	34,221,198	35,539,749	35,237,953	34,756,881	37,505,701
Business-Type Activities:										
Food Service	965,534	808,098	869,269	894,750	907,928	748,414	688,443	644,858	546,923	162,004
Total Business-Type Activities Expense	965,534	808,098	869,269	894,750	907,928	748,414	688,443	644,858	546,923	162,004
Total District Expenses	\$ 24,899,682	\$ 26,484,160	\$ 27,417,036	\$ 30,862,029	\$ 32,470,339	\$ 34,969,612	\$ 36,228,192	\$ 35,882,811	\$ 35,303,804	\$ 37,667,705
Program Revenues										
Governmental Activities:										
Charges For Services:										
Tuition / Pupil Transportation	\$ 178,685	\$ 165,722	\$ 163,216	\$ 122,296	\$ 125,330	\$ 357,987	\$ 445,106	\$ 983,026	\$ 1,136,782	\$ 1,255,595
Operating Grants And Contributions	2,845,252	3,459,094	3,269,732	5,836,000	6,876,416	9,071,449	9,536,239	8,016,105	7,599,389	10,025,860
Capital Grants And Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	3,023,937	3,624,816	3,432,948	5,958,296	7,001,746	9,429,436	9,981,345	8,999,131	8,736,171	11,281,455
Business-Type Activities:										
Charges For Services										
Food Service	896,500	677,581	656,826	649,422	609,787	505,570	452,146	448,527	349,503	6,762
Operating Grants And Contributions	130,825	161,611	189,864	203,836	244,443	236,155	202,577	193,987	158,939	135,468
Total Business Type Activities Program Revenues	1,027,325	839,192	846,690	853,258	854,230	741,725	654,723	642,514	508,442	142,230
Total District Program Revenues	\$ 4,051,262	\$ 4,464,008	\$ 4,279,638	\$ 6,811,554	\$ 7,855,976	\$ 10,171,161	\$ 10,636,068	\$ 9,641,645	\$ 9,244,613	\$ 11,423,685
Net (Expense)/Revenue										
Governmental Activities	\$ (20,910,211)	\$ (22,051,246)	\$ (23,114,819)	\$ (24,008,983)	\$ (24,560,665)	\$ (24,791,762)	\$ (25,558,404)	\$ (26,238,822)	\$ (26,020,710)	\$ (26,224,246)
Business-Type Activities	61,791	31,094	(22,579)	(41,492)	(53,698)	(6,689)	(33,720)	(2,344)	(38,481)	(19,774)
Total District-Wide Net Expense	\$ (20,848,420)	\$ (22,020,152)	\$ (23,137,398)	\$ (24,050,475)	\$ (24,614,363)	\$ (24,798,451)	\$ (25,592,124)	\$ (26,241,166)	\$ (26,059,191)	\$ (26,244,020)

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 20,589,474	\$ 22,375,324	\$ 23,113,602	\$ 23,575,874	\$ 24,047,391	\$ 24,636,505	\$ 25,250,755	\$ 25,755,770	\$ 26,270,885	\$ 26,796,303
Taxes Levied For Debt Service	524,707	631,942	675,102	646,185	670,550	607,471	573,647	509,017	496,385	483,236
Grants And Contributions	203,202	294,770	301,595	237,329	257,105	277,655	350,175	350,456	354,625	354,083
Miscellaneous Income	126,705	223,138	103,695	72,008	93,999	811,707	88,789	283,196	148,961	328,641
Loss on Disposal of Fixed Assets	(227)	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	21,443,861	23,525,174	24,193,994	24,531,396	25,069,045	26,333,338	26,263,366	26,898,439	27,270,856	27,962,263
Business-Type Activities:										
Miscellaneous Income	-	-	-	-	-	-	-	195	1,179	89
Total Business-Type Activities	-	-	-	-	-	-	-	195	1,179	89
Total District-Wide	\$ 21,443,861	\$ 23,525,174	\$ 24,193,994	\$ 24,531,396	\$ 25,069,045	\$ 26,333,338	\$ 26,263,366	\$ 26,898,634	\$ 27,272,035	\$ 27,962,352
Change in Net Position										
Governmental Activities	\$ 533,650	\$ 1,473,928	\$ 1,079,175	\$ 522,413	\$ 508,380	\$ 1,541,576	\$ 704,962	\$ 659,617	\$ 1,250,146	\$ 1,738,017
Business-Type Activities	61,791	31,094	(22,579)	(41,492)	(53,698)	(6,689)	(33,720)	(2,149)	(37,302)	(19,685)
Total District	\$ 595,441	\$ 1,505,022	\$ 1,056,596	\$ 480,921	\$ 454,682	\$ 1,534,887	\$ 671,242	\$ 657,468	\$ 1,212,844	\$ 1,718,332

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30.									
	2012	2013	2014	2015	2016	2017	2018	2019	2020 (Restated)	2021
General Fund										
Restricted	\$ 765,269	\$ 1,603,395	\$ 2,256,458	\$ 2,068,845	\$ 2,498,549	\$ 4,211,561	\$ 3,838,809	\$ 3,650,737	\$ 4,310,273	\$ 4,858,311
Assigned	159,945	242,321	197,946	537,020	224,357	161,530	444,283	449,043	614,220	581,905
Unassigned	<u>377,627</u>	<u>392,815</u>	<u>414,084</u>	<u>425,344</u>	<u>449,095</u>	<u>382,309</u>	<u>417,558</u>	<u>409,971</u>	<u>265,930</u>	<u>769,148</u>
Total General Fund	<u>\$ 1,302,841</u>	<u>\$ 2,238,531</u>	<u>\$ 2,868,488</u>	<u>\$ 3,031,209</u>	<u>\$ 3,172,001</u>	<u>\$ 4,755,400</u>	<u>\$ 4,700,650</u>	<u>\$ 4,509,751</u>	<u>\$ 5,190,423</u>	<u>\$ 6,209,364</u>
All Other Governmental Funds										
Restricted	\$ 260,592	\$ 75,180	\$ 55,326	\$ 13,621	\$ 13,621	\$ (48,291)		\$ 40,000	\$ 471,694	\$ 415,779
Committed	669,950	95,447								
Unassigned			(8,800)	(9,053)	(251)					
Reserved										
Unreserved	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 930,542</u>	<u>\$ 170,627</u>	<u>\$ 46,526</u>	<u>\$ 4,568</u>	<u>\$ 13,370</u>	<u>\$ (48,291)</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 471,694</u>	<u>\$ 415,779</u>

Note: Fund balance at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	2012		2013		2014		2015		Fiscal Year Ended June 30,		2018		2019		2020		2021			
									2016	2017										
Revenues																				
Tax Levy	\$	21,114,181	\$	23,007,266	\$	23,788,704	\$	24,222,059	\$	24,717,941	\$	25,243,976	\$	25,824,402	\$	26,264,787	\$	26,767,270	\$	27,279,539
Transportation/Tuition		178,685		165,722		163,216		122,296		125,330		1,057,712		445,106		983,026		1,136,782		1,255,595
Miscellaneous		126,705		223,138		103,696		72,008		93,999		115,947		98,577		285,196		153,961		606,252
State Sources		2,581,966		3,309,885		3,132,342		3,360,749		3,752,604		4,112,182		4,734,545		5,326,718		5,724,457		6,437,271
Federal Sources		466,488		443,979		438,984		488,137		480,306		497,443		535,811		519,078		630,808		779,025
Total Revenue		24,468,025		27,149,990		27,626,942		28,265,249		29,170,180		31,027,260		31,638,441		33,378,805		34,413,278		36,357,682
Expenditures																				
Instruction																				
Regular Instruction		11,170,612		11,713,177		12,215,777		13,187,637		13,659,011		13,598,149		14,289,910		15,549,752		16,253,678		16,990,184
Special Education Instruction		2,438,153		3,227,900		3,232,226		3,277,723		3,844,166		3,900,205		4,747,674		4,736,820		5,173,980		5,888,073
Other Instruction		25,303		29,969		31,970		39,644		45,601		21,384		-		-		-		-
School Sponsored Activities and Athletics		1,097,998		1,088,063		1,102,848		1,169,535		1,198,220		1,192,884		1,336,951		1,549,466		1,164,627		1,620,785
Support Services:																				
Student and Inst. Related Services		1,875,952		2,001,182		2,103,257		2,249,782		2,580,322		2,654,550		2,480,946		2,595,327		2,544,097		2,775,916
General Administration		573,026		613,658		631,712		500,837		529,979		600,912		597,306		664,631		692,465		722,128
School Administrative Services		939,296		921,657		881,705		1,010,122		1,146,777		1,304,858		1,211,102		1,297,211		1,215,849		1,190,968
Plant Operations And Maintenance		2,890,629		3,066,972		3,103,262		3,211,508		2,650,486		3,143,352		3,152,291		3,445,414		3,509,122		3,444,214
Pupil Transportation		1,475,776		1,599,648		1,710,771		1,689,665		1,756,603		1,602,492		1,930,968		1,924,479		1,756,825		1,365,252
Central Services		792,623		768,417		727,565		856,608		669,189		531,286		490,190		508,613		496,208		559,482
Operating Lease Payments		194,795		225,658		222,884		-		-		-		-		-		-		-
Capital Outlay		222,268		850,852		282,003		118,033		78,355		135,186		607,998		486,752		249,503		105,478
Debt Service:																				
Cost of Issuance for Bond Sale																				
Principal		256,056		590,884		620,751		600,000		650,000		630,000		630,000		625,000		625,000		625,000
Interest and Other Charges		407,004		276,178		254,355		233,392		211,877		190,264		169,564		146,239		127,098		107,176
Total Expenditures		24,359,491		26,974,215		27,121,086		28,144,486		29,020,586		29,505,522		31,644,900		33,529,704		33,808,452		35,394,656
Excess (Deficiency) of Revenues																				
Over (Under) Expenditures		108,534		175,775		505,856		120,763		149,594		1,521,738		(6,459)		(150,899)		604,826		963,026
Other Financing Sources (Uses)																				
Bond Sale Proceeds																				
Accrued Interest on Bonds																				
Premium on Bond Sale																				
Transfers In		1,094		315		81		27		1		286		66,083		40,114		845		112
Transfers Out		(1,094)		(315)		(81)		(27)		(1)		(286)		(66,083)		(40,114)		(845)		(112)
Total Other Financing Sources (Uses)		-		-		-		-		-		-		-		-		-		-
Net Change in Fund Balances		\$ 108,534		\$ 175,775		\$ 505,856		\$ 120,763		\$ 149,594		\$ 1,521,738		\$ (6,459)		\$ (150,899)		\$ 604,826		\$ 963,026
Debt Service as a Percentage of																				
Noncapital Expenditures		2.75%		3.32%		3.26%		2.97%		2.98%		2.79%		2.58%		2.33%		2.24%		2.07%

* Noncapital expenditures are total expenditures less capital outlay.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
GENERAL FUND
OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Rebates/ Refunds	Interest on Invest.	Tuition Refunds	Land Sale Proceeds	Tuition / Transportation Fees	Misc.	Total
2012	\$ 415	\$ 1,242	\$ 9,342		\$ 178,685	\$ 114,612	\$ 304,296
2013		1,374			165,722	221,449	388,545
2014		1,680	49,623		163,216	45,762	260,281
2015	16,503	1,525			122,296	53,953	194,277
2016	33,361	1,163			125,330	59,474	219,328
2017		2,926		\$ 699,725	357,987	109,020	1,169,658
2018		9,810			445,106	78,900	533,816
2019		13,461			983,026	269,621	1,266,108
2020		117,170			1,136,782	30,946	1,284,898
2021	15,796	14,917	26,192		1,255,595	271,625	1,584,125

Source: District Records

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (Unaudited)

Township of Little Falls

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2012	\$ 36,882,200	\$ 1,376,430,700			\$ 283,233,000	\$ 65,340,500	\$ 117,147,600	\$ 1,879,034,000	\$ 6,627,100	\$ 1,885,661,100	\$ 1,885,661,100	\$ 0.385
2013	26,783,060	1,066,372,000			246,005,100	54,397,400	108,646,700	1,502,204,260	5,200,700	1,507,404,960	1,623,729,535	0.506
2014	27,412,500	1,051,978,100			232,899,200	54,169,600	116,124,200	1,482,583,600	4,169,300	1,486,752,900	1,486,752,900	0.520
2015	28,120,300	1,049,623,100			231,829,500	53,267,000	115,646,700	1,478,486,600	4,260,800	1,482,747,400	1,482,747,400	0.487
2016	28,060,000	1,051,777,300			229,699,200	52,554,000	115,646,700	1,477,737,200	4,443,100	1,482,180,300	1,612,426,996	0.494
2017	31,827,900	1,053,630,100			238,172,400	45,285,800	115,646,700	1,484,562,900	4,415,500	1,488,978,400	1,627,535,576	0.510
2018	29,477,900	1,063,941,800			247,834,300	44,985,800	106,501,600	1,492,741,400	4,515,700	1,497,257,100	1,625,631,202	0.490
2019	31,587,800	1,075,954,400			246,973,400	44,058,500	105,985,600	1,504,559,700	4,521,300	1,509,081,000	1,655,423,783	0.502
2020	26,087,900	1,092,644,600			233,815,500	45,395,300	105,985,600	1,503,928,900	4,522,700	1,508,451,600	1,671,623,578	0.507
2021	43,874,700	1,106,070,400			234,565,800	40,288,800	105,985,600	1,530,785,300	4,696,600	1,535,481,900	1,782,818,682	0.517

Source: County Abstract of Ratables

N/A Not Available

^a Tax rates are per \$100

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (Unaudited)

Borough of Totowa

Fiscal Year Ended	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2012	\$ 29,449,300	\$ 1,378,014,500	\$ 900,400	\$ 2,800	\$ 635,098,000	\$ 332,149,500	N/A	\$ 2,375,614,500	\$ 2,717,962	\$ 2,378,332,462	N/A	\$ 0.399
2013	27,680,700	1,375,565,900	900,400	2,800	604,639,000	330,052,800	N/A	2,338,841,600	2,405,947	2,341,247,547	\$ 2,113,230,027	0.401
2014	44,455,000	1,360,013,300	900,400	2,800	602,371,000	289,825,800	N/A	2,297,568,300	1,910,636	2,299,478,936	1,971,601,591	0.397
2015	44,758,200	1,357,951,300	900,400	2,800	612,756,900	289,562,300	N/A	2,305,931,900	2,290,124	2,308,222,024	2,156,561,331	0.404
2016	44,294,000	1,357,290,700	900,400	2,800	602,952,000	288,411,200	N/A	2,293,851,100	2,246,233	2,296,097,333	2,216,310,167	0.418
2017	40,939,100	1,356,147,900	900,400	2,800	598,416,900	274,566,700	N/A	2,270,973,800	2,380,814	2,273,354,614	2,128,007,043	0.426
2018	41,158,100	1,360,295,200	900,400	2,800	546,783,500	325,748,700	\$ 356,700	2,275,245,400	-	2,275,245,400	2,118,280,793	0.438
2019	39,230,900	1,367,903,100	900,400	2,800	563,532,600	339,352,600	2,398,200	2,313,320,600	-	2,313,320,600	2,174,893,916	0.458
2020	64,653,500	1,368,634,500	900,400	2,400	589,859,500	366,153,400	6,242,400	2,396,446,100	-	2,396,446,100	2,231,120,101	0.457
2021	60,321,800	1,369,405,200	900,400	4,100	615,337,900	377,154,700	8,642,400	2,431,766,500	-	2,431,766,500	2,264,003,817	0.707

Source: County Abstract of Ratables

a Tax rates are per \$100

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (Unaudited)

Borough of Woodland Park

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2012	\$ 37,831,300	\$ 1,225,094,700		\$ 1,800	\$ 300,310,900	\$ 56,264,200	\$ 60,831,500	\$ 1,680,334,400	\$ 1,274,976	\$ 1,681,609,376	\$ 1,691,072,241	\$ 0.371
2013	29,526,300	1,243,680,100		1,800	289,689,300	54,365,100	60,840,500	1,678,103,100	1,306,748	1,679,409,848	1,628,637,140	0.404
2014	26,930,400	1,265,728,800		1,800	283,984,600	54,365,100	59,236,800	1,690,247,500	1,147,407	1,691,394,907	1,713,484,050	0.436
2015	23,857,800	1,206,336,400		1,800	297,975,400	54,483,200	60,148,600	1,642,803,200	1,171,996	1,643,975,196	1,724,271,639	0.496
2016	19,229,400	1,219,637,100		1,800	297,788,400	53,995,200	60,148,600	1,650,800,500	1,147,406	1,651,947,906	1,732,691,322	0.504
2017	17,355,200	1,245,548,400		1,800	296,629,900	53,295,700	60,148,600	1,672,979,600	1,100,480	1,674,080,080	1,802,509,345	0.510
2018	16,391,500	1,257,732,600		1,800	296,629,900	53,255,700	60,148,600	1,684,160,100	1,109,824	1,685,269,924	1,839,011,266	0.532
2019	14,786,500	1,259,332,400		1,800	298,199,600	54,477,400	63,923,600	1,690,721,300	939	1,690,722,239	1,808,328,203	0.508
2020	15,187,300	1,260,144,500		1,800	289,189,000	54,477,400	63,923,600	1,682,923,600	896	1,682,924,496	1,877,635,274	0.514
2021	15,056,500	1,261,321,400		2,100	286,201,100	54,477,400	63,923,600	1,680,982,100	891	1,680,982,991	2,029,682,248	0.548

Source: County Abstract of Ratables

^a Tax rates are per \$100

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS
(Unaudited)**

Township of Little Falls

Assessment Year	Passaic Valley Regional H.S. District No. 1	Little Falls School District	Township of Little Falls	Passaic County	Total
2012	\$ 0.385	\$ 0.667	\$ 0.608	\$ 0.640	\$ 2.300
2013	0.506	0.851	0.772	0.716	2.845
2014	0.520	0.897	0.801	0.776	2.994
2015	0.487	0.922	0.822	0.844	3.076
2016	0.494	0.955	0.837	0.835	3.121
2017	0.510	0.974	0.869	0.810	3.163
2018	0.490	0.985	0.887	0.798	3.160
2019	0.502	0.997	0.911	0.771	3.181
2020	0.507	1.017	0.909	0.750	3.183
2021	0.517	1.027	0.936	0.750	3.230

Source: Tax Duplicate, Township of Little Falls

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS
(Unaudited)**

Borough of Totowa

<u>Assessment Year</u>	<u>Passaic Valley Regional H.S. District No. 1</u>	<u>Totowa School District</u>	<u>Borough of Totowa</u>	<u>Passaic County</u>	<u>Total</u>
2012	\$ 0.399	\$ 0.566	\$ 0.474	\$ 0.621	\$ 2.060
2013	0.401	0.588	0.512	0.602	2.103
2014	0.397	0.610	0.524	0.591	2.122
2015	0.404	0.638	0.534	0.708	2.284
2016	0.418	0.665	0.543	0.723	2.349
2017	0.426	0.691	0.554	0.688	2.359
2018	0.438	0.710	0.553	0.682	2.383
2019	0.458	0.715	0.563	0.652	2.388
2020	0.457	0.703	0.584	0.678	2.422
2021	0.439	0.707	0.594	0.639	2.379

Source: Tax Duplicate, Borough of Totowa

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS
(Unaudited)**

Borough of Woodland Park

Assessment Year	Passaic Valley Regional H.S. District No. 1	Woodland Park School District	Borough of Woodland Park	Passaic County	Total
2012	\$ 0.371	\$ 0.843	\$ 0.681	\$ 0.673	\$ 2.568
2013	0.404	0.871	0.692	0.683	2.650
2014	0.436	0.882	0.706	0.679	2.703
2015	0.496	0.929	0.765	0.773	2.964
2016	0.504	0.951	0.775	0.800	3.030
2017	0.510	0.971	0.804	0.794	3.079
2018	0.532	0.998	0.822	0.809	3.161
2019	0.508	1.014	0.842	0.751	3.115
2020	0.514	1.050	0.865	0.757	3.186
2021	0.548	1.067	0.886	0.745	3.246

Source: Tax Duplicate, Borough of Woodland Park

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Township of Little Falls

Taxpayer	2021		2012	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Inwood Owners Inc	\$ 61,650,000	4.09%		
Theta Holding Co	38,500,000	2.55%		
Highview Homes	14,524,400	0.96%		
Park Falls Associates	13,000,000	0.86%		
PAR3 LLC	12,656,300	0.84%		
Great Notch Village	10,027,700	0.66%		
Saturn Realty	9,656,300	0.64%		
SL 101 East Main St LLC	8,500,000	0.56%		
Colfin Industrial Owner	8,467,200	0.56%		
Sisco	8,433,500	0.56%		
KV Realty LLC	7,404,600	0.49%		
	<u>\$ 192,820,000</u>	<u>12.77%</u>		
Inwood Owners Inc	\$ 79,410,000	4.21%		
Theta Holding Co	70,658,000	3.75%		
PAR 3 PAR 5	14,588,800	0.77%		
Andrew Realty	10,016,300	0.53%		
Park Falls Associates	13,110,000	0.70%		
Saturn Realty	12,492,100	0.66%		
Great Notch Village	10,127,200	0.54%		
AMB	11,420,500	0.61%		
Sisco	10,959,300	0.58%		
ST Hilltop LLC	9,190,700	0.49%		
	<u>\$ 241,972,900</u>	<u>12.83%</u>		

Source: Municipal Tax Assessor

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Borough of Totowa

Taxpayer	2021		2012	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Totowa VF LLC C/O Vornado Realty Trust	\$ 54,000,000	2.22%		
JP Morgan Chase C/O Lereta	79,761,900	3.28%		
Fidelity Syn. C/O Slater Companies	45,180,800	1.86%		
CPT NJ 700 Union LLC	41,377,100	1.70%		
Prologis USLV Operating	23,271,900	0.96%		
Abill Realty Corp.	22,365,000	0.92%		
50 Madison Road LLC	18,928,400	0.78%		
Digital Totowa LLC	16,504,800	0.68%		
Tulfra Hampshire S.S. C/O Paragram	15,600,000	0.64%		
Taft Associates	15,400,000	0.63%		
	<u>\$ 332,389,900</u>	<u>13.67%</u>		
Fidelity Syndications			\$ 56,514,800	2.38%
Totowa VF, LLC			56,501,300	2.38%
Hoffman La Roche, Inc.			32,485,800	1.37%
930 N. Riverview Assoc LLC			24,424,700	1.03%
Norwell Land Company			18,500,000	0.78%
Abill Realty			22,365,000	0.94%
Mountainview Venture 50 Madison LLC			18,928,400	0.80%
Totowa Plaza Rt 46 LLC			18,355,800	0.77%
Totowa Plaza Rt 46 LLC			17,711,500	0.74%
Taft Associates			16,920,000	0.71%
			<u>\$ 282,707,300</u>	<u>11.89%</u>

Source: Municipal Tax Assessor

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Borough of Woodland Park

Taxpayer	2021		2012	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Rose Manor Estates	\$ 58,294,100	3.47%		
Levco Route 46 Associates	43,091,000	2.56%		
Bank of New York	26,591,200	1.58%		
1225 Realty, LLC	19,689,600	1.17%		
DDRM West Falls Plaza, LLC	19,347,800	1.15%		
Lenox Plaza, LLC	13,750,000	0.82%		
G.O.P. 1, LLC	13,250,000	0.79%		
The Leeward Corporation	11,556,600	0.69%		
Wells Fargo Bank	8,600,000	0.51%		
G.O.P. 3, LLC	9,500,000	0.57%		
	<u>\$ 223,670,300</u>	<u>13.31%</u>		
Levco Route 46 Associates			\$ 35,831,200	2.13%
Passaic County Park Comm.			36,492,000	2.17%
Passaic County Park Dept.			33,246,500	1.98%
Bank of New York			28,026,000	1.67%
Rose Manor Estates			27,851,500	1.66%
G.O.P. 1, LLC			19,000,000	1.13%
1225 McBride Ave LLC			18,459,200	1.10%
DDRM Westfalls Plaza, LLC			16,760,600	1.00%
G.O.P.S. LLC c/o Mtn Dev't			15,369,000	0.91%
Passaic County Park Comm.			14,596,500	0.87%
			<u>\$ 245,632,500</u>	<u>14.61%</u>

Source: Municipal Tax Assessor

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
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	
2012	\$ 21,114,181	\$ 21,114,181	100.00%	-
2013	23,007,266	23,007,266	100.00%	-
2014	23,788,704	23,788,704	100.00%	-
2015	24,222,059	24,222,059	100.00%	-
2016	24,717,941	24,717,941	100.00%	-
2017	25,243,976	24,567,344	97.32%	\$ 676,632
2018	25,824,402	25,824,402	100.00%	-
2019	26,264,787	26,264,787	100.00%	-
2020	26,767,270	25,458,665	95.11%	1,308,605
2021	27,279,539	25,947,222	95.12%	1,332,317

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Population	Per Capita
	General Obligation Bonds	Inter- governmental Loans	Capital Leases	Total District		
2012	\$ 8,143,000	\$ 41,635		\$ 8,184,635	37,507	\$ 218.22
2013	7,573,000	20,751		7,593,751	37,724	201.30
2014	6,973,000			6,973,000	37,939	183.80
2015	6,373,000			6,373,000	38,024	167.60
2016	5,723,000			5,723,000	37,972	150.72
2017	5,093,000			5,093,000	37,972	134.13
2018	4,463,000			4,463,000	37,981	117.51
2019	3,838,000			3,838,000	37,847	101.41
2020	3,213,000			3,213,000	37,847	84.89
2021	2,588,000			2,588,000	37,864 *	68.35

Source: District records

* Estimated

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2012	\$ 8,143,000		\$ 8,143,000	0.14%	\$ 217.11
2013	7,573,000		7,573,000	0.14%	200.75
2014	6,973,000		6,973,000	0.13%	183.80
2015	6,373,000		6,373,000	0.12%	167.60
2016	5,723,000		5,723,000	0.11%	150.72
2017	5,093,000		5,093,000	0.09%	134.13
2018	4,463,000		4,463,000	0.08%	117.51
2019	3,838,000		3,838,000	0.07%	101.41
2020	3,213,000		3,213,000	0.06%	84.89
2021	2,588,000		2,588,000	0.06%	68.35

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2020
(Unaudited)**

Direct Debt of School District as of December 31, 2020

Net Overlapping Debt of School District (1)

Township of Little Falls	\$ 28,977,236	
Borough of Totowa	1,305,322	
Borough of Woodland Park	<u>21,074,570</u>	
		<u>51,357,128</u>
		51,357,128
Overlapping Debt Apportioned to the Municipality:		
Passaic County:		
County of Passaic (A)	59,028,954	
Passaic County Utilities Authority (B)	5,034,441	
Passaic Valley Sewer Commission (C)	<u>4,791,207</u>	
		<u>68,854,602</u>
 Total Direct and Overlapping Debt		 <u>\$ 120,211,730</u>

Source:

(1) Municipalities' 2020 Annual Debt Statement

(A) The debt for this entity was apportioned to Passaic Valley High School by dividing the municipality's 2020 equalized value by the total 2020 equalized value for Passaic County.

(B) The debt was computed based upon dividing each municipalities 2020 equalized value to the County total

(C) The debt was computed based upon each municipalities usage

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt Limit	\$ 184,996,104	\$ 178,617,804	\$ 172,434,181	\$ 167,387,678	\$ 167,142,418	\$ 165,907,941	\$ 166,489,363	\$ 166,244,103	\$ 170,329,077	\$ 173,903,561
Total Net Debt Applicable to Limit	<u>8,185,441</u>	<u>7,593,751</u>	<u>6,973,000</u>	<u>6,373,000</u>	<u>5,723,000</u>	<u>5,093,000</u>	<u>4,463,000</u>	<u>3,838,000</u>	<u>3,213,000</u>	<u>2,588,000</u>
Legal Debt Margin	<u>\$ 176,810,663</u>	<u>\$ 171,024,053</u>	<u>\$ 165,461,181</u>	<u>\$ 161,014,678</u>	<u>\$ 161,419,418</u>	<u>\$ 160,814,941</u>	<u>\$ 162,026,363</u>	<u>\$ 162,406,103</u>	<u>\$ 167,116,077</u>	<u>\$ 171,315,561</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.42%	4.25%	4.04%	3.81%	3.42%	3.07%	2.68%	2.31%	1.89%	1.49%

Legal Debt Margin Calculation, December 31, 2020

	2018	\$ 5,552,665,848
	2019	5,922,189,840
	2020	<u>5,915,500,379</u>
		<u>\$ 17,390,356,067</u>
Average equalized valuation of taxable property		<u>\$ 5,796,785,356</u>
3% of Equalized Valuation Basis		\$ 173,903,561
Less Net Debt		<u>2,588,000</u>
Remaining Borrowing Power		<u>\$ 171,315,561</u>

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(Unaudited)**

Township of Little Falls

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income*</u>	<u>School District Population</u>
2012	10.4	\$ 41,824	14,542
2013	8.9	41,857	14,561
2014	5.9	43,687	14,547
2015	5.0	47,189	14,533
2016	4.4	47,547	14,423
2017	4.1	48,152	14,502
2018	3.8	50,570	14,563
2019	3.2	52,129	14,474
2020	8.6	Not Available	14,412
2021	Not Available	Not Available	Not Available

Source: United States Bureau of Census, Population Division
NJ Department of Labor, Bureau of Labor Force Statistics

* Passaic County Information

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(Unaudited)**

Borough of Totowa

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income*</u>	<u>School District Population</u>
2012	7.3	\$ 41,824	10,891
2013	8.2	41,857	10,924
2014	6.8	43,687	10,960
2015	5.9	47,189	10,973
2016	5.3	47,547	10,904
2017	5.2	48,152	10,817
2018	5.0	50,570	10,804
2019	3.8	52,129	10,792
2020	12	Not Available	10797
2021	Not Available	Not Available	Not Available

Source: United States Bureau of Census, Population Division
NJ Department of Labor, Bureau of Labor Force Statistics

Notes: * Passaic County Information

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(Unaudited)**

Borough of Woodland Park

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income*</u>	<u>School District Population</u>
2012	7.8	\$ 41,824	12,074
2013	7.4	41,857	12,239
2014	7.4	43,687	12,432
2015	6.4	47,189	12,518
2016	5.7	47,547	12,645
2017	5.4	48,152	12,834
2018	4.5	50,570	12,614
2019	3.8	52,129	12,581
2020	13.1	Not Available	12655
2021	Not Available	Not Available	Not Available

Source: United States Bureau of Census, Population Division
NJ Department of Labor, Bureau of Labor Force Statistics

* Passaic County Information

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND TEN YEARS AGO
(Unaudited)

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

NOT AVAILABLE

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Instruction										
Regular	89	90	101	103	100	100	100	97	97	97
Special Education	8	9	9	10	9	8	8	8	8	8
Other Special Education										
Vocational										
Other Instruction										
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student and Instruction Related Services	30	40	32	32	27	23	22	11	11	11
General Administration	1	2	2	2	2	2	2	2	2	2
School Administrative Services	10	11	14	14	8	8	8	8	9	7
Other Administrative Services							-	-	-	5
Central Services	5	5	3	3	5	5	4	4	3	
Administrative Information Technology	1	1	1	1	1	1	1	1	1	2
Plant Operations And Maintenance	22	25	24	23	23	23	22	22	21	21
Pupil Transportation	1	1	1	1	1	1	1	1	1	1
Other Support Services	11	11	10	10	8	8	8	8	9	9
Special Schools										
Food Service										
Child Care	-	-	-	-	-	-	-	-	-	-
Total	<u>178</u>	<u>195</u>	<u>197</u>	<u>199</u>	<u>184</u>	<u>179</u>	<u>176</u>	<u>162</u>	<u>162</u>	<u>163</u>

Source: District Personnel Records

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS
 (Unaudited)

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Senior High School					
2012	1,353	\$ 23,474,163	\$ 17,350	4.59%	105	1:12		1,343	1,277	4.60%	95.09%
2013	1,395	25,256,301	18,105	4.35%	105	1:12		1,382	1,303	2.04%	94.28%
2014	1,385	25,963,977	18,747	3.54%	105	1:13		1,395	1,360	4.37%	97.49%
2015	1,345	27,193,061	20,218	7.85%	108	1:13		1,320	1,252	-7.94%	94.85%
2016	1,338	28,080,354	20,987	3.80%	108	1:13		1,256	1,194	-4.63%	95.06%
2017	1,294	28,550,072	22,063	5.13%	108	1:13		1,252	1,181	-1.09%	94.33%
2018	1,276	30,237,338	23,697	7.40%	113	1:12		1,281	1,210	2.46%	94.46%
2019	1,189	32,271,713	27,142	14.54%	113	1:12		1,183	1,117	-7.69%	94.42%
2020	1,179	32,806,851	27,826	2.52%	99	1:12		1,174	1,126	0.81%	95.91%
2021	1,045	34,557,002	33,069	18.84%	98	1:11		1,040	1,009	-10.39%	97.02%

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.

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>District Building</u>										
<u>Elementary</u>										
<u>High School</u>										
Square Feet	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000
Capacity (students)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Enrollment	1,043	1,043	1,099	1,171	1,276	1,338	1,385	1,385	1,395	1,353
Number of Schools at June 30, 2021										
Elementary =	0	0	0	0	0	0	0	0	0	0
Middle School =	0	0	0	0	0	0	0	0	0	0
Senior High School =	1	1	1	1	1	1	1	1	1	1
Other =	0	0	0	0	0	0	0	0	0	0

Source: District Records

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 LAST TEN FISCAL YEARS
 (Unaudited)

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES

		<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>School Facilities</u>	<u>Project #</u>										
High School	N/A	\$ 570,237	\$ 566,377	\$ 563,654	\$ 508,439	\$ 412,809	\$ 426,474	\$ 316,415	\$ 486,117	\$ 524,649	\$ 458,813
Total Required Maintenance for School Facilities		<u>\$ 570,237</u>	<u>\$ 566,377</u>	<u>\$ 563,654</u>	<u>\$ 508,439</u>	<u>\$ 412,809</u>	<u>\$ 426,474</u>	<u>\$ 316,415</u>	<u>\$ 486,117</u>	<u>\$ 524,649</u>	<u>\$ 458,813</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
INSURANCE SCHEDULE
AS OF JUNE 30, 2021**

	<u>Coverage</u>	<u>Deductible</u>
Package - American Alternative Insurance Company		
Property	\$ 49,362,263	\$ 5,000
Comprehensive General Liability	1,000,000	
Comprehensive Automobile Liability	1,000,000	
Comprehensive General Liability Aggregate	3,000,000	
Theft of Money and Securities	250,000	5,000
Funds transfer Fraud	250,000	5,000
Employee theft	250,000	5,000
Boiler and Machinery	Included in Blanket	
Excess Policy		
Per Occurrence	9,000,000	
Aggregate	9,000,000	
Excess Liability		
<i>NJUEP (Hudson Insurance, Allied World, Markel)</i>		
Per Occurrence	\$30,000,000	Unshared Limit
Aggregate	\$30,000,000	
Fireman's Fund Ins. Co.		
Per Occurrence	25,000,000	
Aggregate	25,000,000	
Excess Workers Compensation		
<i>Safety National - SP4063169</i>		
Employers Liability	\$1,000,000	
Self-Insured Retention (Fund Retention)	\$500,000	
Environmental Impairment Liability		
<i>Markel/ Evanston Insurance Co. - MKLV1ENV102531</i>		
Per Occurrence	\$1,000,000	\$25,000
Aggregate	\$10,000,000	
School Board Legal Liability		
<i>Greenwich Insurance Co. - ELL09503354-01</i>		
Errors & Omissions	\$1,000,000	\$10,000
Employment Practices	\$1,000,000	\$25,000
Cyber Liability		
<i>Indian Harbor Insurance Co.</i>		
<i>MTP004157205</i>		
Combined Policy Aggregate Limit	\$4,000,000	
Privacy & Cyber Security, Privacy Regulatory Defense	\$2,000,000	
Business Int. & Extra Expense, Data Breach	\$1,000,000	
Surety Bonds		
<i>The Hartford Insurance Group</i>		
Business Administrator/Board Secretary	\$250,000	N/A
Student Accident Mandatory (Base Plan)		
<i>Liberty Insurance Underwriters Inc. SCH-40000109-02</i>		
Accident Medical Expense	\$1,000,000	N/A
Student Accident Mandatory (CAT Plan)		
<i>US1295185</i>	\$5,000,000	
Catastrophic Cash Benefit	\$1,000,000	
Disappearing Deductible		\$25,000
Student Accident Voluntary		
<i>Berkley Life and Health Insurance Company</i>		
Voluntary Coverage		N/A
Class I \$72.00 per student		
Class II \$12.00 per student		
24 Hr. Coverage for students that have elected to purchase this coverage		
Business Travel Accident		
<i>Gerber Life Insurance Co.</i>		
All Active Full Time Board Members	\$100,000	N/A
All Active Full Time Business Administrators/ Superintendents		
Aggregate Limit of Liability per Conveyance	\$500,000	
Police Professional Liability		
<i>AXA XL Insurance</i>		
<i>PPL0954039-01</i>		
Occurrence Limit	\$3,000,000	\$5,000
Policy Aggregate Limit	\$3,000,000	

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
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MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Passaic Valley Regional High School District No.1 Board of Education
Little Falls, 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 Passaic Valley Regional High School District No.1 Board of Education as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Passaic Valley Regional High School District No.1 Board of Education's basic financial statements and have issued our report thereon dated March 4, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Passaic Valley Regional High School District No.1 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 Passaic Valley Regional High School District No.1 Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Passaic Valley Regional High School District No.1 Board of Education's internal control.

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

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

Compliance and Other Matters

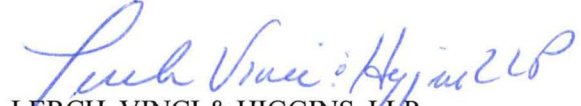
As part of obtaining reasonable assurance about whether the Passaic Valley Regional High School District No.1 Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

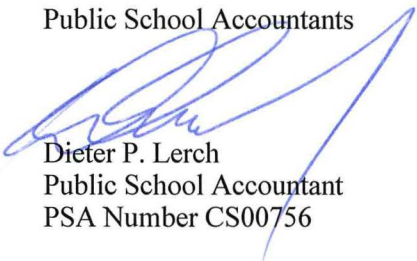
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Passaic Valley Regional High School District No.1 Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated March 4, 2022.

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 Passaic Valley Regional High School District No.1 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 Passaic Valley Regional High School District No.1 Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fair Lawn, New Jersey
March 4, 2022


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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756



LERCH, VINCI & HIGGINS, 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 Trustees
Passaic Valley Regional High School District No.1 Board of Education
Little Falls, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Passaic Valley Regional High School District No.1 Board of Education's compliance with the types of compliance requirements described 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 Passaic Valley Regional High School District No.1 Board of Education's major federal and state programs for the fiscal year ended June 30, 2021. The Passaic Valley Regional High School District No.1 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Passaic Valley Regional High School District No.1 Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Passaic Valley Regional High School District No.1 Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Passaic Valley Regional High School District No.1 Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Passaic Valley Regional High School District No.1 Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Passaic Valley Regional High School District No.1 Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Passaic Valley Regional High School District No.1 Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Passaic Valley Regional High School District No.1 Board of Education's internal control over compliance.

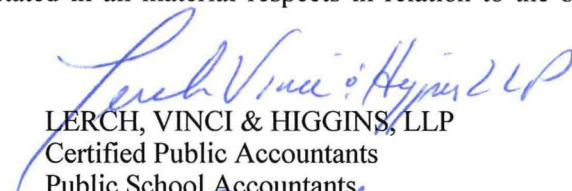
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

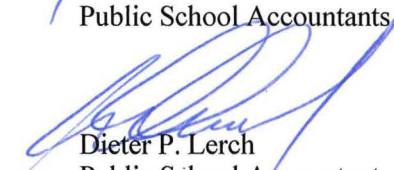
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

Report on Schedule of Expenditures of Federal Awards Required by the 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 Passaic Valley Regional High School District No.1 Board of Education, as of and for the fiscal year ended June 30, 2021, 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 March 4, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
March 4, 2022

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2021

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2020			Accounts Receivable Carryover Amount	Unearned Revenue Carryover Amount	Cash Receipts	Budgetary Expenditures	Adjustment	Repayment of Prior Year Balances	Balance, June 30, 2021			MEMO GAAP Receivable
					Accounts Receivable	Unearned Revenue	Due to Grantor							(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Agriculture																	
Passed-Through State Department of Education																	
Enterprise Fund																	
National School Breakfast Program	10.553	N/A	7/1/20-6/30/21	\$ 44,851					\$ 40,503	\$ 44,851			\$ (4,348)			\$ (4,348)	
National School Breakfast Program	10.553	N/A	7/1/19-6/30/20	16,775	\$ (983)				983								
National School Lunch Program																	
Non-Cash Assistance	10.550	N/A	7/1/20-6/30/21	16,218					16,218	16,218							
Cash Assistance	10.555	N/A	7/1/20-6/30/21	71,228					60,693	71,228			(10,535)			(10,535)	
Cash Assistance	10.555	N/A	7/1/19-6/30/20	109,757	(1,556)				1,556								
Total Enterprise Fund					(2,539)	-	-	-	119,953	132,297	-	-	(14,883)	-	-	(14,883)	
U.S. Department of Education																	
Passed-Through State Department of Education																	
Special Revenue																	
ESEA - Title I	84.010A	ESSA520021	7/1/20-6/30/21	174,718			\$ (8,351)	\$ 8,351	109,969	156,645			(73,100)	\$ 26,424		(46,676)	
ESEA - Title I	84.010A	ESSA520020	7/1/19-6/30/20	174,017	(110,366)	\$ 8,351		8,351	(8,351)	102,015							
ESEA - Title II-A	84.168A	ESSA520021	7/1/20-6/30/21	33,140				(9,659)	9,659	35,460	42,790		(7,339)	9		(7,330)	
ESEA - Title II-A	84.168A	ESSA520020	7/1/19-6/30/20	33,664	(19,851)	9,659		9,659	(9,659)	10,192							
ESEA - Title III	84.365A	ESSA520021	7/1/20-6/30/21	2,628									(2,628)	2,628			
CARES	84.425D	S425D200027	3/13/20-9/30/22	132,713	(132,713)	132,713		(7,250)	7,250	102,370	115,088		(37,593)	24,875		(12,718)	
Digital Divide	84.425D	S425D200027	7/16/20-10/31/20	103,302					103,302	103,302							
Coronavirus Relief Fund	21.019			69,984					69,984	69,984							
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	543,308									(543,308)	543,308			
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	34,867									(34,867)	34,867			
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000									(45,000)	45,000			
I.D.E.A. Part B, Basic	84.027	IDEA-3990-20	7/1/20-6/30/21	267,366					267,366	267,366							
I.D.E.A. Part B, Basic	84.027	IDEA-3990-19	7/1/19-6/30/20	391,450	(192,200)				192,200								
Total Special Revenue					(455,130)	150,723	-	(7,250)	7,250	992,858	755,175	-	(743,835)	677,111	-	(66,724)	
U.S. Department of Education																	
General Fund																	
Medicaid Assistance Program (Semi)	93.778		7/1/20-6/30/21	23,850					23,850	23,850							
Total General Fund					-	-	-	-	23,850	23,850	-	-	-	-	-	-	
Total Federal Financial Awards					\$ (457,669)	\$ 150,723	\$ -	\$ (7,250)	\$ 7,250	\$ 1,136,661	\$ 911,322	\$ -	\$ (758,718)	\$ 677,111	\$ -	\$ (81,607)	

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2020	Carryover Amount	Cash Received	Budgetary Expenditures	Returned to Grantor	Adjustment	Balance, June 30, 2021			Memo Only	
										(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Accounts Receivable	Total Cumulative Expenditures
State Department of Education														
<u>General Fund</u>														
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	\$ 867,958			\$ 814,238	\$ 867,958			\$ (53,720)				\$ 867,958
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	838,947	\$ (56,039)		56,039								
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	140,892			132,172	140,892			(8,720)				140,892
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	140,892	(9,411)		9,411								
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	42,576			39,941	42,576			(2,635)				42,576
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	42,576	(2,844)	-	2,844	-	-	-	-	-	-	-	-
State Aid Public Cluster Total				(68,294)	-	1,054,645	1,051,426	-	-	(65,075)	-	-	-	1,051,426
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	251,474			235,910	251,474			(15,564)				251,474
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	251,474	(16,798)		16,798								
Non Public Transportation Reimbursement	21-495-034-5120-014	7/1/20-6/30/21	32,770			-	32,770			(32,770)				32,770
Transportation Aid Cluster Total				(16,798)	-	252,708	284,244	-	-	(48,334)	-	-		284,244
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	851,448				851,448			(851,448)				851,448
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	449,855	(449,855)		449,855								
On-Behalf TPAF Pension System Contributions (Normal Costs)	21-100-034-5094-006	7/1/20-6/30/21	2,773,946			2,773,946	2,773,946							2,773,946
On-Behalf TPAF Pension System Contributions (NCGI Premium)	21-100-034-5094-006	7/1/20-6/30/21	52,778			52,778	52,778							52,778
On-Behalf TPAF Pension System Contrb. (Post Retirement Medical)	21-100-034-5094-001	7/1/20-6/30/21	885,851			885,851	885,851							885,851
On-Behalf TPAF Pension System Contrb. (Long Term Disability Insurance)	21-100-034-5094-006	7/1/20-6/30/21	1,035			1,035	1,035							1,035
Reimbursed TPAF Social Security Contributions	21-100-034-5094-003	7/1/20-6/30/21	684,744			651,359	684,744			(33,385)			(33,385)	684,744
Reimbursed TPAF Social Security Contributions	20-100-034-5094-003	7/1/19-6/30/20	714,478	(34,932)	-	34,932	-	-	-	-	-	-	-	-
Total General Fund				(569,879)	-	6,157,109	6,585,472	-	-	(998,242)	-	-	(66,155)	6,585,472
<u>Debt Service Fund</u>														
Debt Service Aid	21-495-034-5120-125	7/1/20-6/30/21	248,940			248,940	248,940							248,940
Total Debt Service Fund						248,940	248,940							248,940
State Department of Agriculture														
<u>Enterprise Fund</u>														
National School Lunch Program (State Share)	21-100-010-3360-037	7/1/20-6/30/21	3,193			2,680	3,171			(491)			(491)	3,171
National School Lunch Program (State Share)	20-100-010-3360-037	7/1/19-6/30/20	3,446	(25)		25	-	-	-	-	-	-	-	-
Total Enterprise Fund				(25)		2,705	3,171			(491)			(491)	3,171
Total State Financial Assistance Subject to Single Audit Determination				\$ (569,904)	\$ -	\$ 6,408,754	\$ 6,837,583	\$ -	\$ -	\$ (998,733)	\$ -	\$ -	\$ (66,646)	\$ 6,837,583
State Financial Assistance Not Subject to Major Program Determination														
<u>General Fund</u>														
On-Behalf TPAF Pension System Contributions (Normal Costs)	21-100-034-5094-006	7/1/20-6/30/21	(2,773,946)			(2,773,946)	(2,773,946)							(2,773,946)
On-Behalf TPAF Pension System Contributions (NCGI Premium)	21-100-034-5094-006	7/1/20-6/30/21	(52,778)			(52,778)	(52,778)							(52,778)
On-Behalf TPAF Pension System Contrb. (Post Retirement Medical)	21-100-034-5094-001	7/1/20-6/30/21	(885,851)			(885,851)	(885,851)							(885,851)
On-Behalf TPAF Pension System Contrb. (Long Term Disability Insurance)	21-100-034-5094-006	7/1/20-6/30/21	(1,035)			(1,035)	(1,035)							(1,035)
Total State Financial Assistance Subject to Major Program Determination				\$ (569,904)	\$ -	\$ 2,695,144	\$ 3,123,973	\$ -	\$ -	\$ (998,733)	\$ -	\$ -	\$ (66,646)	\$ 3,123,973

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Passaic Valley Regional High School District No. 1 Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying 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 Notes 1(C) to the Board's financial statements. The information in these schedules is 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 (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 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 a decrease of \$397,141 for the general 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	\$ 23,850	\$ 6,188,331	\$ 6,212,181
Special Revenue Fund	755,175		755,175
Debt Service		248,940	248,940
Food Service Fund	<u>132,297</u>	<u>3,171</u>	<u>135,468</u>
Total Financial Assistance	<u>\$ 911,322</u>	<u>\$ 6,440,442</u>	<u>\$ 7,351,764</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 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 5 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 \$684,744 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, 2021. The amount reported as TPAF Pension System Contributions in the amount of \$2,826,724, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$885,851 and TPAF Long-Term Disability Insurance in the amount of \$1,035 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2021.

NOTE 6 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 7 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.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part 1 – Summary of Auditor’s Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? Yes X No

2) Significant deficiencies identified that are not considered to be material weaknesses? Yes X No

Noncompliance material to basic financial statements noted? Yes X No

Federal Awards Section

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

Internal Control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X no

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? yes X no

Identification of major federal programs:

84.027	IDEA Part B, Basic

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

Auditee qualified as low-risk auditee? X yes no

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

CURRENT YEAR STATE AWARDS

There are none.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

There were none.