

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Little Falls, New Jersey

**ANNUAL COMPREHENSIVE
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, 2022

Prepared by

Business Office

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BOARD OF EDUCATION
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INTRODUCTORY SECTION

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

January 24, 2023

Honorable President and
Members of the Board of Education
Passaic Valley Regional High School
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, 2022, 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 findings 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, 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 2021-2022 fiscal year with an enrollment of 1,009 students. The following details the changes in the student enrollment of the district over the last ten years:

Enrollment

Fiscal Year

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%
2021-2022	1,009	-.02%

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 resulted 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 2022 reported the following post-graduate plans:

Class of 2022

4 Year College	65%
2 Year College	16%
Other	10%
Employment	7%
Military	2%

SAT/ACT Scores

SAT Scores

Mean Score Distribution

ERW	517
MATH	515

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: 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, 2022.

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, 2022, the District had \$1,952,000 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 2021-2022 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 deposits 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.

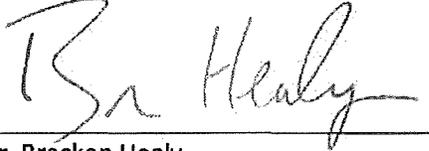
11. OTHER INFORMATION:

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 Regional High School District #1 Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. 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,



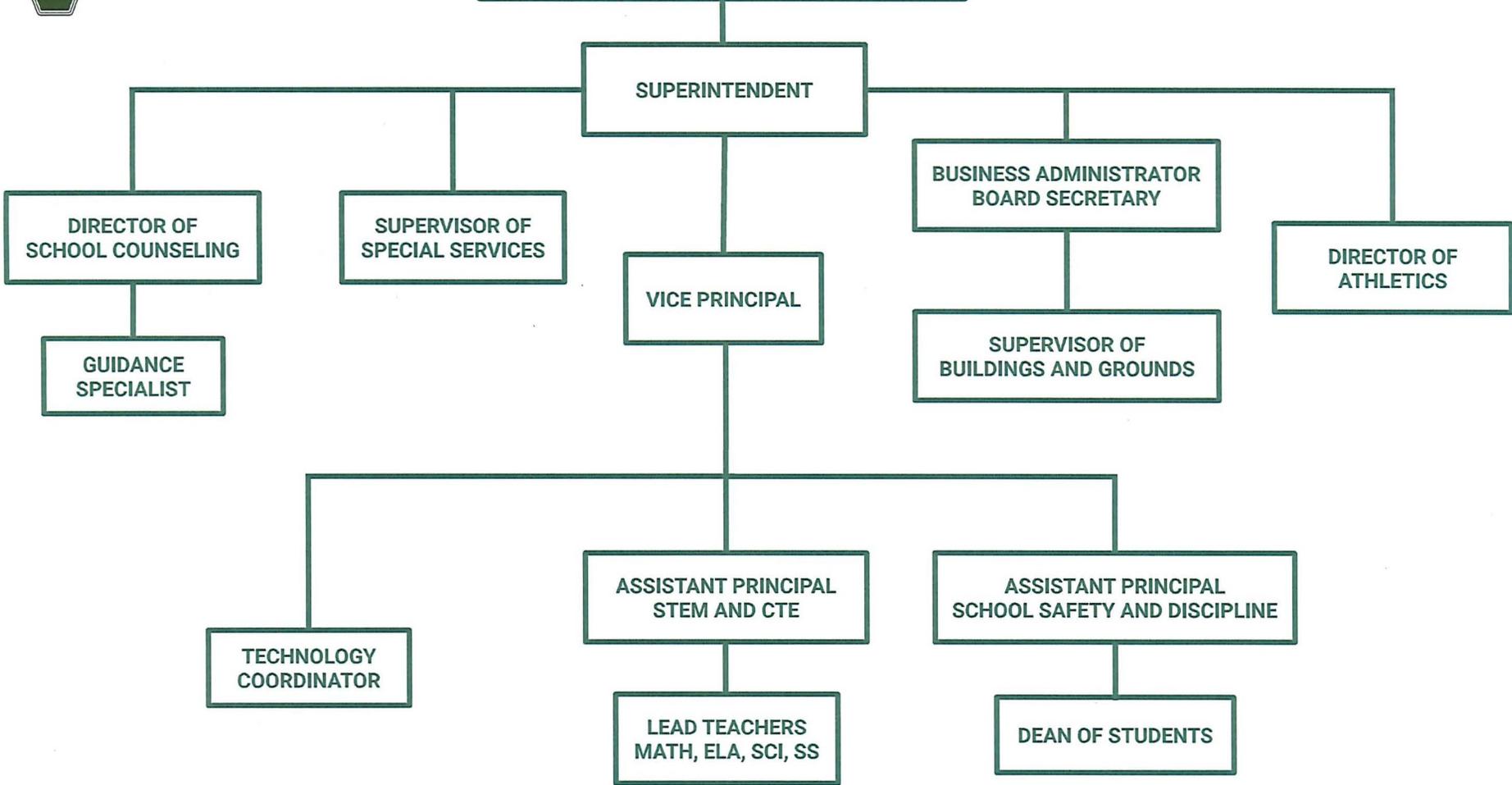
Dr. Bracken Healy
Superintendent of Schools



Mr. Colin J. Monahan
School Business Administrator/Board Secretary



BOARD OF EDUCATION



PASSAIC VALLEY REGIONAL HIGH SCHOOL # 1
LITTLE FALLS , NEW JERSEY 07424
ROSTER OF OFFICIALS
JUNE 30, 2022

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

Other Officials

Dr. Bracken Healy - Superintendent
Colin Monahan - Board Secretary/ School Business Administrator
Raymond Reddin- Board Attorney

Passaic Valley Regional High School District #1

Board of Education

Consultants and Advisors

Audit Firm

Lerch Vinci & Bliss, 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 & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA

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

Opinions

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, 2022 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Passaic Valley Regional High School District No. 1 Board of Education as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Passaic Valley Regional High School District No. 1 Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Passaic Valley Regional High School District No. 1 Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Passaic Valley Regional High School District No. 1 Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Passaic Valley Regional High School District No. 1 Board of Education's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Passaic Valley Regional High School District No. 1 Board of Education's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Passaic Valley Regional High School District No. 1 Board of Education. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

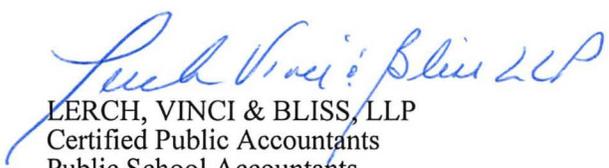
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 9, 2023 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 & BLISS, LLP
Certified Public Accountants
Public School Accountants



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
February 9, 2023

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, 2022

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, 2022. 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 (2021-2022) and the prior year (2020-2021) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2021-2022 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 \$9,082,250 (net position).
- The District's total net position increased \$3,367,529.
- Overall district-wide revenues were \$40,298,551. General revenues accounted for \$28,979,836 or 72% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$11,318,715 or 28% of total revenues.
- The school district had \$36,254,598 in expenses for governmental activities; only \$10,567,524 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$28,979,717 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 \$10,520,580. Of this amount, \$1,187,489 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, 2022**

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 there after; 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, 2022

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, 2022**

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 2022 and 2021 (Restated).

Net position. The district's combined net position was \$9,082,250 and \$5,714,721, on June 30, 2022 and 2021 (Restated), respectively. (See Table A-1).

**Table A-1
Statement of Net Position
As of June 30, 2022 and 2021**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current Assets	\$ 12,304,693	\$ 7,115,168	\$ 157,385	\$ 29,188	\$ 12,462,078	\$ 7,144,356
Capital Assets	<u>9,010,039</u>	<u>7,701,920</u>	<u>40,016</u>	<u>49,555</u>	<u>9,050,055</u>	<u>7,751,475</u>
Total Assets	<u>21,314,732</u>	<u>14,817,088</u>	<u>197,401</u>	<u>78,743</u>	<u>21,512,133</u>	<u>14,895,831</u>
Deferred Outflows of Resources	<u>418,599</u>	<u>622,773</u>	<u>-</u>	<u>-</u>	<u>418,599</u>	<u>622,773</u>
Long-Term Liabilities	8,765,970	6,558,244			8,765,970	6,558,244
Other Liabilities	<u>1,789,928</u>	<u>1,184,492</u>	<u>68,996</u>	<u>25,224</u>	<u>1,858,924</u>	<u>1,209,716</u>
Total Liabilities	<u>10,555,898</u>	<u>7,742,736</u>	<u>68,996</u>	<u>25,224</u>	<u>10,624,894</u>	<u>7,767,960</u>
Deferred Inflows of Resources	<u>2,223,588</u>	<u>2,035,923</u>	<u>-</u>	<u>-</u>	<u>2,223,588</u>	<u>2,035,923</u>
Net Position						
Net Investment in capital assets	3,789,039	5,113,920	40,016	49,555	3,829,055	5,163,475
Restricted	1,409,065	683,204			1,409,065	683,204
Unrestricted	<u>3,755,741</u>	<u>(135,922)</u>	<u>88,389</u>	<u>3,964</u>	<u>3,844,130</u>	<u>(131,958)</u>
Total Net Position	<u>\$ 8,953,845</u>	<u>\$ 5,661,202</u>	<u>\$ 128,405</u>	<u>\$ 53,519</u>	<u>\$ 9,082,250</u>	<u>\$ 5,714,721</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, 2022**

**Table A-2
Change in Net Position
For The Years Ended June 30, 2022 and 2021**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,258,028	\$ 1,255,595	\$ 89,241	\$ 6,762	\$ 1,347,269	\$ 1,262,357
Operating Grants and Contributions	8,234,590	10,025,860	661,950	135,468	8,896,540	10,161,328
Capital Grants and Contributions	1,074,906				1,074,906	
General Revenues						
Property Taxes	27,818,024	27,279,539			27,818,024	27,279,539
State Aid - Formula Grants	869,498	354,083			869,498	354,083
Other	<u>292,195</u>	<u>328,641</u>	<u>119</u>	<u>89</u>	<u>292,314</u>	<u>328,730</u>
Total Revenues	<u>39,547,241</u>	<u>39,243,718</u>	<u>751,310</u>	<u>142,319</u>	<u>40,298,551</u>	<u>39,386,037</u>
Expenses						
Instruction						
Regular	16,767,087	18,779,558			16,767,087	18,779,558
Special Education	6,456,012	6,093,642			6,456,012	6,093,642
School Sponsored Activities and Athletics	1,638,049	1,707,771			1,638,049	1,707,771
Support Services						
Student and Instruction Related Services	2,842,925	3,101,532			2,842,925	3,101,532
General Administrative Services	660,878	784,035			660,878	784,035
School Administrative Services	1,253,799	1,331,933			1,253,799	1,331,933
Plant Operations and Maintenance	4,250,268	3,652,990			4,250,268	3,652,990
Pupil Transportation	1,837,177	1,365,998			1,837,177	1,365,998
Business and Other Support Services	501,646	590,376			501,646	590,376
Interest on Debt	46,757	97,866			46,757	97,866
Food Services	<u>-</u>	<u>-</u>	<u>676,424</u>	<u>162,004</u>	<u>676,424</u>	<u>162,004</u>
Total Expenses	<u>36,254,598</u>	<u>37,505,701</u>	<u>676,424</u>	<u>162,004</u>	<u>36,931,022</u>	<u>37,667,705</u>
Change in Net Position	<u>\$ 3,292,643</u>	<u>\$ 1,738,017</u>	<u>\$ 74,886</u>	<u>\$ (19,685)</u>	<u>\$ 3,367,529</u>	<u>\$ 1,718,332</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, 2022

Governmental Activities. The District's total revenues were \$39,547,241. The local share of the revenues, that included property taxes, tuition, transportation, interest, and miscellaneous revenue, amounted to \$28,979,717 or 73% of total revenues. Funding from state and federal sources and from service charges amounted to \$10,567,524 or 27%.

The District's expenses are predominantly related to instruction and support services. Instruction totaled \$24,861,148 (69%) and student support services totaled \$11,346,693 (31%) of total expenditures interest on debt totaled \$46,757 (Less than 1%). (See Figure A-3.)

Figure A-3 Revenues by Sources – Governmental Activities
For Fiscal Year 2022

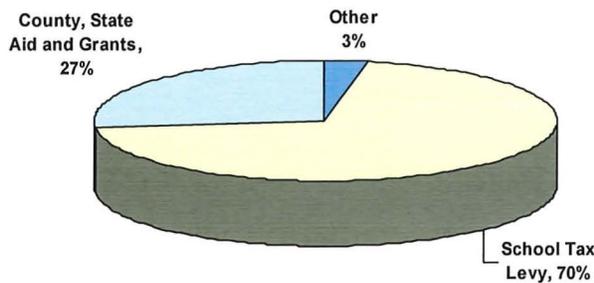
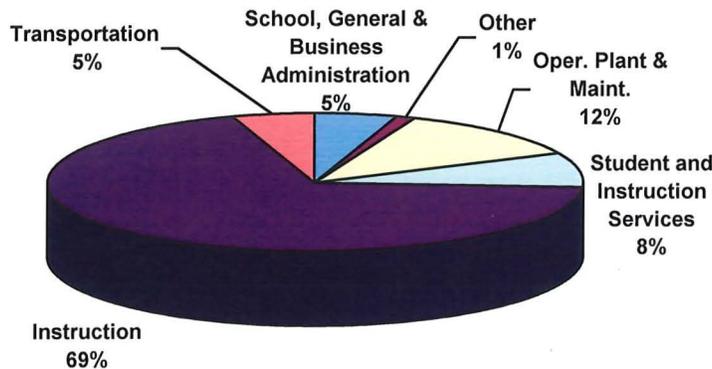


Table A-4 Expenses by Function – Governmental Activities
For Fiscal Year 2022



**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, 2022**

**Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2022 and 2021**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Instruction				
Regular	\$ 16,767,087	\$ 18,779,558	\$ 12,500,026	\$ 12,297,398
Special Education	6,456,012	6,093,642	3,570,095	3,912,793
School Sponsored Activities and Athletics	1,638,049	1,707,771	1,104,561	1,251,558
Support Services				
Student and Instruction Related Services	2,842,925	3,101,532	2,009,038	2,095,111
General Administrative Services	660,878	784,035	561,967	612,451
School Administrative Services	1,253,799	1,331,933	1,017,632	969,393
Plant Operations and Maintenance	4,250,268	3,652,990	2,900,214	3,404,182
Pupil Transportation	1,837,177	1,365,998	1,534,687	1,079,319
Business Services	501,646	590,376	461,099	540,615
Interest on Debt	46,757	97,866	27,755	61,426
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	\$ 36,254,598	\$ 37,505,701	\$ 25,687,074	\$ 26,224,246

Business-Type Activities

The cost of Business-Type Activities for the fiscal years ended June 30, 2022 and 2021 were \$676,424 and \$162,004, 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, 2022**

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 \$10,520,580. As of June 30, 2021, the fund balance was \$6,625,143.

Revenues for the District's governmental funds were \$39,386,238 while total expenditures were \$39,848,707.

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, 2022 and 2021.

General Fund Revenues

	Fiscal Year Ended		Amount of Increase (Decrease)	Change
	June 30			
	<u>2022</u>	<u>2021</u>		
Local Sources				
Property Taxes	\$ 27,332,229	\$ 26,796,303	\$ 535,926	2%
Tuition/Transportation	1,258,028	1,255,595	2,433	0%
Miscellaneous	292,091	328,530	(36,439)	-11%
Intergovernmental				
Federal Sources	19,880	23,850	(3,970)	-17%
State Sources	<u>8,071,525</u>	<u>6,188,331</u>	<u>1,883,194</u>	30%
Total General Fund Revenues	<u>\$ 36,973,753</u>	<u>\$ 34,592,609</u>	<u>\$ 2,381,144</u>	7%

**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, 2022**

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2022 and 2021.

General Fund Expenditures

	Fiscal Year Ended June 30		Amount of Increase (Decrease)	Change
	<u>2022</u>	<u>2021</u>		
Current Expense:				
Instruction	\$ 24,637,996	\$ 23,648,204	\$ 989,792	4%
Undistributed Expenses	11,403,986	9,894,787	1,509,199	15%
Capital Outlay	<u>111,854</u>	<u>30,789</u>	<u>81,065</u>	263%
 Total Expenditures	 <u>\$ 36,153,836</u>	 <u>\$ 33,573,780</u>	 <u>\$ 2,580,056</u>	 8%

Total General Fund expenditures increased by \$2,580,056 or 8% 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 \$1,676,329 and \$1,032,785, for the years ended June 30, 2022 and 2021. Federal sources accounted for 76% and 73% of the Special Revenue Fund's revenue for the years ended June 30, 2022 and 2021.

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, 2022**

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 2022, the school district had invested in land, buildings, furniture, machinery and equipment as stated in Table A-4 as follows:

	Table A-4			Business-Type Activities		
	<u>Governmental Activities</u>					
	<u>2022</u>	<u>2021</u>	Increase (Decrease)	<u>2022</u>	<u>2021</u>	Increase (Decrease)
Buildings and Building Improvements	\$ 13,128,453	\$ 13,107,546	\$ 20,907			
Improvements other than Buildings	3,257,784	1,851,326	1,406,458			
Machinery and Equipment	<u>2,274,983</u>	<u>2,094,068</u>	<u>180,915</u>	\$ 250,407	\$ 250,407	-
	18,661,220	17,052,940	1,608,280	250,407	250,407	-
Less Accumulated Depreciation	<u>9,651,181</u>	<u>9,351,020</u>	<u>300,161</u>	<u>210,391</u>	<u>200,852</u>	\$ 9,539
Total	<u>\$ 9,010,039</u>	<u>\$ 7,701,920</u>	<u>\$ 1,308,119</u>	<u>\$ 40,016</u>	<u>\$ 49,555</u>	<u>\$ (9,539)</u>

Debt Administration. As of June 30, 2022 and 2021 the school district had long-term debt and outstanding long-term liabilities in the amounts of \$8,765,970 and \$7,208,244, respectively.

Long-Term Liabilities

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

	<u>2022</u>	<u>2021</u>
Serial Bonds	\$ 1,952,000	\$ 2,588,000
Capital Leases	3,283,000	-
Net Pension Liability	3,415,469	4,507,008
Compensated Absences Payable	<u>115,501</u>	<u>113,236</u>
Total	<u>\$ 8,765,970</u>	<u>\$ 7,208,244</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, 2022**

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, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 7,640,403	\$ 24,677	\$ 7,665,080
Receivables, net			
Receivables from Other Governments	1,423,410	58,977	1,482,387
Other Receivables	3,301,712	1,008	3,302,720
Internal Balances	(60,832)	60,832	-
Inventory		11,891	11,891
Capital Assets			
Being Depreciated Net	<u>9,010,039</u>	<u>40,016</u>	<u>9,050,055</u>
Total Assets	<u>21,314,732</u>	<u>197,401</u>	<u>21,512,133</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	404,599	-	404,599
Deferred Amount on Refunding of Debt	<u>14,000</u>	<u>-</u>	<u>14,000</u>
Total Assets and Deferred Outflows of Resources	<u>21,733,331</u>	<u>197,401</u>	<u>21,930,732</u>
LIABILITIES			
Accounts Payable	475,445	66,157	541,602
Tax Levy Payable	727,879		727,879
Payroll Deductions & Withholdings Payable	117,953		117,953
Accrued Interest Payable	5,815		5,815
Unearned Revenue	462,836	2,839	465,675
Noncurrent Liabilities			
Due Within One Year	675,000		675,000
Due Beyond One Year	<u>8,090,970</u>	<u>-</u>	<u>8,090,970</u>
Total Liabilities	<u>10,555,898</u>	<u>68,996</u>	<u>10,624,894</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	<u>2,223,588</u>	<u>-</u>	<u>2,223,588</u>
Total Liabilities and Deferred Inflows of Resources	<u>12,779,486</u>	<u>68,996</u>	<u>12,848,482</u>
NET POSITION			
Net Investment in Capital Assets	3,789,039	40,016	3,829,055
Restricted for:			
Capital Projects	821,830		821,830
Debt Service	643		643
Other Purposes	586,592		586,592
Unrestricted	<u>3,755,741</u>	<u>88,389</u>	<u>3,844,130</u>
Total Net Position	<u>\$ 8,953,845</u>	<u>\$ 128,405</u>	<u>\$ 9,082,250</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, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 16,767,087	\$ 1,258,028	\$ 3,009,033		\$ (12,500,026)		\$ (12,500,026)
Special Education	6,456,012		2,885,917		(3,570,095)		(3,570,095)
School Sponsored Co-Curricular Activities	1,638,049		533,488		(1,104,561)		(1,104,561)
Support Services:							
Student & Instruction Related Services	2,842,925		833,887		(2,009,038)		(2,009,038)
School Administrative Services	1,253,799		236,167		(1,017,632)		(1,017,632)
General Administrative Services	660,878		98,911		(561,967)		(561,967)
Plant Operations and Maintenance	4,250,268		275,148	\$ 1,074,906	(2,900,214)		(2,900,214)
Pupil Transportation	1,837,177		302,490		(1,534,687)		(1,534,687)
Business and Other Support Services	501,646		40,547		(461,099)		(461,099)
Interest on Long-Term Debt	46,757	-	19,002	-	(27,755)	-	(27,755)
Total Governmental Activities	36,254,598	1,258,028	8,234,590	1,074,906	(25,687,074)	-	(25,687,074)
Business-Type Activities:							
Food Service	676,424	89,241	661,950	-	-	\$ 74,767	74,767
Total Business-Type Activities	676,424	89,241	661,950	-	-	74,767	74,767
Total Primary Government	\$ 36,931,022	\$ 1,347,269	\$ 8,896,540	\$ 1,074,906	(25,687,074)	74,767	(25,612,307)

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, 2022**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 27,332,229		\$ 27,332,229
Taxes Levied for Debt Service	485,795		485,795
State Aid - Restricted for Debt Service	231,255		231,255
State Aid - Unrestricted	638,243		638,243
Miscellaneous Income	292,195	\$ 119	292,314
Total General Revenues	28,979,717	119	28,979,836
Change in Net Position	3,292,643	74,886	3,367,529
Net Position—Beginning of Year	5,661,202	53,519	5,714,721
Net Position—End of Year	\$ 8,953,845	\$ 128,405	\$ 9,082,250

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, 2022

	<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	\$ 7,485,558	\$ 67,460	\$ 86,742	\$ 643	\$ 7,640,403
Accounts Receivable	147,208		3,154,504		3,301,712
Receivables From Other Governments	582,658	840,752			1,423,410
Due from Other Funds	<u>1,233,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,233,722</u>
Total Assets	<u>\$ 9,449,146</u>	<u>\$ 908,212</u>	<u>\$ 3,241,246</u>	<u>643</u>	<u>\$ 13,599,247</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable and Other Liabilities	\$ 398,191	\$ 26,760	\$ 50,494		\$ 475,445
Tax Levy Payable	727,879				727,879
Due to Other Funds	60,832		1,233,722		1,294,554
Payroll Deductions & Withholdings Payable	117,953				117,953
Unearned Revenue	<u>-</u>	<u>462,836</u>	<u>-</u>	<u>-</u>	<u>462,836</u>
Total Liabilities	<u>1,304,855</u>	<u>489,596</u>	<u>1,284,216</u>	<u>-</u>	<u>3,078,667</u>
Fund Balances:					
Restricted:					
Capital Reserve	696,529				696,529
Excess Surplus	2,795,244				2,795,244
Excess Surplus - Designated for Subsequent Year's Expenditures	2,190,408				2,190,408
Capital Projects			125,301		125,301
Unemployment Compensation	167,976				167,976
Student Activities		155,993			155,993
Athletics		81,195			81,195
Scholarships		181,428			181,428
Debt Service				643	643
Assigned:					
Designated for Subsequent Year's Expenditures	387,429				387,429
Year End Encumbrances	719,216		1,831,729		2,550,945
Unassigned	<u>1,187,489</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,187,489</u>
Total Fund Balances	<u>8,144,291</u>	<u>418,616</u>	<u>1,957,030</u>	<u>643</u>	<u>10,520,580</u>
Total Liabilities and Fund Balances	<u>\$ 9,449,146</u>	<u>\$ 908,212</u>	<u>\$ 3,241,246</u>	<u>\$ 643</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 \$18,661,220 and the accumulated depreciation is 9,651,181. 9,010,039

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 14,000

The District has financed capital assets through the issuance of long-term debt. The interest accrual at year end is: (5,815)

Deferred Inflows and Outflows related to the net pension liability are not reported in the funds. (1,818,989)

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	\$ 1,952,000
Capital Financing Agreements	3,283,000
Net Pension Liability	3,415,469
Compensated Absences	<u>115,501</u>
	<u>(8,765,970)</u>

Net Position of Governmental Activities (Exhibit A-1) \$ 8,953,845

**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, 2022**

	<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	\$ 27,332,229			\$ 485,795	\$ 27,818,024
Tuition	1,258,028				1,258,028
Interest Earnings	17,230		\$ 104		17,334
Miscellaneous	274,861	\$ 408,135	-	-	682,996
Total - Local Sources	<u>28,882,348</u>	<u>408,135</u>	<u>104</u>	<u>485,795</u>	<u>29,776,382</u>
State Sources	8,071,525			250,257	8,321,782
Federal Sources	19,880	1,268,194	-	-	1,288,074
Total Revenues	<u>36,973,753</u>	<u>1,676,329</u>	<u>104</u>	<u>736,052</u>	<u>39,386,238</u>
EXPENDITURES					
Instruction					
Regular	17,297,812	303,941			17,601,753
Special Education	5,998,753	601,964			6,600,717
School Sponsored Co-Curricular Activities	1,341,431	364,398			1,705,829
Support Services and Undistributed Costs					
Student & Instruction Related Services	2,780,116	192,733			2,972,849
General Administrative Services	693,431				693,431
School Administrative Services	1,345,526				1,345,526
Business & Other Support Services	532,623				532,623
Plant Operations and Maintenance	4,212,834				4,212,834
Pupil Transportation	1,839,456				1,839,456
Capital Outlay	111,854	170,456	1,325,970		1,608,280
Debt Service					
Cost of Issuance for Bond Sale				32,000	32,000
Principal				650,000	650,000
Interest and Other Charges	-	-	-	53,409	53,409
Total Expenditures	<u>36,153,836</u>	<u>1,633,492</u>	<u>1,325,970</u>	<u>735,409</u>	<u>39,848,707</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>819,917</u>	<u>42,837</u>	<u>(1,325,866)</u>	<u>643</u>	<u>(462,469)</u>
OTHER FINANCING SOURCES (USES)					
ESIP			2,083,000		2,083,000
Turf Lease Purchase Agreement			1,200,000		1,200,000
Payments to Refunded Bond Escrow Agent				(1,952,000)	(1,952,000)
Refunding Bond Proceeds				1,952,000	1,952,000
Insurance Proceeds	1,074,906				1,074,906
Transfers In	40,104		-		40,104
Transfers Out	-	-	(40,104)	-	(40,104)
Total Other Financing Sources (Uses)	<u>1,115,010</u>	<u>-</u>	<u>3,242,896</u>	<u>-</u>	<u>4,357,906</u>
Net Change in Fund Balances	1,934,927	42,837	1,917,030	643	3,895,437
Fund Balance, Beginning of Year	<u>6,209,364</u>	<u>375,779</u>	<u>40,000</u>	<u>-</u>	<u>6,625,143</u>
Fund Balance, End of Year	<u>\$ 8,144,291</u>	<u>\$ 418,616</u>	<u>\$ 1,957,030</u>	<u>\$ 643</u>	<u>\$ 10,520,580</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, 2022**

Total Net Change in Fund Balances - Governmental Funds (from B-2) **\$ 3,895,437**

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	\$	(300,161)	
Capital Outlays		<u>1,608,280</u>	1,308,119

The issuance of long term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long term debt.

Debt Issued			
Refunding Bonds		(1,952,000)	
Capital Leases (ESIP & Turf Field)		<u>(3,283,000)</u>	(5,235,000)
Payment to Escrow Agent for Refunding			1,952,000

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			650,000
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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		38,652	
Compensated Absences		(2,265)	
Net Pension Liability		<u>685,700</u>	<u>722,087</u>

Change in Net Position of Governmental Activities **\$ 3,292,643**

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2022

	Business-Type Activities Enterprise Fund <u>Food Services</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 24,677
Intergovernmental Receivable	
State	1,089
Federal	57,888
Accounts Receivable	1,008
Due from Other Funds	60,832
Inventories	<u>11,891</u>
Total Current Assets	<u>157,385</u>
Capital Assets	
Furniture, Machinery and Equipment	250,407
Less: Accumulated Depreciation	<u>(210,391)</u>
Total Capital Assets, Net	<u>40,016</u>
Total Assets	<u>197,401</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	66,157
Unearned Revenue	<u>2,839</u>
Total Current Liabilities	<u>68,996</u>
NET POSITION	
Net Investment in Capital Assets	40,016
Unrestricted	<u>88,389</u>
Total Net Position	<u>\$ 128,405</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, 2022**

	Business-Type Activities Enterprise Fund <u>Food Services</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales - Nonreimbursable Programs	\$ <u>89,241</u>
Total Operating Revenues	<u>89,241</u>
OPERATING EXPENSES	
Cost of Sales - Reimbursable Programs	235,381
Cost of Sales - Nonreimbursable Programs	35,098
Cost of Sales - USDA Commodities	37,257
Labor Cost	245,148
Management Fee	32,497
Supplies and Materials	38,431
Repairs and Maintenance	5,780
Insurance	23,960
Other Expenses	13,333
Depreciation	<u>9,539</u>
Total Operating Expenses	<u>676,424</u>
Operating Loss	<u>(587,183)</u>
NONOPERATING REVENUES	
State Sources	
State School Lunch Program	12,248
Federal Sources	
Food Distribution Program	37,257
National School Breakfast Program	70,102
National School Lunch Program	541,101
PEBT School Relief	1,242
Interest Income	<u>119</u>
Total Nonoperating Revenues	<u>662,069</u>
Change in Net Position	74,886
Total Net Position - Beginning of Year	<u>53,519</u>
Total Net Position - End of Year	<u>\$ <u>128,405</u></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, 2022

	Business-Type Activities Enterprise Fund <u>Food Services</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 89,241
Cash Payments for Employees' Salaries and Benefits	(245,148)
Cash Payments to Suppliers for Goods and Services	<u>(414,806)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(570,713)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	<u>581,090</u>
Net Cash Provided by Noncapital Financing Activities	<u>581,090</u>
Cash Flows from Investing Activities	
Interest Income	<u>119</u>
Net Cash Provided by Investing Activities	<u>119</u>
Net Decrease in Cash and Cash Equivalents	10,496
Cash and Cash Equivalents, Beginning of Year	<u>14,181</u>
Cash and Cash Equivalents, End of Year	<u>\$ 24,677</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	\$ (587,183)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Non-Cash Federal Assistance - Food Distribution Program	37,257
Depreciation	9,539
Change in Assets and Liabilities	
(Increase)/Decrease in Accounts Receivable	217
(Increase)/Decrease in Inventory	(4,937)
(Increase)/Decrease in Due from Other Fund	(60,832)
Increase/(Decrease) in Due to Other Funds	(8,546)
Increase/(Decrease) in Accounts Payable	48,430
Increase/(Decrease) in Deferred Revenue	<u>(4,658)</u>
Total Adjustments	<u>16,470</u>
Net Cash Used for Operating Activities	<u>\$ (570,713)</u>
Non-Cash Financing Activities:	
Fair Value of Food Distribution Program Commodities Received - National School Lunch Program	<u>\$ 37,257</u>

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

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, 2022**

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 of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a 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 School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools to the Board.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the 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 2022, the District adopted the following GASB statements:

- GASB Statement No. 87, *Leases*. 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 Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. 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 Statement No. 92, *Omnibus 2020*. 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.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement 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 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.
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

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

- GASB Statement 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 Statement No. 99, *Omnibus 2022*, the section applicable to the District will be effective beginning with the fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

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, 2022**

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.

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".

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

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.

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.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Inventories

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

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end, 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 \$5,000 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

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 two items which arise only under the accrual basis of accounting that qualifies for reporting in this category. The first item that qualifies for reporting in this category is the deferred amounts which results from a debt refunding reported in the district-wide statement of net position. Deferred amount on refunding of debt results from the difference on the transaction when the carrying value of refunded debt is greater than its reacquisition price. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to 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. Financing Agreements

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

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

9. Long-Term Obligations

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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, 2022 audited excess surplus that is required to be appropriated in the 2023/2024 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, 2022 audited excess surplus that was appropriated in the 2022/2023 original budget certified for taxes.

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

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

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.

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

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

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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 2022/2023 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.

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

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

11. *Fund Balance Policies*

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

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

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

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.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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.

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 2020/2021 and 2021/2022 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. 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.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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 2021/2022. Also, during 2021/2022 the Board increased the original budget by \$797,467. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances.

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

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

B. Excess Expenditures Over Appropriations

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Child Study Team – Other Purchased			
Professional Services	\$1,500	\$50,621	\$(49,121)
Custodial Services – General Supplies	11,103	98,763	(87,660)
Care and Upkeep of Grounds – Cleaning, Repair & Maintenance	74,849	511,315	(436,466)

The above variances were offset with insurance proceeds.

C. Capital Reserve

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

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021	\$ 122,069
Increased by:	
Unspent Balance of Capital Outlay	\$ 34,460
Cancelled Capital Projects Balance	40,000
Deposits by Board Resolution	500,000
	<u>574,460</u>
Balance, June 30, 2022	<u>\$ 696,529</u>

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 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, 2022 is \$4,985,652. Of this amount, \$2,190,408 was designated and appropriated in the 2022/2023 original budget certified for taxes and the remaining amount of \$2,795,244 will be appropriated in the 2023/2024 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2022, the book value of the Board's deposits were \$7,665,080 and bank and brokerage firm balances of the Board's deposits amounted to \$10,009,348. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 9,622,763
Uninsured and Collateral held by pledging financial institution's trust department but not in the Board's Name	<u>386,585</u>
	<u>\$ 10,009,348</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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, 2022, 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.

B. Receivables

Receivables as of June 30, 2022 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>Capital Projects</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Accounts	\$ 147,208		\$ 3,154,504	\$ 1,008	\$ 3,302,720
Intergovernmental					
Federal	1,424	\$ 544,068		57,888	603,380
State	877,918			1,089	879,007
Local	-	-	-	-	-
Gross Receivables	1,026,550	544,068	3,154,504	59,985	4,785,107
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 1,026,550</u>	<u>\$ 544,068</u>	<u>\$ 3,154,504</u>	<u>\$ 59,985</u>	<u>\$ 4,785,107</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

Special Revenue Fund	
Reserve for Encumbered Grant Balances	\$ 462,836
Total Unearned Revenue for Governmental Funds	<u>\$ 462,836</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Balance, <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2022</u>
Governmental Activities:				
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	\$ 13,107,546	\$ 20,907		\$ 13,128,453
Improvements Other Than Buildings	1,851,326	1,406,458		3,257,784
Machinery and Equipment	<u>2,094,068</u>	<u>180,915</u>	-	<u>2,274,983</u>
Total Capital Assets Being Depreciated	<u>17,052,940</u>	<u>1,608,280</u>	-	<u>18,661,220</u>
Less Accumulated Depreciation for:				
Buildings	7,139,242	204,352		7,343,594
Improvements Other Than Buildings	1,139,748	35,073		1,174,821
Machinery and Equipment	<u>1,072,030</u>	<u>60,736</u>	-	<u>1,132,766</u>
Total Accumulated Depreciation	<u>9,351,020</u>	<u>300,161</u>	-	<u>9,651,181</u>
Total Capital Assets, Being Depreciated, Net	<u>7,701,920</u>	<u>1,308,119</u>	-	<u>9,010,039</u>
Government Activities Capital Assets, Net	<u>\$ 7,701,920</u>	<u>\$ 1,308,119</u>	<u>\$ -</u>	<u>\$ 9,010,039</u>
	Balance, <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2022</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 250,407	-	-	\$ 250,407
Total Capital Assets Being Depreciated	<u>250,407</u>	-	-	<u>250,407</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	200,852	\$ 9,539	-	210,391
Total Accumulated Depreciation	<u>200,852</u>	<u>9,539</u>	-	<u>210,391</u>
Total Capital Assets, Being Depreciated, Net	<u>49,555</u>	<u>(9,539)</u>	-	<u>40,016</u>
Business-Type Activities Capital Assets, Net	<u>\$ 49,555</u>	<u>\$ (9,539)</u>	<u>\$ -</u>	<u>\$ 40,016</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental activities:

Instruction		
Regular		\$ 54,031
School Sponsored Co-Curricular Activities		3,001
Total Instruction		<u>57,032</u>
Support Services		
Student and Instruction Related Services		33,018
Operations and Maintenance of Plant		210,111
Total Support Services		<u>243,129</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 300,161</u>

Business-Type Activities:

Food Service Fund		\$ 9,539
Total Depreciation Expense-Business-Type Activities		<u>\$ 9,539</u>

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2022:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
ESIP Project	\$ 247,716	\$ 1,835,284
Turf Field Project	1,078,254	<u>121,746</u>
		<u>\$ 1,957,030</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 1,233,722
Food Service Fund	General Fund	<u>60,832</u>
		<u>\$ 1,294,554</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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

Due To/From Other Funds (Continued)

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.

Interfund transfers

	<u>Transfers In:</u>	
	<u>General Fund</u>	<u>Total</u>
<u>Transfer Out:</u>		
Capital Projects Fund	\$ 40,104	<u>40,104</u>
	<u>\$ 40,104</u>	<u>\$ 40,104</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. Financing Agreements

Capital Financing Agreements

The District entered into the following agreements to finance the construction of major capital facilities and other capital assets under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the District’s approved budget.

Capital financing agreements at June 30, 2022 are comprised of the following:

\$2,083,000, fiscal year 2022 Agreement for the Energy Savings Improvement Program for a term of 18 years due in annual principal installments of \$5,000 to \$220,000 through April 1, 2040 interest at 2.1567%	\$ 2,083,000
\$1,200,000, fiscal year 2022 Agreement for the acquisition of a new turf field for a term of 5 years due in annual principal installments of \$238,097 to \$244,328.32 through August 15, 2026 interest at 1.07%	<u>1,200,000</u>
Total	<u>\$ 3,283,000</u>

The unexpended proceeds from the capital financing agreements, including interest earned on balances which remain on deposit are held with the respective fiscal agents.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2022 is comprised of the following issue:

\$1,952,000, 2021 Refunding Bonds, due in annual installments of \$621,000 to \$676,000 through July 15, 2024, interest at 0.65%	<u>\$1,952,000</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>	
2023	\$ 676,000	\$ 10,491	\$ 686,491
2024	655,000	6,165	661,165
2025	<u>621,000</u>	<u>2,018</u>	<u>623,018</u>
	<u>\$ 1,952,000</u>	<u>\$ 18,674</u>	<u>\$ 1,970,674</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2022 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 184,672,232
Less: Net Debt	<u>1,952,000</u>
Remaining Borrowing Power	<u>\$ 182,720,232</u>

H. Other Long-Term Liabilities

Current Refunding of Debt

On August 26, 2021, the District issued \$1,952,000 in Refunding School Bonds having interest rates of 0.65%. These bonds were issued in order to refund certain principal maturities and certain interest payments of the 2010 School Bonds of the District. The total bond principal defeased was \$1,938,000 and the total interest payments defeased was \$15,642.91. The net proceeds of \$1,952,000 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$14,000. This amount has been reported as a Deferred Outflow of Resources on the financial statements and amortized over the remaining life of the new debt issued. This refunding was undertaken to reduce total debt service payments over the current and next 16 years by \$113,362 and resulted in an economic gain of \$82,549.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2022, was as follows:

	<u>Balance,</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2022</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 2,588,000	\$ 1,952,000	\$ 2,588,000	\$ 1,952,000	\$ 675,000
Capital Financing Agreements	-	3,283,000	-	3,283,000	
Compensated Absences	113,236	2,265		115,501	
Net Pension Liability	<u>4,507,008</u>	<u>-</u>	<u>1,091,539</u>	<u>3,415,469</u>	<u>-</u>
 Governmental Activity Long-Term Liabilities	 <u>\$ 7,208,244</u>	 <u>\$ 5,237,265</u>	 <u>\$ 3,679,539</u>	 <u>\$ 8,765,970</u>	 <u>\$ 675,000</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained 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.

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.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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:

Fiscal Year Ended June 30,	District Contributions	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2022	\$ -	\$ 22,401	\$ 219	\$ -	\$ 167,976
2021	50,000	19,348	180	18	145,356
2020	30,000	19,342	1,179	70,447	75,846

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, 2022, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2022, 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) Annual Comprehensive Financial Report (ACFR) 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.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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.

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) Annual Comprehensive Financial Report (ACFR) 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.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2021 is \$12.0 billion and the plan fiduciary net position as a percentage of the total pension liability is 70.33%. The collective net pension liability of the State funded TPAF at June 30, 2021 is \$48.2 billion and the plan fiduciary net position as a percentage of total pension liability is 35.52%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 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 2022.

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 2022, 2021 and 2020 were equal to the required contributions.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

During the fiscal years ended June 30, 2022, 2021 and 2020 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,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2022	\$ 337,645	\$ 3,683,845	\$ 6,321
2021	302,345	2,826,724	11,899
2020	262,775	2,134,410	10,514

In addition, for fiscal years 2022, 2021 and 2020, the District contributed \$0, \$0 and \$1,100, respectively, for PERS and the State contributed \$805, \$1,035 and \$1,460, respectively, for TPAF for long-term disability insurance premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$715,194 during the fiscal year ended June 30, 2022 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, 2020 through June 30, 2021. 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, 2021 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2021.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2022, the District reported in the statement of net position (accrual basis) a liability of \$3,415,469 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. 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, 2021. At June 30, 2021, the District's proportionate share was 0.02883 percent, which was an increase of 0.00119 percent from its proportionate share measured as of June 30, 2020 of 0.02764 percent.

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$348,054 for PERS. The pension contribution made by the District during the current 2021/2022 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, 2022 with a measurement date of the prior fiscal year end of June 30, 2021. 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, 2022 for contributions made subsequent to the measurement date. At June 30, 2022, 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	\$ 53,866	\$ 24,451
Changes of Assumptions	17,788	1,215,929
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		899,724
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>332,945</u>	<u>83,484</u>
Total	<u>\$ 404,599</u>	<u>\$ 2,223,588</u>

At June 30, 2022, 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:

<u>Year Ending June 30,</u>	<u>Total</u>
2022	\$ (866,527)
2023	(651,442)
2024	(369,464)
2025	(240,634)
2026	309,078
Thereafter	<u>-</u>
	<u>\$ (1,818,989)</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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 Rates

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2021 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%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

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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)

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>4,651,176</u>	\$ <u>3,415,469</u>	\$ <u>2,366,796</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, 2021. A sensitivity analysis specific to the District's net pension liability at June 30, 2021 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 employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2020 through June 30, 2021. 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, 2021, 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, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,079,499 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, 2022 the State's proportionate share of the net pension liability attributable to the District is \$45,876,687. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. 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, 2021. At June 30, 2021 the State's share of the net pension liability attributable to the District was 0.09543 percent, which was a decrease of 0.00016 percent from its proportionate share measured as of June 30, 2019 of 0.09559 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)

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2021 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

Mortality Rates

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 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)

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, 2021) 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, 2021 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%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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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)

Sensitivity of Net Pension Liability

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 54,279,784</u>	<u>\$ 45,876,687</u>	<u>\$ 38,818,614</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, 2021. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2021 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

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NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS 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. 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.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2020:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>149,304</u>
Total	<u>366,108</u>

Measurement Focus and Basis of Accounting

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

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

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NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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, 2021 is \$60.0 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, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the June 30, 2020 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2021.

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, 2022, 2021 and 2020 were \$860,695, \$885,851 and \$791,827, 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.

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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

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, 2020 through June 30, 2021. 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, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,551,138. 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, 2022 the State’s proportionate share of the OPEB liability attributable to the District is \$48,983,800. 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, 2021 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the state’s share of the OPEB liability attributable to the District was 0.08 percent, which was unchanged from its proportionate share measured as of June 30, 2020 of 0.08 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
Salary Increases*	<u>PERS</u>	<u>TPAF</u>
Initial Fiscal Year Applied Through	2026	2026
Rate	2.00% to 6.00%	1.55% to 4.45%
Rate Thereafter	3.00% to 7.00%	2.75% to 5.65%

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

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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)

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

The actuarial assumptions used in the June 30, 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.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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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, 2022 (measurement date June 30, 2021) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2020 Measurement Date	\$ <u>55,604,631</u>
Changes Recognized for the Fiscal Year:	
Service Cost	2,414,898
Interest on the Total OPEB Liability	1,270,692
Differences Between Expected and Actual Experience	(9,334,147)
Changes of Assumptions	48,327
Gross Benefit Payments	(1,000,949)
Contributions from the Member	32,485
Changes in Benefit Terms	(52,137)
Net Changes	<u>\$ (6,620,831)</u>
Balance, June 30, 2021 Measurement Date	\$ <u><u>48,983,800</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

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, 2021.

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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 2.16%, 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 (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 58,674,903	\$ 48,983,800	\$ 41,352,638

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
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 39,652,545	\$ 48,983,800	\$ 61,514,986

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021 were not provided by the pension system.

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FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS

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. As governments monitor the outbreaks, they have taken various steps to control them through requiring social distancing, masks and business closures and limited openings. As the virus appears to be under control in many areas, many of these restrictions have been lifted although the situation is monitored, sometimes restrictions are reinstated. Several vaccines have been developed and have been administered. Mutant variants have emerged in various places around the world and now are prevalent in the United States. Certain workers are being required to be vaccinated. Companies have developed booster shots, and current vaccines have proven substantially effective against all currently know variants. New treatments are also being developed to avert the worst outcomes. The assessment of the impact of the virus and the ability to control it and its mutant strains is ongoing.

In the State, Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. On June 4, 2021, the Governor signed legislation enabling the end of the public health emergency and keeping certain executive orders in place until January 1, 2022, though such executive orders may be modified or rescinded prior to that day by the Governor. The Board expects ongoing actions be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and may continue to negatively affect economic growth and financial markets worldwide. These negative impacts could reduce or negatively affect property values within the School District.

Since the pandemic began, the federal government had enacted rescue legislation to address the pandemic and alleviate its economic and health effects, including significant support for education. The legislation includes various forms of financial relief including direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. 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. Federal aid for public education has been provided under three 5 separate laws: The Coronavirus Aid, Relief, and Economic Security Act in March 2020 (CARES Act), and the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020 (CRRSA) and the American Rescue Plan Act in March 2021 (ARP). The Elementary and Secondary School Emergency Relief (ESSER) Fund is the main source of funding for public elementary and secondary education under each law. The School District has been awarded up to \$2,281,665 to address certain expenses incurred as a result of the pandemic. Because of the evolving nature of the outbreak and federal, state and local responses, the Board cannot predict how the outbreak will impact the financial condition or operations of the Board, 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 School District 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 its facilities either before or after an outbreak of an infectious disease. To date the School District has not been materially and adversely affected financially due to the virus.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Transfers	Modified Budget	Actual	Variance Favorable (Unfavorable)
REVENUES					
Local Sources					
Local Tax Levy	\$ 27,332,229		\$ 27,332,229	\$ 27,332,229	
Tuition from Other LEA's Within the State	1,036,000		1,036,000	1,258,028	\$ 222,028
Investment Income			-	17,230	17,230
Miscellaneous	25,000	-	25,000	274,861	249,861
Total Local Sources	28,393,229	-	28,393,229	28,882,348	489,119
State Sources					
Categorical Special Education Aid	983,839	-	983,839	983,839	-
Equalization Aid	140,892	-	140,892	140,892	-
Categorical Security Aid	49,776	-	49,776	49,776	-
Categorical Transportation Aid	251,474	-	251,474	251,474	-
Extraordinary Aid	350,000	-	350,000	833,191	483,191
Non Public Transportation Reimbursement				49,058	49,058
Maintenance of Equity Aid				389,760	389,760
SDA Grant				32,427	32,427
Security Grant				75,738	75,738
On-behalf TPAF Normal Costs (Non-budgeted)				3,632,594	3,632,594
On-behalf TPAF NCGI Premium (Non-budgeted)				51,251	51,251
On-behalf Post Retirement Medical Contribution (Non-budgeted)				860,695	860,695
On-behalf Long-Term Disability Insurance (Non-budgeted)				805	805
Reimbursed TPAF Social Security Contributions (Non-budgeted)	-	-	-	715,194	715,194
Total State Sources	1,775,981	-	1,775,981	8,066,694	6,290,713
Federal Sources					
Medicaid Reimbursement	16,595	-	16,595	19,880	3,285
Total Federal Sources	16,595	-	16,595	19,880	3,285
Total Revenues	30,185,805	-	30,185,805	36,968,922	6,783,117
EXPENDITURES					
CURRENT EXPENSE					
Instruction - Regular Programs					
Salaries of Teachers					
Grades 9-12	7,278,391	\$ (1)	7,278,390	7,224,063	54,327
Regular Programs- Home Instruction					
Salaries of Teachers	25,000	-	25,000	16,499	8,501
Other Salaries for Instruction	364,060	(105,987)	258,073	246,565	11,508
Purchased Professional - Educational Services	32,000	(11,045)	20,955	13,300	7,655
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	29,000	(1,000)	28,000	11,017	16,983
Purchased Technical Services	113,990	32,993	146,983	140,541	6,442
Other Purchased Services	204,050	(43,888)	160,162	136,497	23,665
General Supplies	198,247	18,544	216,791	191,523	25,268
Textbooks	58,096	3,522	61,618	44,895	16,723
Other Objects	15,172	-	15,172	2,494	12,678
Total Regular Programs	8,318,006	(106,862)	8,211,144	8,027,394	183,750

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<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					
Resource Room					
Salaries of Teachers	\$ 633,052	\$ 53,648	\$ 686,700	\$ 686,700	-
General Supplies	2,000	-	2,000	-	\$ 2,000
Total Resource Room	635,052	53,648	688,700	686,700	2,000
Autism					
Other Salaries for Instruction	190,060	106,274	296,334	296,334	-
Purchased Professional-Educational Services	2,186,536	71,620	2,258,156	2,252,009	6,147
General Supplies	-	-	-	-	-
Total Autism	2,376,596	177,894	2,554,490	2,548,343	6,147
Home Instruction					
Salaries of Teachers	34,000	35,000	69,000	52,700	16,300
Total Home Instruction	34,000	35,000	69,000	52,700	16,300
Total Special Education	3,045,648	266,542	3,312,190	3,287,743	24,447
School Sponsored Co-Curricular Activities					
Salaries	164,208	-	164,208	163,414	794
Supplies and Materials	86,659	3,317	89,976	68,679	21,297
Other Objects	250	135	385	385	-
Total School Sponsored Co-Curricular Activities	251,117	3,452	254,569	232,478	22,091
Co-Curricular Athletics					
Salaries	584,401	-	584,401	565,622	18,779
Purchased Services	114,000	11,724	125,724	72,981	52,743
Supplies and Materials	156,000	12,450	168,450	145,314	23,136
Total Co-Curricular Athletics	854,401	24,174	878,575	783,917	94,658
Total - Instruction	12,469,172	187,306	12,656,478	12,331,532	324,946
Undistributed Expenditures					
Instruction					
Tuition to County Voc.School Dist. - Reg.	4,359,289	-	4,359,289	4,359,289	-
Tuition to County Voc.School Dist. - Special Ed.	103,658	-	103,658	41,477	62,181
Tuition to Priv. Sch. For the Disables within State	2,123,076	9,800	2,132,876	1,614,413	518,463
Tuition - Other	169,562	87,583	257,145	256,356	789
Total Undistributed Expenditures - Instruction	6,755,585	97,383	6,852,968	6,271,535	581,433

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

EXPENDITURES	Original Budget	Transfers	Modified Budget	Actual	Variance Favorable (Unfavorable)
CURRENT EXPENSE					
Health Services					
Salaries	\$ 124,224	\$ 9,697	\$ 133,921	\$ 133,921	\$ -
Purchased Professional and Technical Services	65,000	(52,863)	12,137	11,803	334
Supplies and Materials	7,000	(2,605)	4,395	730	3,665
Total Health Services	196,224	(45,771)	150,453	146,454	3,999
Speech, OT, PT & Related Services					
Salaries	16,138	19,000	35,138	34,973	165
Purchased Professional Educational Services	128,800	35,534	164,334	135,677	28,657
Total Speech, OT, PT & Related Services	144,938	54,534	199,472	170,650	28,822
Other Support Services - Students - Extra Services					
Purchased Professional Educational Services	61,000	50,878	111,878	87,628	24,250
Total Other Support Services- Student- Extra Serv.	61,000	50,878	111,878	87,628	24,250
Guidance					
Salaries of Other Professional Staff	581,896	8,723	590,619	590,619	-
Salaries of Sec. & Clerical Assts.	78,451	11,913	90,364	89,180	1,184
Purchased Professional-Educational Services	2,000	(2,000)	-	-	-
Other Purchased Professional and Technical Services	3,670	1,419	5,089	5,089	-
Other Purchased Services	138,000	(16,401)	121,599	121,467	132
Travel	2,000	(1,007)	993	993	-
Supplies and Materials	40,000	6,284	46,284	45,263	1,021
Other Objects	1,815	-	1,815	1,234	581
Total Guidance	847,832	8,931	856,763	853,845	2,918
Child Study Teams					
Salaries of Other Professional Staff	348,008	10,126	358,134	358,134	-
Salaries of Sec. & Clerical Assts.	54,002	-	54,002	1,555	52,447
Other Purchased Professional and Technical Services	1,500	-	1,500	50,621	(49,121)
Supplies and Materials	3,000	-	3,000	774	2,226
Total Child Study Teams	406,510	10,126	416,636	411,084	5,552
Improvement of Instructional Services					
Salaries of Other Professional Staff	12,000	-	12,000	-	12,000
Other Purchased Services	18,700	(625)	18,075	5,156	12,919
Total Improvement of Instructional Services	30,700	(625)	30,075	5,156	24,919
Educational Media Services/School Library					
Salaries	142,242	-	142,242	130,443	11,799
Salaries of Technology Coordinators	80,000	-	80,000	75,601	4,399
Supplies and Materials	20,000	965	20,965	15,822	5,143
Other Objects	350	500	850	694	156
Total Educational Media Services/School Library	242,592	1,465	244,057	222,560	21,497

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

EXPENDITURES	<u>Original Budget</u>	<u>Transfers</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
CURRENT EXPENSE					
Support Services General Administration					
Salaries	\$ 266,563	\$ 24,966	\$ 291,529	\$ 273,764	\$ 17,765
Legal Services	110,799	-	110,799	27,494	83,305
Audit Fees	37,000	-	37,000	30,780	6,220
Architectural/Engineering Services	90,000	-	90,000	34,923	55,077
Other Purchased Professional Services	8,200	6,250	14,450	12,135	2,315
Miscellaneous Purchased Services	1,200	-	1,200		1,200
Communications/Telephone	174,443	-	174,443	102,982	71,461
BOE Other Purchased Services	3,000	-	3,000		3,000
Other Purchased Services	31,200	(7,500)	23,700	13,201	10,499
General Supplies	11,000	-	11,000	5,594	5,406
BOE In-House Training/Meeting Supplies		-			-
Miscellaneous Expenditures	1,785	389	2,174	2,174	-
BOE Membership Dues and Fees	12,000	(389)	11,611	10,776	835
Total Support Services General Administration	747,190	23,716	770,906	513,823	257,083
Support Services School Administration					
Salaries of Principals/Asst. Principals	503,680	60,873	564,553	564,553	-
Salaries of Secretarial and Clerical Assistants	283,747	(12,072)	271,675	270,930	745
Other Purchased Services	23,000	(8,271)	14,729	11,458	3,271
Travel	5,000	-	5,000	3,834	1,166
Supplies and Materials	25,000	(11,000)	14,000	6,084	7,916
Other Objects	8,950	6,000	14,950	14,005	945
Total Support Services School Administration	849,377	35,530	884,907	870,864	14,043
Central Services					
Salaries	350,394	-	350,394	341,222	9,172
Purchased Technical Services	41,000	12,500	53,500	51,066	2,434
Travel	250	-	250		250
Miscellaneous Purchased Services	3,000	-	3,000	1,962	1,038
Supplies and Materials	12,500	-	12,500	6,954	5,546
Interest on Lease Purchase Agreement	21,600	-	21,600		21,600
Miscellaneous Expenditures	4,200	-	4,200	-	4,200
Total Central Services	432,944	12,500	445,444	401,204	44,240
Undist. Expend. - Required Maint. For School Facilities					
Salaries	383,323	-	383,323	378,106	5,217
Cleaning, Repair, and Maintenance	136,630	43,718	180,348	166,071	14,277
General Supplies	8,000	(25)	7,975	3,329	4,646
Other Objects	300	25	325	325	-
Total Undist. Expend - Required Maint. For School Facilities	528,253	43,718	571,971	547,831	24,140

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<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	\$ 1,126,305	\$ (31,735)	\$ 1,094,570	\$ 987,369	\$ 107,201
Cleaning, Repair, and Maintenance Services	192,700	(3,050)	189,650	175,635	14,015
Other Purchased Property Services	53,893	118	54,011	29,633	24,378
Insurance	206,503	26,927	233,430	198,869	34,561
General Supplies	123,400	(112,297)	11,103	98,763	(87,660)
Energy (Natural Gas)	95,000	(5,345)	89,655	37,845	51,810
Energy (Electricity)	250,000	5,345	255,345	255,345	-
Total Custodial Services	2,047,801	(120,037)	1,927,764	1,783,459	144,305
Care and Upkeep of Grounds					
Salaries	300,190	25,336	325,526	306,457	19,069
Cleaning, Repair, and Maintenance Services	44,500	30,349	74,849	511,315	(436,466)
General Supplies	57,600	30,532	88,132	88,132	-
Total Care and Upkeep of Grounds	402,290	86,217	488,507	905,904	(417,397)
Security					
Salaries	225,000	5,179	230,179	230,149	30
Purchased Professional and Technical Services	22,500	(8,179)	14,321	5,983	8,338
General Supplies	5,000	3,055	8,055	6,934	1,121
Total Security	252,500	55	252,555	243,066	9,489
Student Transportation Services					
Sal. for Pupil Trans. (Btwn. Home & School) - Reg	26,612	-	26,612	25,104	1,508
Management Fee - ESC & CTSA	-	-	-	-	-
Other Purchased Professional and Technical Services	12,750	3,395	16,145	14,312	1,833
Contracted Serv- Aid in Lieu Pymts- NonPub Sch	165,000	89,250	254,250	242,250	12,000
Contracted Services (Between Home and School) - Vendors	460,602	(13,704)	446,898	446,400	498
Contracted Services (Other Than Between Home and School) - Vendors	178,000	21,502	199,502	194,651	4,851
Contracted Services (Reg Students) - ESC's & CTSA's	465,000	100,693	565,693	497,970	67,723
Contracted Services (Sp Ed Students) - ESC's & CTSA's	617,000	53,534	670,534	405,425	265,109
Miscellaneous Purchased Services - Transportation	7,500	-	7,500	3,675	3,825
Other Objects	350	-	350	-	350
Total Student Transportation Services	1,932,814	254,670	2,187,484	1,829,787	357,697
Personal Services - Employee Benefits					
Social Security Contributions	330,000	15,873	345,873	341,075	4,798
Other Retirement Contributions	321,800	22,166	343,966	343,966	-
Unemployment Compensation	20,000	(9,118)	10,882	-	10,882
Workmen's Compensation	120,919	2,788	123,707	112,753	10,954
Health Benefits	2,973,190	(381,539)	2,591,651	2,329,181	262,470
Tuition Reimbursement	21,500	2,305	23,805	23,805	-
Other Employee Benefits	71,385	(22,580)	48,805	34,247	14,558
Total Unallocated Benefits - Employee Benefits	3,858,794	(370,105)	3,488,689	3,185,027	303,662
On-behalf TPAF Normal Costs					
(Non-budgeted)	-	-	-	3,632,594	(3,632,594)
On-behalf TPAF NCGI Premium					
(Non-budgeted)	-	-	-	51,251	(51,251)
On-behalf Post Retirement Medical Contribution					
(Non-budgeted)	-	-	-	860,695	(860,695)
On-behalf Long-Term Disability Insurance					
(Non-budgeted)	-	-	-	805	(805)
Reimbursed TPAF Social Security Contributions					
(Non-budgeted)	-	-	-	715,194	(715,194)
Total On-behalf Contributions	-	-	-	5,260,539	(5,260,539)
Total Undistributed Expenditures	19,737,344	143,185	19,880,529	23,710,416	(3,829,887)
Total Expenditures - Current Expense	32,206,516	330,491	32,537,007	36,041,948	(3,504,941)

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Transfers	Modified Budget	Actual	Variance Favorable (Unfavorable)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction					
Grades 9-12	\$ 8,000		\$ 8,000	\$ 42	\$ 7,958
Undistributed Expenditures					
Care and Upkeep of Grounds	30,000	\$ 80,730	110,730	31,324	79,406
Total Equipment	38,000	80,730	118,730	31,366	87,364
Facilities Acquisition and Construction Services					
Architectural/ Engineering Services	60,000	(8,238)	51,762	33,250	18,512
Construction Services	40,000	-	40,000	39,000	1,000
Supplies and Materials		-			-
Lease Purchase Agreement	500,000	(991,762)	(491,762)	8,238	(500,000)
Assessment for Debt Service on SDA Funding	34	-	34	34	-
Total Facilities Acquisition and Construction Services	600,034	(1,000,000)	(399,966)	80,522	(480,488)
Interest Deposit to Capital Reserve	600	-	600	-	600
Total Capital Outlay	638,634	(919,270)	(280,636)	111,888	(392,524)
Transfer of Funds to Charter Schools	-	-	-	-	-
Total Expenditures	32,845,150	(588,779)	32,256,371	36,153,836	(3,897,465)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(2,659,345)	588,779	(2,070,566)	815,086	2,885,652
Other Financing Sources					
Insurance Proceeds	-	-	-	1,074,906	1,074,906
Operating Transfers In	-	-	-	40,104	40,104
Total Other Financing Sources	-	-	-	1,115,010	1,115,010
Change in Fund Balance	(2,659,345)	588,779	(2,070,566)	1,930,096	4,000,662
Fund Balances, Beginning of Year	7,141,451	-	7,141,451	7,141,451	-
Fund Balances, End of Year	\$ 4,482,106	\$ 588,779	\$ 5,070,885	\$ 9,071,547	\$ 4,000,662
Recapitulation:					
Restricted:					
Capital Reserve				\$ 696,529	
Excess Surplus				2,795,244	
Excess Surplus - Designated for Subsequent Year's Expenditures				2,190,408	
Unemployment Compensation				167,976	
Assigned:					
Designated for Subsequent Year's Expenditures				387,429	
Year - End Encumbrances				719,216	
Unassigned Fund Balance				2,114,745	
				9,071,547	
Less: State Payments Not Recognized on GAAP					
Delayed State Aid				(927,256)	
Fund Balance, GAAP Basis				\$ 8,144,291	

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, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Federal Sources	\$ 1,027,115	\$ 385,346	\$ 1,412,461	\$ 1,670,127	\$ 257,666
Local Sources	-	900	900	408,135	407,235
Total Revenues	<u>1,027,115</u>	<u>386,246</u>	<u>1,413,361</u>	<u>2,078,262</u>	<u>664,901</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	315,896	65,490	381,386	374,450	6,936
Tuition		50,276	50,276	346,960	(296,684)
Student Activities (Non Budget)		-		229,603	(229,603)
Athletics (Non Budget)		-		109,197	(109,197)
Scholarships (Non Budget)		-		25,598	(25,598)
General Supplies	11,306	201,362	212,668	186,245	26,423
Total Instruction	<u>327,202</u>	<u>317,128</u>	<u>644,330</u>	<u>1,272,053</u>	<u>(627,723)</u>
Support Services					
Salaries	46,000	600	46,600	46,600	-
Employee Benefits	30,738	1,750	32,488	32,488	-
Purchased Professional and Technical Services		47,500	47,500	47,500	-
Supplies and Materials	-	102,542	102,542	96,883	5,659
Total Support Services	<u>76,738</u>	<u>152,392</u>	<u>229,130</u>	<u>223,471</u>	<u>5,659</u>
Facilities Acquisition and Construction Services					
Building Improvements	623,175	(307,787)	315,388	315,388	-
Non-instructional Equipment	-	224,513	224,513	224,513	-
Total Facilities Acquisition and Construction Services	<u>623,175</u>	<u>(83,274)</u>	<u>539,901</u>	<u>539,901</u>	<u>-</u>
Total Expenditures	<u>1,027,115</u>	<u>386,246</u>	<u>1,413,361</u>	<u>2,035,425</u>	<u>(622,064)</u>
Change in Fund Balance	-	-	-	42,837	42,837
Fund Balances, Beginning of Year	375,779	-	375,779	375,779	-
Fund Balances, End of Year	<u>375,779</u>	<u>\$ -</u>	<u>375,779</u>	<u>\$ 418,616</u>	<u>\$ (42,837)</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, 2022**

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)	\$ 36,968,922	\$ 2,078,262
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2022		(401,933)
Difference - Budget to GAAP		
Certain State Aid payments recognized for GAAP Statements, not recognized for budgetary purposes - Prior Year	932,087	
Certain State Aid payments recognized for budgetary purposes, not recognized for GAAP statements - Current Year	<u>(927,256)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 36,973,753</u>	<u>\$ 1,676,329</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule	\$ 36,153,836	\$ 2,035,425
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2022	<u>-</u>	<u>(401,933)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 36,153,836</u>	<u>\$ 1,633,492</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 Nine Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.02883	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>\$ 3,415,469</u>	<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>\$ 2,110,212</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>	<u>\$ 2,479,065</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	162%	218%	248%	285%	349%	428%	326%	195%	214%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	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 Nine Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 337,645	\$ 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>337,645</u>	<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>\$ 2,127,167</u>	<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	15.9%	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 Nine Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 45,876,687</u>	<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>\$ 45,876,687</u>	<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>\$ 9,596,099</u>	<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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	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, 2022**

Change of Benefit Terms: None.

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

**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 Five Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Cost	\$ 2,414,898	\$ 1,412,113	\$ 1,359,242	\$ 1,463,836	\$ 1,764,868
Interest on Total OPEB Liability	1,270,692	1,290,000	1,544,548	1,605,580	1,391,093
Changes of Benefit Terms	(52,137)				
Differences Between Expected and Actual Experience	(9,334,147)	7,773,815	(5,540,532)	(2,379,193)	
Changes of Assumptions	48,327	10,157,056	535,426	(4,484,777)	(5,797,814)
Gross Benefit Payments	(1,000,949)	(968,031)	(1,102,341)	(1,045,020)	(843,153)
Contribution from the Member	32,485	29,341	32,676	36,118	31,047
Net Change in Total OPEB Liability	<u>(6,620,831)</u>	<u>19,694,294</u>	<u>(3,170,981)</u>	<u>(4,803,456)</u>	<u>(3,453,959)</u>
Total OPEB Liability - Beginning	<u>55,604,631</u>	<u>35,910,337</u>	<u>39,081,318</u>	<u>43,884,774</u>	<u>47,338,733</u>
Total OPEB Liability - Ending	<u>\$ 48,983,800</u>	<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	\$0
State's Proportionate Share of OPEB Liability	<u>48,983,800</u>	<u>55,604,631</u>	<u>35,910,337</u>	<u>39,081,318</u>	<u>43,884,774</u>
Total OPEB Liability - Ending	<u>\$ 48,983,800</u>	<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>\$ 11,706,311</u>	<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%	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, 2022**

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, 2022

	ESEA Title I	ESEA Title II-A	IDEA Part B Basic	ARP IDEA Part B Basic	ACSERS	ESSER I	ESSER II			ESSER III	Other Local Programs	Student Activities	Athletics	Scholarships	Total
						CARES	CRRSA ESSER II	Learning Acceleration	Mental Health	ARP ESSER III					
REVENUES															
Intergovernmental															
Federal	\$ 150,593	\$ 30,751	\$ 255,004	\$ 50,276	\$ 296,684	\$ 19,773	\$ 320,251	\$ 2,146	\$ 45,000	\$ 499,649					\$ 1,670,127
Other	-	-	-	-	-	-	-	-	-	-	\$ 900	\$ 231,265	\$ 139,768	\$ 36,202	408,135
Total Revenues	\$ 150,593	\$ 30,751	\$ 255,004	\$ 50,276	\$ 296,684	\$ 19,773	\$ 320,251	\$ 2,146	\$ 45,000	\$ 499,649	\$ 900	\$ 231,265	\$ 139,768	\$ 36,202	\$ 2,078,262
EXPENDITURES															
Instruction															
Salaries of Teachers	\$ 65,000	\$ 28,300	\$ 255,004					\$ 2,146		\$ 24,000					\$ 374,450
Tuition				\$ 50,276	\$ 296,684							\$ 229,603			346,960
Student Activities													\$ 109,197		229,603
Athletics														\$ 25,598	109,197
Scholarships															25,598
General Supplies	11,306	-	-	-	-	-	-	-	-	174,939	-	-	-	-	186,245
Total Instruction	76,306	28,300	255,004	50,276	296,684	-	-	2,146	-	198,939	-	229,603	109,197	25,598	1,272,053
Support Services															
Salaries	46,000					\$ 600									46,600
Employee Benefits	28,287	2,451				1,750									32,488
Purchased Professional and Technical Serv.						2,500			\$ 45,000						47,500
Supplies and Materials						9,364	\$ 86,619				\$ 900				96,883
Total Support Services	74,287	2,451	-	-	-	14,214	86,619	-	45,000	-	900	-	-	-	223,471
Facilities Acquisition and Construction															
Building Improvements										248,692					315,388
Non-instructional Equipment						5,559	166,936			52,018					224,513
Total Facilities Acquisition and Cons.						5,559	233,632			300,710					539,901
Total Expenditures	\$ 150,593	\$ 30,751	\$ 255,004	\$ 50,276	\$ 296,684	\$ 19,773	\$ 320,251	\$ 2,146	\$ 45,000	\$ 499,649	\$ 900	\$ 229,603	\$ 109,197	\$ 25,598	\$ 2,035,425
Excess (Deficiency) of Revenues Over (Under) Expenditures												1,662	30,571	10,604	42,837
Fund Balances, Beginning of Year												154,331	50,624	170,824	375,779
Fund Balances, End of Year											\$ 155,993	\$ 81,195	\$ 181,428	\$ 418,616	

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, 2022

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, 2022

<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Expenditures to Date Current Year</u>	<u>Cancelled</u>	<u>Unexpended Balance, June 30, 2022</u>
Electrical Upgrades	\$ 40,000		\$ 40,000	
ESIP Project	2,083,000	\$ 247,716		\$ 1,835,284
Turf Field Project	<u>1,200,000</u>	<u>1,078,254</u>	<u>-</u>	<u>121,746</u>
	<u>\$ 3,323,000</u>	<u>\$ 1,325,970</u>	<u>\$ 40,000</u>	<u>\$ 1,957,030</u>
		Transferred to Capital Reserve:	<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, 2022**

Revenues and Other Financing Sources**Revenues**

Interest Earnings	\$ 104
Total Revenues	104

Other Financing Sources

Lease Purchase Agreement	1,200,000
ESIP Proceeds	2,083,000
Total Revenues and Other Financing Sources	3,283,104

Expenditures and Other Financing Uses**Expenditures**

Purchased Professional and Technical Services	249,716
Equipment	454,437
Construction Services	621,817
Total Expenditures	1,325,970

Other Financing Uses

Transfer to General Fund	104
Transfer to General Fund - Capital Reserve	40,000
Total Expenditures and Transfers	1,366,074

Excess (Deficiency) of Revenues Over (Under) Expenditures	1,917,030
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Fund Balance - Beginning of Year	40,000
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Fund Balance - End of Year	\$ 1,957,030
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Recapitulation of Fund Balance:

Reserve for Encumbrances	\$ 1,831,729
Undesignated Fund Balance - Capital Projects	125,301
	\$ 1,957,030

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, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized 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			

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
ESIP PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Authorized</u> <u>Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
ESIP Proceeds	\$ -	\$ 2,083,000	\$ 2,083,000	\$ 2,083,000
Total Revenues	-	2,083,000	2,083,000	2,083,000
EXPENDITURES AND OTHER FINANCING SOURCES				
Professional and Technical Services	-	\$ 247,716	\$ 247,716	2,083,000
Construction Services	-	-	-	-
Total Expenditures and other Financing Sources	-	247,716	247,716	2,083,000
Excess (deficiency) of Revenues over (under) Expenditures	<u>\$ -</u>	<u>\$ 1,835,284</u>	<u>\$ 1,835,284</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	N/A			
Original Authorized Cost	2,083,000			
Additional Authorized Cost	-			
Revised Authorized Cost	2,083,000			

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
TURF FIELD PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Lease Purchase	\$ -	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Transfer from Capital Reserve	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>
EXPENDITURES AND OTHER FINANCING SOURCES				
Professional and Technical Services	-	\$ 2,000	\$ 2,000	2,000
Equipment	-	454,437	454,437	454,437
Construction Services	-	621,817	621,817	743,563
	<u>-</u>	<u>621,817</u>	<u>621,817</u>	<u>743,563</u>
Total Expenditures and other Financing Sources	<u>-</u>	<u>1,078,254</u>	<u>1,078,254</u>	<u>1,200,000</u>
Excess (deficiency) of Revenues over (under) Expenditures	<u>\$ -</u>	<u>\$ 121,746</u>	<u>\$ 121,746</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	N/A			
Original Authorized Cost	1,200,000			
Additional Authorized Cost	-			
Revised Authorized Cost	1,200,000			

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, 2022**

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, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5.

EXHIBIT G-3

**COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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
STATEMENT OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2021</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2022</u>
ESIP Lease	\$ 2,083,000	2.16%	\$ -	\$ 2,083,000	\$ -	\$ 2,083,000
Turf Lease Purchase	1,200,000	1.07%	<u>-</u>	<u>1,200,000</u>	<u>-</u>	<u>1,200,000</u>
Total Lease Purchase Agreements			<u>\$ -</u>	<u>\$ 3,283,000</u>	<u>\$ -</u>	<u>\$ 3,283,000</u>

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<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	\$ 485,795		\$ 485,795	\$ 485,795	-
Intergovernmental					
Debt Service Aid Type II	250,257	-	250,257	250,257	-
Total Revenues	<u>736,052</u>	<u>-</u>	<u>736,052</u>	<u>736,052</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Interest	86,052		86,052	53,409	\$ 32,643
Principal	650,000	-	650,000	650,000	-
Cost of Issuance on Refunding Bond	-	-	-	32,000	(32,000)
Total Expenditures	<u>736,052</u>	<u>-</u>	<u>736,052</u>	<u>735,409</u>	<u>643</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>643</u>	<u>643</u>
Other Financing Sources					
Payments to Refunded Bond Escrow Agent				(1,952,000)	(1,952,000)
Refunding Bond Proceeds	-	-	-	1,952,000	1,952,000
Excess to Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>643</u>	<u>643</u>
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>\$ 643</u>	<u>\$ 643</u>

STATISTICAL SECTION

This part of the Passaic Valley Regional High School District No. 1 Board of Education's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the district'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 district'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 district's current levels of outstanding debt and the district'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 district'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 district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

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

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

	2013	2014 (Restated)	2015	2016	Fiscal Year Ended June 30,		2019	2020	2021	2022
					2017	2018				
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 3,789,039
Restricted	600	1	1	1	1,000,000	91,206	66,206	590,478	683,204	1,409,065
Unrestricted	<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>	<u>3,755,741</u>
Total Governmental Activities Net Position	<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>	<u>\$ 8,953,845</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 82,886	\$ 81,563	\$ 68,287	\$ 72,526	\$ 86,829	\$ 76,543	\$ 66,255	\$ 59,438	\$ 49,555	\$ 40,016
Restricted										
Unrestricted	<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>	<u>88,389</u>
Total Business-Type Activities Net Position	<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>	<u>\$ 128,405</u>
District-Wide										
Net Investment in Capital Assets	\$ 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	\$ 3,829,055
Restricted	600	1	1	1	1,000,000	91,206	66,206	590,478	683,204	1,409,065
Unrestricted	<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>	<u>3,844,130</u>
Total District Net Position	<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>	<u>\$ 9,082,250</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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 16,767,087
Special Education	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	6,456,012
Other Instruction	26,270	35,242	47,772	48,408	24,225	2,841				
School Sponsored Activities And Athletics	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	1,638,049
Support Services:										
Student & Instruction Related Services	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	2,842,925
School Administrative Services	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	1,253,799
General Administration	613,658	631,712	544,974	581,694	691,713	693,538	713,751	728,430	784,035	660,878
Plant Operations And Maintenance	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	4,250,268
Pupil Transportation	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	1,837,177
Business and Other Support Services	844,702	840,623	856,608	687,827	578,274	549,621	529,285	496,083	590,376	501,646
Interest On Long-Term Debt	269,660	247,416	226,874	204,623	182,876	162,176	137,645	118,146	97,866	46,757
Total Governmental Activities Expenses	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	36,254,598
Business-Type Activities:										
Food Service	808,098	869,269	894,750	907,928	748,414	688,443	644,858	546,923	162,004	676,424
Total Business-Type Activities Expense	808,098	869,269	894,750	907,928	748,414	688,443	644,858	546,923	162,004	676,424
Total District Expenses	\$ 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	\$ 36,931,022
Program Revenues										
Governmental Activities:										
Charges For Services:										
Tuition / Pupil Transportation	\$ 165,722	\$ 163,216	\$ 122,296	\$ 125,330	\$ 357,987	\$ 445,106	\$ 983,026	\$ 1,136,782	\$ 1,255,595	\$ 1,258,028
Operating Grants And Contributions	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	8,234,590
Capital Grants And Contributions	-	-	-	-	-	-	-	-	-	1,074,906
Total Governmental Activities Program Revenues	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	10,567,524
Business-Type Activities:										
Charges For Services:										
Food Service	677,581	656,826	649,422	609,787	505,570	452,146	448,527	349,503	6,762	89,241
Operating Grants And Contributions	161,611	189,864	203,836	244,443	236,155	202,577	193,987	158,939	135,468	661,950
Total Business Type Activities Program Revenues	839,192	846,690	853,258	854,230	741,725	654,723	642,514	508,442	142,230	751,191
Total District Program Revenues	\$ 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	\$ 11,318,715
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (25,687,074)
Business-Type Activities	31,094	(22,579)	(41,492)	(53,698)	(6,689)	(33,720)	(2,344)	(38,481)	(19,774)	74,767
Total District-Wide Net Expense	\$ (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)	\$ (25,612,307)

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 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	\$ 27,332,229
Taxes Levied For Debt Service	631,942	675,102	646,185	670,550	607,471	573,647	509,017	496,385	483,236	485,795
Grants And Contributions	294,770	301,595	237,329	257,105	277,655	350,175	350,456	354,625	354,083	869,498
Miscellaneous Income	223,138	103,695	72,008	93,999	811,707	88,789	283,196	148,961	328,641	292,195
Loss on Disposal of Fixed Assets	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	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	28,979,717
Business-Type Activities:										
Miscellaneous Income	-	-	-	-	-	-	195	1,179	89	119
Total Business-Type Activities	-	-	-	-	-	-	195	1,179	89	119
Total District-Wide	\$ 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	\$ 28,979,836
Change in Net Position										
Governmental Activities	\$ 1,473,928	\$ 1,079,175	\$ 522,413	\$ 508,380	\$ 1,541,576	\$ 704,962	\$ 659,617	\$ 1,250,146	\$ 1,738,017	\$ 3,292,643
Business-Type Activities	31,094	(22,579)	(41,492)	(53,698)	(6,689)	(33,720)	(2,149)	(37,302)	(19,685)	74,886
Total District	\$ 1,505,022	\$ 1,056,596	\$ 480,921	\$ 454,682	\$ 1,534,887	\$ 671,242	\$ 657,468	\$ 1,212,844	\$ 1,718,332	\$ 3,367,529

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,									
	2013	2014	2015	2016	2017	2018	2019	2020 (Restated)	2021	2022
General Fund										
Restricted	\$ 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	\$ 5,850,157
Assigned	242,321	197,946	537,020	224,357	161,530	444,283	449,043	614,220	581,905	1,106,645
Unassigned	<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>	<u>1,187,489</u>
Total General Fund	<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>	<u>\$ 8,144,291</u>
All Other Governmental Funds										
Restricted	\$ 75,180	\$ 55,326	\$ 13,621	\$ 13,621	\$ (48,291)		\$ 40,000	\$ 471,694	\$ 415,779	\$ 544,560
Committed	95,447									
Unassigned		(8,800)	(9,053)	(251)						
Assigned										1,831,729
Unreserved	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<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>	<u>\$ 2,376,289</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)

	Fiscal Year Ended June 30,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	\$ 27,818,024
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	1,258,028
Miscellaneous	126,705	223,138	103,696	72,008	93,999	115,947	98,577	285,196	153,961	606,252	700,330
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	8,321,782
Federal Sources	466,488	443,979	438,984	488,137	480,306	497,443	535,811	519,078	630,808	779,025	1,288,074
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	39,386,238
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	17,601,753
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	6,600,717
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	1,705,829
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	2,972,849
General Administration	573,026	613,658	631,712	500,837	529,979	600,912	597,306	664,631	692,465	722,128	693,431
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	1,345,526
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	4,212,834
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	1,839,456
Central Services	792,623	768,417	727,565	856,608	669,189	531,286	490,190	508,613	496,208	559,482	532,623
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	1,608,280
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	650,000
Interest and Other Charges	407,004	276,178	254,355	233,392	211,877	190,264	169,564	146,239	127,098	107,176	85,409
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	39,848,707
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	(462,469)
Other Financing Sources (Uses)											
Insurance Proceeds											1,074,906
Capital Lease											2,083,000
ESIP											1,200,000
Payments to Refunded Bond Escrow Agent											(1,952,000)
Refunding Bond Proceeds											1,952,000
Transfers In	1,094	315	81	27	1	286	66,083	40,114	845	112	40,104
Transfers Out	(1,094)	(315)	(81)	(27)	(1)	(286)	(66,083)	(40,114)	(845)	(112)	(40,104)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	4,357,906
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	\$ 3,895,437
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%	1.92%

* 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,	<u>Rebates/ Refunds</u>	<u>Interest on Invest.</u>	<u>Tuition Refunds</u>	<u>Land Sale Proceeds</u>	<u>Tuition / Transportation Fees</u>	<u>Misc.</u>	<u>Total</u>
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
2022		17,230			1,258,028	274,861	1,550,119

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
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
2022	44,139,100	1,124,793,300			271,228,700	40,510,500	110,354,000	1,591,025,600	4,609,700	1,595,635,300	1,799,127,024	0.582

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 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
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
2022	43,862,000	1,370,625,800	900,400	4,200	649,604,400	382,633,600	21,899,500	2,469,529,900	-	2,469,529,900	2,299,161,996	0.682

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 *
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
2022	23,968,700	1,263,606,900		2,100	285,925,300	47,579,400	70,018,200	1,691,100,600	828	1,691,101,428	2,049,497,773	0.517

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
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
2022	0.582	1.017	0.910	0.721	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>
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
2022	0.430	0.682	0.593	0.733	2.438

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
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
2022	0.517	1.082	0.927	0.762	3.288

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	2022		2013	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Inwood Owners Inc	\$ 61,650,000	3.86%	79,410,000	5.27%
Theta Holding Co	38,500,000	2.41%	70,658,000	4.69%
Highview Homes				
Park Falls Associates	13,000,000	0.81%	12,000,000	0.80%
Par 3 Par 5	16,918,200	1.06%	15,117,600	1.00%
PAR3 LLC				
Great Notch Village	10,027,700	0.63%	10,127,200	0.67%
Saturn Realty	9,656,300	0.61%	10,000,000	0.66%
AMB-AMS Operating Part			11,420,500	0.76%
Andrew Realty			10,016,300	0.66%
ST Hilltop Mnr LLC			9,190,700	0.61%
Lennar Little Falls Townhomes LI	8,874,000	0.56%		
Accurate JMF Urban Renewal LL	9,033,400	0.57%		
SL 101 East Main St LLC	8,500,000	0.53%		
Colfin Industrial Owner				
Sisco	8,433,500	0.53%	10,576,100	0.70%
KV Realty LLC				
	<u>\$ 184,593,100</u>	<u>11.57%</u>	<u>\$ 238,516,400</u>	<u>15.82%</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	2022		2013	
	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	2.19%		
JP Morgan Chase C/O Lereta	79,761,900	3.23%		
Fidelity Syn. C/O Slater Companies	45,180,800	1.83%		
CPT NJ 700 Union LLC	41,377,100	1.68%		
Prologis USLV Operating	23,271,900	0.94%		
Abill Realty Corp.	22,365,000	0.91%		
50 Madison Road LLC	18,928,400	0.77%		
Digital Totowa LLC	41,235,400	1.67%		
Tulfra Hampshire S.S. C/O Paragram	15,600,000	0.63%		
The Manor at Totowa LLC	17,310,000	0.70%		
Taft Associates	-	0.00%		
	<u>\$ 359,030,500</u>	<u>14.54%</u>		
Fidelity Syndications			46,000,000	1.96%
Totowa VF, LLC			56,501,300	2.41%
Digital Totowa, LLC			32,485,800	1.39%
Hoffman La Roche, Inc.			-	0.00%
930 N. Riverview Assoc LLC			24,424,700	1.04%
Norwell Land Company			18,500,000	0.79%
50 Madison Road LLC			18,928,400	0.81%
Abill Realty			22,365,000	0.96%
Mountainview Venture 50 Madison LLC			-	0.00%
Totowa Plaza Rt 46 LLC			18,355,800	0.78%
Totowa Plaza Rt 46 LLC			17,711,500	0.76%
Taft Associates			16,920,000	0.72%
			<u>\$ 272,192,500</u>	<u>11.63%</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	2022		2013	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Rose Manor Estates	\$ 58,294,100	3.45%		
Levco Route 46 Associates	43,091,000	2.55%		
Bank of New York	26,591,200	1.57%		
1225 Realty, LLC	19,689,600	1.16%		
DDRM West Falls Plaza, LLC	19,347,800	1.14%		
Lenox Plaza, LLC	13,750,000	0.81%		
G.O.P. 1, LLC	13,250,000	0.78%		
The Leeward Corporation	11,556,600	0.68%		
Wells Fargo Bank	8,600,000	0.51%		
G.O.P. 3, LLC	9,500,000	0.56%		
	<u>\$ 223,670,300</u>	<u>13.23%</u>		
			\$ 35,831,200	2.13%
			36,492,000	2.17%
			33,246,500	1.98%
			28,026,000	1.67%
			27,851,500	1.66%
			19,000,000	1.13%
			18,459,200	1.10%
			16,760,600	1.00%
			15,369,000	0.92%
			14,596,500	0.87%
			<u>\$ 245,632,500</u>	<u>14.63%</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	
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
2022	27,818,024	27,818,024	100.00%	-

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	Capital Financing Agreements	Inter- governmental Loans	Leases Payable	Total District		
2013	\$ 7,573,000		\$ 20,751		\$ 7,593,751	37,724	\$ 201
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
2022	1,952,000	\$ 3,283,000			5,235,000	37,572 *	139.33

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,	<u>General Bonded Debt Outstanding</u>		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
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	0.05%	68.35
2022	1,952,000		1,952,000	0.03%	51.95

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, 2021
(Unaudited)**

Direct Debt of School District as of December 31, 2021

Net Overlapping Debt of School District (1)

Township of Little Falls	\$ 31,376,633	
Borough of Totowa	1,077,565	
Borough of Woodland Park	<u>22,053,465</u>	
		<u>54,507,663</u>

54,507,663

Overlapping Debt Apportioned to the Municipality:

Passaic County:

County of Passaic (A)	58,499,435	
Passaic County Utilities Authority (B)	4,748,651	
Passaic Valley Sewer Commission (C)	<u>9,328,942</u>	
		<u>72,577,028</u>

Total Direct and Overlapping Debt

\$ 127,084,691

Source:

(1) Municipalities' 2021 Annual Debt Statement

(A) The debt for this entity was apportioned to Passaic Valley High School by dividing the municipality's 2021 equalized value by the total 2021 equalized value for Passaic County.

(B) The debt was computed based upon dividing each municipalities 2021 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>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>	<u>2021</u>
Debt Limit	\$ 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	\$ 184,672,232
Total Net Debt Applicable to Limit	<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>	<u>\$ 1,952,000</u>
Legal Debt Margin	<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>	<u>\$ 182,720,232</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.25%	4.04%	3.81%	3.42%	3.07%	2.68%	2.31%	1.89%	1.49%	1.06%

Legal Debt Margin Calculation, December 31, 2021

2019	\$ 5,922,189,840
2020	5,915,500,379
2021	<u>6,629,532,959</u>
	<u>\$ 18,467,223,178</u>
Average equalized valuation of taxable property	<u>\$ 6,155,741,059</u>
3% of Equalized Valuation Basis	\$ 184,672,232
Less Net Debt	<u>1,952,000</u>
Remaining Borrowing Power	<u>\$ 182,720,232</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>
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	55,775	14,412
2021	5.6	Not Available	13,357
2022	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>
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	55,775	10,797
2021	7.7	Not Available	10917
2022	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>
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	55,775	12,655
2021	7.6	Not Available	13,298
2022	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>2022</u>		<u>2013</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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Instruction										
Regular	89	89	90	101	103	100	100	100	97	97
Special Education	9	8	9	9	10	9	8	8	8	8
Other Special Education										
Vocational										
Other Instruction										
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student and Instruction Related Services	25	30	40	32	32	27	23	22	11	11
General Administration	1	1	2	2	2	2	2	2	2	2
School Administrative Services	9	10	11	14	14	8	8	8	8	9
Other Administrative Services								-	-	-
Central Services	5	5	5	3	3	5	5	4	4	3
Administrative Information Technology	1	1	1	1	1	1	1	1	1	1
Plant Operations And Maintenance	22	22	25	24	23	23	23	22	22	21
Pupil Transportation	1	1	1	1	1	1	1	1	1	1
Other Support Services	11	11	11	10	10	8	8	8	8	9
Special Schools										
Food Service										
Child Care	-	-	-	-	-	-	-	-	-	-
Total	<u>173</u>	<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>

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					
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%
2022	1,009	37,505,018	37,170	33.58%	98	1:11		1,016	958	-14.92%	94.29%

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</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	1,009	1,043	1,043	1,099	1,171	1,276	1,338	1,385	1,385	1,395
Number of Schools at June 30, 2022										
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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>School Facilities</u>	<u>Project #</u>										
High School	N/A	\$ 547,831	\$ 570,237	\$ 566,377	\$ 563,654	\$ 508,439	\$ 412,809	\$ 426,474	\$ 316,415	\$ 486,117	\$ 524,649
Total Required Maintenance for School Facilities		<u>\$ 547,831</u>	<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>

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
INSURANCE SCHEDULE
AS OF JUNE 30, 2022

	<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>MTP0004157205</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 & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
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, 2022 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 February 9, 2023.

Report on 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.

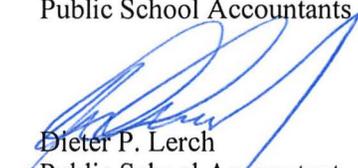
Compliance and Other Matters

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 February 9, 2023.

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.


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

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
February 9, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
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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

Opinion on 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 identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Passaic Valley Regional High School District No. 1 Board of Education's major federal and state programs for the fiscal year ended June 30, 2022. 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.

In our opinion, the Passaic Valley Regional High School District No. 1 Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

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

We are required to be independent of the Passaic Valley Regional High School District No. 1 Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Passaic Valley Regional High School District No. 1 Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Passaic Valley Regional High School District No. 1 Board of Education's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Passaic Valley Regional High School District No. 1 Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Passaic Valley Regional High School District No. 1 Board of Education's compliance with the requirements of each major federal and state program as a whole.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Passaic Valley Regional High School District No. 1 Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Passaic Valley Regional High School District No. 1 Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Passaic Valley Regional High School District No. 1 Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

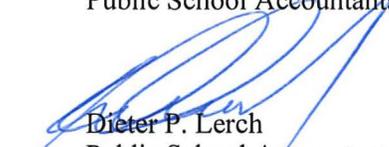
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Passaic Valley Regional High School District No. 1 Board of Education, as of and for the fiscal year ended June 30, 2022, 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 February 9, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
February 9, 2023

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2022

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2021			Accounts Receivable Amount	Unearned Revenue Amount	Cash Receipts	Budgetary Expenditures	Adjustment	Repayment of Prior Year Balances	Balance, June 30, 2022			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	7/1/21-6/30/22	\$ 70,102					\$ 59,554	\$ 70,102				\$ (10,548)		\$ (10,548)	
National School Breakfast Program	10.553	N/A	7/1/20-6/30/21	44,851	(4,348)				4,348								
National School Lunch Program																	
Non-Cash Assistance	10.550	N/A	7/1/21-6/30/22	37,257					37,257	37,257							
Cash Assistance	10.555	N/A	7/1/21-6/30/22	541,101					493,761	541,101				(47,340)		(47,340)	
Cash Assistance	10.555	N/A	7/1/20-6/30/21	71,228	(10,535)				10,535								
Pandemic EBT Administrative Costs	10.649	N/A	7/1/21-6/30/22	1,242						1,242							
Total Enterprise Fund					(14,883)				606,697	649,702				(57,888)		(57,888)	
U.S. Department of Education																	
Passed-Through State Department of Education																	
Special Revenue																	
ESEA - Title I	84.010A	ESSA520022	7/1/21-9/30/22	150,593			\$ (26,424)	\$ 26,424	121,597	150,593				(55,420)	\$ 26,424	(28,996)	
ESEA - Title I	84.010A	ESSA520021	7/1/20-9/30/21	174,718	(73,099)	\$ 26,424	26,424	(26,424)	46,675								
ESEA - Title II-A	84.168A	ESSA520022	7/1/21-9/30/22	34,496			(9)	9	28,300	30,751				(6,205)	3,754	(2,451)	
ESEA - Title II-A	84.168A	ESSA520021	7/1/20-9/30/21	33,140	(7,339)	9	9	(9)	7,330								
ESEA - Title III	84.365A	ESSA520022	7/1/21-9/30/22				(2,628)	2,628						(2,628)	2,628		
ESEA - Title III	84.365A	ESSA520021	7/1/20-9/30/21	2,628	(2,628)	2,628	2,628	(2,628)									
CARES	84.425D	S425D200027	3/13/20-9/30/22	132,713	(37,593)	24,875			23,423	19,773	(5,102)			(14,170)		(14,170)	
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	543,308	(543,308)	543,308			248,552	320,251				(294,756)	223,057	(71,699)	
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	34,867	(34,867)	34,867			2,146	2,146				(32,721)	32,721		
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(45,000)	45,000			21,750	45,000				(23,250)		(23,250)	
ARP ESSER III	84.425U	S427U210027	3/13/20-9/30/24	1,221,051					174,939	499,649				(1,046,112)	721,402	(324,710)	
Accelerated Learning Coach	84.425U	S427U210027	3/13/20-9/30/24	85,949										(85,949)	85,949		
Evidence Based Summer	84.425U	S427U210027	3/13/20-9/30/24	40,000										(40,000)	40,000		
Evidence Based Comprehensive	84.425U	S427U210027	3/13/20-9/30/24	40,000										(40,000)	40,000		
NJTSS Mental Health	84.425U	S427U210027	3/13/20-9/30/24	88,501										(88,501)	88,501		
I.D.E.A. Part B, Basic	84.027	H027A210100	7/1/21-9/30/22	255,004					190,158	255,004				(64,846)		(64,846)	
ARP I.D.E.A. Part B, Basic	84.027X	H027X210100	7/1/21-9/30/22	50,276					36,330	50,276				(13,946)		(13,946)	
ACSERS			7/1/21-6/30/22	296,684						296,684				(296,684)		(296,684)	
Total Special Revenue					(743,834)	677,111			901,200	1,670,127	(5,102)			(2,105,188)	1,264,436	(840,752)	
U.S. Department of Education																	
General Fund																	
Medicaid Assistance Program (Semi)	93.778		7/1/21-6/30/22	19,880					18,456	19,880				(1,424)		(1,424)	
FEMA			7/1/21-6/30/22	128,022					128,022	128,022							
Total General Fund									146,478	147,902				(1,424)		(1,424)	
Total Federal Financial Awards					\$ (758,717)	\$ 677,111	\$ -	\$ -	\$ -	\$ 1,654,375	\$ 2,467,731	\$ (5,102)	\$ -	\$ (2,164,500)	\$ 1,264,436	\$ (900,064)	

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, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2021	Carryover Amount	Cash Received	Budgetary Expenditures	Returned to Grantor	Adjustment	Balance, June 30, 2022			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	22-495-034-5120-089	7/1/21-6/30/22	\$ 983,839			\$ 918,940	\$ 983,839			\$ (64,899)			\$ 983,839	
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	867,958	(53,720)		53,720								
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	140,892			131,598	140,892			(9,294)			140,892	
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	140,892	(8,720)		8,720								
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	49,776			46,493	49,776			(3,283)			49,776	
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	42,576	(2,635)		2,635								
Other Security Grant		7/1/21-6/30/22	75,738				75,738			(75,738)			\$ (75,738)	75,738
SDA Grant		7/1/21-6/30/22	32,427				32,427			(32,427)			(32,427)	32,427
Maintenance of Equity Aid		7/1/21-6/30/22	389,760				389,760			(389,760)			(389,760)	389,760
State Aid Public Cluster Total				(65,075)		1,162,106	1,672,432			(575,401)			(497,925)	1,672,432
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	251,474			234,885	251,474			(16,589)				251,474
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	251,474	(15,564)		15,564								
Non Public Transportation Reimbursement	22-495-034-5120-014	7/1/21-6/30/22	49,058				49,058			(49,058)			(49,058)	49,058
Non Public Transportation Reimbursement	21-495-034-5120-014	7/1/20-6/30/21	32,770	(32,770)		32,770								
Transportation Aid Cluster Total				(48,334)		283,219	300,532			(65,647)			(49,058)	300,532
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	833,191				833,191			(833,191)				833,191
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	851,448	(851,448)		851,448								
On-Behalf TPAF Pension System Contributions (Normal Costs)	22-100-034-5094-006	7/1/21-6/30/22	3,632,594			3,632,594	3,632,594							3,632,594
On-Behalf TPAF Pension System Contributions (NCGI Premium)	22-100-034-5094-006	7/1/21-6/30/22	51,251			51,251	51,251							51,251
On-Behalf TPAF Pension System Contrb. (Post Retirement Medical)	22-100-034-5094-001	7/1/21-6/30/22	860,695			860,695	860,695							860,695
On-Behalf TPAF Pension System Contrb. (Long Term Disability Insurance)	22-100-034-5094-006	7/1/21-6/30/22	805			805	805							805
Reimbursed TPAF Social Security Contributions	22-100-034-5094-003	7/1/21-6/30/22	715,194			680,943	715,194			(34,251)			(34,251)	715,194
Reimbursed TPAF Social Security Contributions	21-100-034-5094-003	7/1/20-6/30/21	684,744	(33,385)		33,385								
Total General Fund				(998,242)		7,556,446	8,066,694			(1,508,490)			(581,234)	8,066,694
<u>Debt Service Fund</u>														
Debt Service Aid	22-495-034-5120-125	7/1/21-6/30/22	250,257			250,257	250,257							250,257
Total Debt Service Fund						250,257	250,257							250,257
State Department of Agriculture														
<u>Enterprise Fund</u>														
National School Lunch Program (State Share)	22-100-010-3360-037	7/1/21-6/30/22	12,248			11,159	12,248			(1,089)			(1,089)	12,248
National School Lunch Program (State Share)	21-100-010-3360-037	7/1/20-6/30/21	3,193	(491)		491								
Total Enterprise Fund				(491)		11,650	12,248			(1,089)			(1,089)	12,248
Total State Financial Assistance Subject to Single Audit Determination				\$ (998,733)	\$ -	\$ 7,818,353	\$ 8,329,199	\$ -	\$ -	\$ (1,509,579)	\$ -	\$ -	\$ (582,323)	\$ 8,329,199
State Financial Assistance Not Subject to Major Program Determination														
<u>General Fund</u>														
On-Behalf TPAF Pension System Contributions (Normal Costs)	22-100-034-5094-006	7/1/21-6/30/22	(3,632,594)			(3,632,594)	(3,632,594)							(3,632,594)
On-Behalf TPAF Pension System Contributions (NCGI Premium)	22-100-034-5094-006	7/1/21-6/30/22	(51,251)			(51,251)	(51,251)							(51,251)
On-Behalf TPAF Pension System Contrb. (Post Retirement Medical)	22-100-034-5094-001	7/1/21-6/30/22	(860,695)			(860,695)	(860,695)							(860,695)
On-Behalf TPAF Pension System Contrb. (Long Term Disability Insurance)	22-100-034-5094-006	7/1/21-6/30/22	(805)			(805)	(805)							(805)
Total State Financial Assistance Subject to Major Program Determination				\$ (998,733)	\$ -	\$ 3,273,808	\$ 3,783,854	\$ -	\$ -	\$ (1,509,579)	\$ -	\$ -	\$ (582,323)	\$ 3,783,854

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, 2022**

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 an increase of \$4,831 for the General Fund and a decrease of \$401,933 in the Special Revenue Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 19,880	\$ 8,368,209	\$ 8,388,089
Special Revenue Fund	971,510		971,510
Debt Service		250,257	250,257
Food Service Fund	<u>649,702</u>	<u>12,248</u>	<u>661,950</u>
Total Financial Assistance	<u>\$ 1,641,092</u>	<u>\$ 8,630,714</u>	<u>\$ 10,271,806</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, 2022**

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 \$715,194 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, 2022. The amount reported as TPAF Pension System Contributions in the amount of \$3,683,845, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$860,695 and TPAF Long-Term Disability Insurance in the amount of \$805 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2022.

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 (CONT'D)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Part I – Summary of Auditor’s Results

State Awards

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 15-08? yes X no

Identification of major state programs:

GMIS Number(s)	Name of State Program
22-495-034-5120-089	Special Education Aid
22-495-034-5120-078	Equalization Aid
22-495-034-5120-084	Security Aid

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, 2022**

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, 2022**

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, 2022**

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.