

**PASSAIC VALLEY REGIONAL HIGH SCHOOL
DISTRICT NO. 1 BOARD OF EDUCATION
COUNTY OF PASSAIC, NEW JERSEY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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**

Year Ended June 30, 2023

Prepared by

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

OUTLINE OF ACFR

INTRODUCTORY SECTION

Letter of Transmittal	1
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8

FINANCIAL SECTION

Independent Auditor's Report	9
Required Supplementary Information - Part I Management's Discussion and Analysis	14

BASIC FINANCIAL STATEMENTS

A. District-wide Financial Statements:

A-1 Statement of Net Position	28
A-2 Statement of Activities	29

B. Fund Financial Statements:

Governmental Funds:

B-1 Balance Sheet	30
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	32
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33

Proprietary Funds:

B-4 Statement of Net Position	34
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	35
B-6 Statement of Cash Flows	36

Fiduciary Funds:

Not Applicable

Notes to the Financial Statements	37
---	----

Required Supplementary Information - Part II

OUTLINE OF ACFR

C. Budgetary Comparison Schedules:

C-1	Budgetary Comparison Schedule - General Fund	76
C-2	Budgetary Comparison Schedule - Special Revenue Fund	80

Note to Required Supplementary Information - Part II

C-3	Budgetary Comparison Schedule.	81
-----	--	----

Required Supplementary Information - Part III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

L-1	Schedule of District's Share of Net Pension Liability – PERS	82
L-2	Schedule of District's Contributions – PERS	83
L-3	Schedule of District's Share of Net Pension Liability – TPAF	84
L-4	Note to Required Schedules of Supplementary Information - Part III.	85

M. Schedules Related to Accounting and Reporting for OPEB (GASB 75)

M-1	Schedule of Changes in the District's Proportionate Share of the State OPEB Liability	86
-----	--	----

Supplementary Schedules

D. School Level Schedules:

Not Applicable

E. Special Revenue Fund:

E-1	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis.	87
E-1a	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis.	88
E-1b	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis.	89
E-1c	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis.	90

OUTLINE OF ACFR

F. Capital Projects Fund:

F-1	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	91
F-1a - 1b	Schedule of Project Revenues, Expenditures, Project Balances and Project Status - Budgetary Basis	92
F-2	Summary Schedule of Project Expenditures	94

G. Proprietary Funds:

Enterprise Fund:

G-1	Statement of Net Position	95
G-2	Statement of Revenues, Expenses and Changes in Fund Net Position	96
G-3	Statement of Cash Flows	97

Internal Service Fund:

Not Applicable

H. Fiduciary Funds:

Not Applicable

I. Long-Term Debt:

I-1	Schedule of Serial Bonds Payable	98
I-2	Schedule of Capital Leases Payable	99
I-3	Budgetary Comparison Schedule - Debt Service Fund	100

OUTLINE OF ACFR

J. Statistical Section (Unaudited)

Financial Trends

J-1	Net Assets/Position by Component	101
J-2	Changes in Net Assets/Position	102
J-3	Fund Balances - Governmental Funds	104
J-4	Changes in Fund Balances - Governmental Funds	105
J-5	General Fund Other Local Revenue by Source	106

Revenue Capacity

J-6a-c	Assessed Value and Actual Value of Taxable Property	107
J-7a-c	Direct and Overlapping Property Tax Rates	110
J-8a-c	Principal Property Taxpayers	113
J-9	Property Tax Levies and Collections	116

Debt Capacity

J-10	Ratios of Outstanding Debt by Type	117
J-11	Ratios of Net General Bonded Debt Outstanding	118
J-12	Ratios of Overlapping Governmental Activities Debt	119
J-13	Legal Debt Margin Information	120

Demographic and Economic Information

J-14a-c	Demographic and Economic Statistics	121
J-15	Principal Employers	124

Operating Information

J-16	Full-time Equivalent District Employees by Function/Program	125
J-17	Operating Statistics	126
J-18	School Building Information	127
J-19	Schedule of Required Maintenance for School Facilities	128
J-20	Insurance Schedule	129

OUTLINE OF ACFR

K. SINGLE AUDIT SECTION

K-1	Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with Government Auditing Standards	130
K-2	Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal and State Program and Internal Control Over Compliance in Accordance with the Uniform Guidance and N.J. OMB Circular Letter 15-08	132
K-3	Schedule of Expenditures of Federal Awards	136
K-4	Schedule of Expenditures of State Awards and Other Local Awards	138
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	139
K-6	Schedule of Findings and Questioned Costs	142
K-7	Summary Schedule of Prior Audit Findings	146

INTRODUCTORY SECTION

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

November 15, 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 for the fiscal year ending June 30, 2023, 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. 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 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 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 2022-2023 fiscal year with an enrollment of 1,030 students. The following details the changes in the student enrollment of the district over the last ten years:

Enrollment

Fiscal Year

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%
2022-2023	1,030	.02%

2. ECONOMIC CONDITION AND OUTLOOK:

The Passaic Valley Regional High School District 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 area will continue to prosper.

3. MAJOR INITIATIVES:

Passaic Valley High School District 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 2023 reported the following post-graduate plans:

Class of 2023

4 Year College	54%
2 Year College	15%
Other	14%
Employment	14%
Military	3%

SAT/ACT Scores

SAT Scores

ERW	518
MATH	511

Mean Score Distribution

Act Scores

Reading	22
English	23
Math	23
Science	23
STEM	24

Mean Score Distribution

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, 2023.

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, 2023, the District had \$1,276,000 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 2022-2023 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.

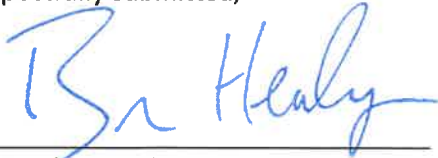
11. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants (CPA) or registered municipal accountants. The accounting firm of Wielkottz & Company 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 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.

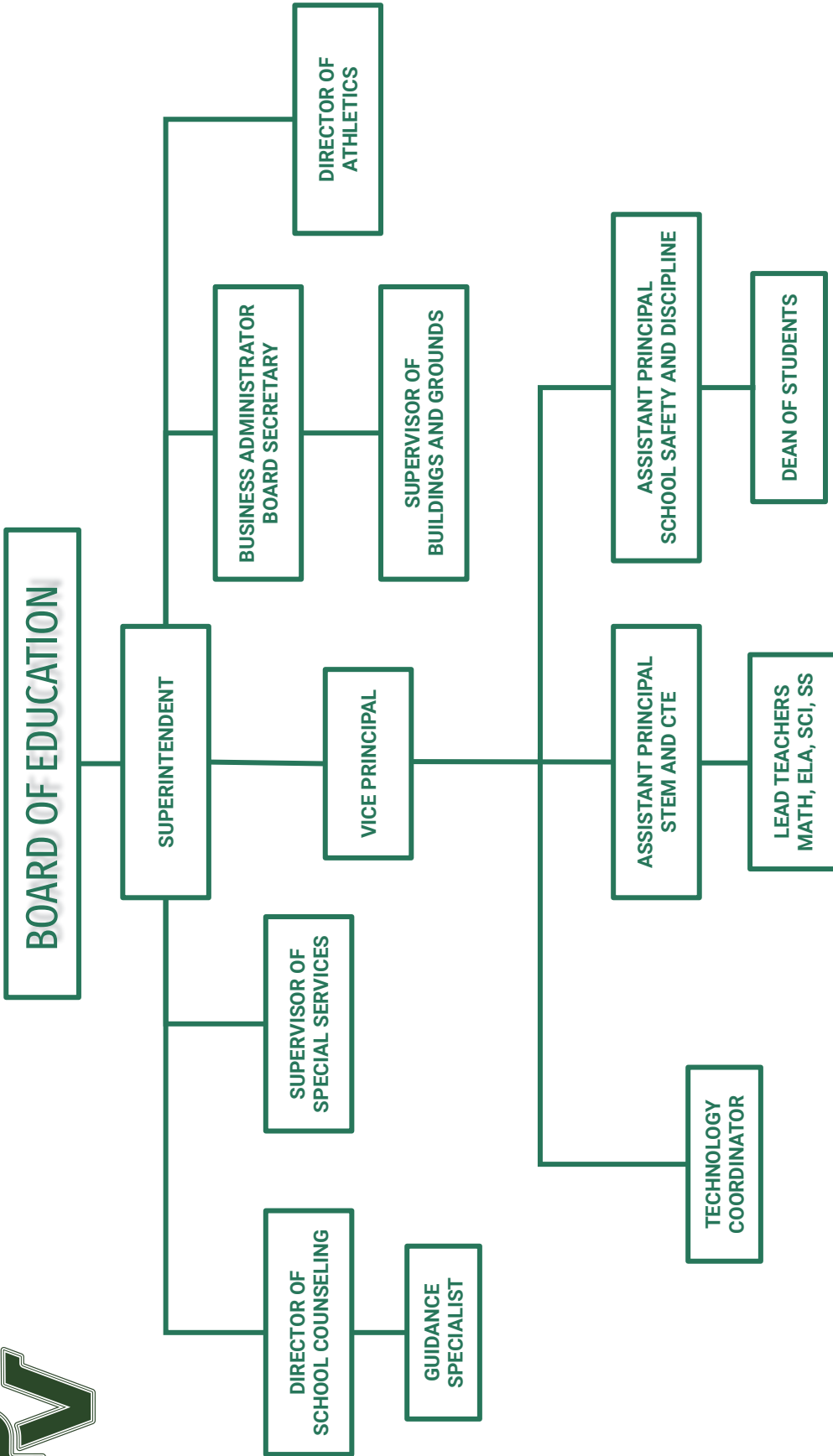
Respectfully submitted,



Dr. Bracken Healy
Superintendent of Schools



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



**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1
LITTLE FALLS, NEW JERSEY 07424**

**ROSTER OF OFFICIALS
June 30, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mr. Raymond Luke Damiano - President	12/31/2024
Mr. Nicholas Doell - Vice President	12/31/2024
Ms. Lori Brigati	12/31/2023
Mr. Daniel Casasnovas	12/31/2025
Dr. Charles Cathcart	12/31/2023
Mr. Giovanni D'Ambrosio	12/31/2023
Mr. Peter D'Angelo	12/31/2025
Dr. Vincent Varcadipane	12/31/2024

Other Officials

Dr. Bracken Healy - Superintendent of Schools

Mr. Colin Monahan - Business Administrator/Board Secretary

Mr. Raymond Reddin, Esq. – Board Attorney

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT #1

**BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

JUNE 30, 2023

Architect/Engineer

Alaimo Group Consulting Engineers
201 Willowbrook Blvd.
Suite 501
Wayne, N.J. 07470

Audit Firm

Wielkocz & Company LLC
401 Wanaque Avenue
Pompton Lakes, NJ 07442

Attorney

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

Official Depositories

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

FINANCIAL SECTION



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
PAUL J. CUVA, CPA, RMA, PSA
JAMES J. CERULLO, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, CMFO, PSA
ROBERT C. MCNINCH, CPA, CFE, PSA
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
PHONE: (973)-835-7900
FAX: (973)-835-7900
EMAIL: OFFICE@W-CPA.COM
WWW.W-CPA.COM

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Passaic Valley Regional High School
County of Passaic, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Passaic Valley Regional High School District No. 1, in the County of Passaic, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District'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, business-type activities and each major fund of the Passaic Valley Regional High School District No. 1 Board of Education, in the County of Passaic, State of New Jersey, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 Bogota Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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's ability to continue as a going concern for the next 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 the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

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



Honorable President and
Members of the Board of Education
Page 3.

- 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Passaic Valley Regional High School'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pensions, and Other Post Employment Benefits identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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.



Honorable President and
Members of the Board of Education
Page 4.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Passaic Valley Regional High School District No. 1 Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and 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 the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the 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 the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



Honorable President and
Members of the Board of Education
Page 5.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 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 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 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.

Steven D. Wielkotz

Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

November 15, 2023



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**PASSAIC VALLEY REGIONAL HIGH SCHOOL
DISTRICT NO. 1 BOARD OF EDUCATION
LITTLE FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The discussion and analysis of the Passaic Valley Regional High School District No. 1 Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Passaic Valley Regional High School Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$11,978,085. (Net Position).
- In total, net position increased by \$3,644,633. Net position of governmental activities increased by \$3,648,280 and net position of business-type activity decreased by \$3,647.
- General revenues accounted for \$38,257,756 in revenue or 95 percent of all governmental and business-type activities revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,161,299 or 5 percent of total revenues of \$40,419,055.
- The School District had \$36,774,422 in expenses related to governmental activities; only \$1,552,007 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$38,257,756 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 \$11,111,449.
- The General Fund fund balance at June 30, 2023 was \$10,396,748 an increase of \$2,252,457 compared to the ending fund balance at June 30, 2022 of \$8,144,291.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$1,652,376 which represents an increase of \$464,887 compared to the ending unassigned budgetary fund balance at June 30, 2022 of \$1,187,489. The decrease is primarily due to the state decreasing the maximum unassigned fund balance a school district may have from 4% of expenditures in 2022 back to a pre-pandemic maximum of 2% of expenditures.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL
DISTRICT NO. 1 BOARD OF EDUCATION
LITTLE FALLS, NJ**

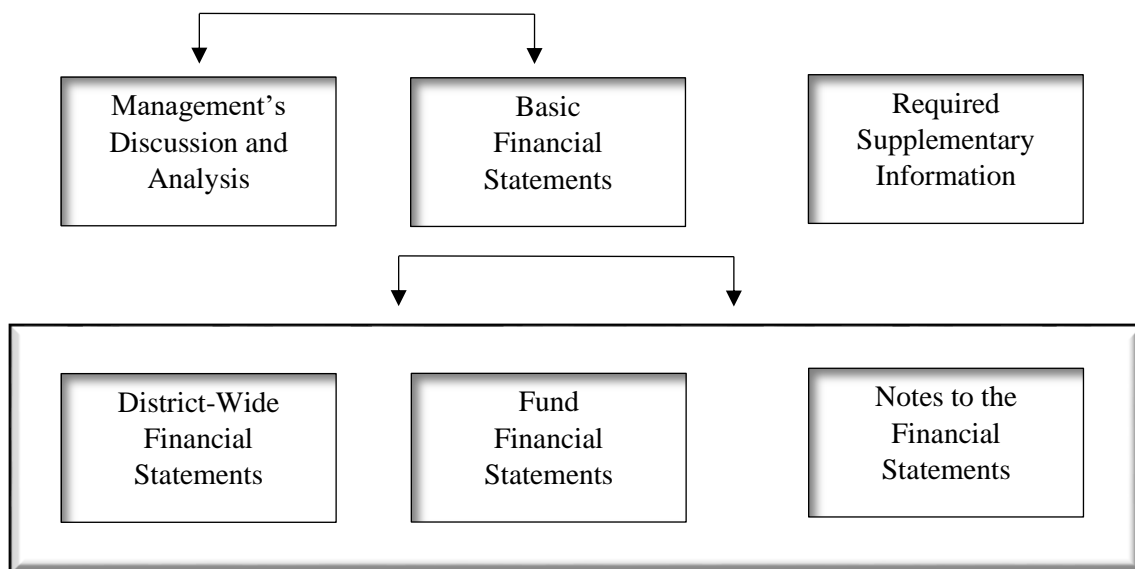
**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



**PASSAIC VALLEY REGIONAL HIGH SCHOOL
DISTRICT NO. 1 BOARD OF EDUCATION
LITTLE FALLS, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS, (continued)

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

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as regular and special education and building maintenance	Activities the district operates similar to private businesses: Enterprise fund	Instances in which the district administers resources on behalf of someone else, such as custodial accounts
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	Statements of Fiduciary Net Position Statement of Changes In Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/ Deferred Outflows/ Inflows of Resources/ Liability Information	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be utilized and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term funds do not currently contain capital assets
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	All additions and dedications during the year, regardless of when cash is received or paid

**PASSAIC VALLEY REGIONAL HIGH SCHOOL
DISTRICT NO. 1 BOARD OF EDUCATION
LITTLE FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole (district-wide statements), and then proceed to provide an increasingly detailed look at specified financial activities.

District-Wide Financial Statements

The *statement of net position and statement of activities* reports information about the District as a whole and about its' activities in a manner that helps answer the question, "Is the District better or worse off as a result of the year's activities?" These statements include all assets and liabilities of the District using the accrual basis of accounting, similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

Both of the district-wide financial statements distinguish functions of the Passaic Valley Regional High School District No. 1 Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

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

- Governmental Activities – All of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity – This service is provided on a charge for goods and services basis to recover all the expenses of the goods or services provided. The Food Service Enterprise fund is reported as business activities.

The two statements report the District's net position and changes in them. The change in net position can be utilized by a reader to assist in determining whether the District's financial health is improving or deteriorating. However, the reader should also consider non-financial factors such as property tax base, current New Jersey laws restricting revenue growth, student enrollment growth, facility conditions, required educational programs and other factors in determining the District's overall financial health.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL
DISTRICT NO. 1 BOARD OF EDUCATION
LITTLE FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Passaic Valley Regional High School District No. 1 Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the district's funds can be divided into three categories: Governmental Funds and Proprietary Funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities* (reported in the Statement of Net Position and the Statement of Activities).

The Passaic Valley Regional High School District No. 1 Board of Education maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the general, special revenue, capital projects and debt service funds, which are considered to be major funds.

The Passaic Valley Regional High School District No. 1 Board of Education adopts annual appropriated budgets for its governmental funds. A budgetary comparison schedule has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL
DISTRICT NO. 1 BOARD OF EDUCATION
LITTLE FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Proprietary Funds

Proprietary funds use the accrual basis of accounting, the same as on the district-wide statements, therefore the statements will essentially match the business-type activities portion of the district-wide statements. The Passaic Valley Regional High School District No. 1 Board of Education uses proprietary funds to account for its food service program.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL
DISTRICT NO. 1 BOARD OF EDUCATION
LITTLE FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Positions provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

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.

The School District's net positions were \$11,978,085 at June 30, 2023 and \$8,333,452 (restated) at June 30, 2022. Restricted items of net positions are reported separately to show legal constraints that limit the School District's ability to use those items for day-to-day operations. Our analysis below focuses on the net position for 2023 compared to 2022 (Table 1) and change in net position (Table 2) of the School District.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL
DISTRICT NO. 1 BOARD OF EDUCATION
LITTLE FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>Restated 2022</u>	<u>2023</u>	<u>Restated 2022</u>	<u>2023</u>	<u>Restated 2022</u>
Assets						
Current and Other Assets	\$10,189,582	\$12,304,693	\$177,326	\$157,385	\$10,366,908	\$12,462,078
Capital Assets:						
Depreciable Buildings, Improvements and Equipment (net)	<u>10,047,446</u>	<u>8,245,862</u>	<u>44,795</u>	<u>55,395</u>	<u>10,092,241</u>	<u>8,301,257</u>
Total Assets	<u>\$20,237,028</u>	<u>\$20,550,555</u>	<u>\$222,121</u>	<u>\$212,780</u>	<u>\$20,459,149</u>	<u>\$20,763,335</u>
Deferred Outflows						
Unamortized bond Issuance costs	\$7,000	\$14,000			\$7,000	\$14,000
Deferred Outflows of Resources Related to PERS	<u>854,343</u>	<u>404,599</u>			<u>854,343</u>	<u>404,599</u>
Total Deferred Outflows	<u>\$861,343</u>	<u>\$418,599</u>	<u>\$0</u>	<u>\$0</u>	<u>\$861,343</u>	<u>\$418,599</u>
Liabilities						
Current Liabilities	\$1,490,615	\$1,789,928	\$81,984	\$68,996	\$1,572,599	\$1,858,924
Noncurrent Liabilities	<u>9,053,047</u>	<u>8,765,970</u>			<u>9,053,047</u>	<u>8,765,970</u>
Total Liabilities	<u>\$10,543,662</u>	<u>\$10,555,898</u>	<u>\$81,984</u>	<u>\$68,996</u>	<u>\$10,625,646</u>	<u>\$10,624,894</u>
Deferred Inflows						
Deferred Inflows of Resources Related to PERS	<u>716,761</u>	<u>2,223,588</u>			<u>716,761</u>	<u>2,223,588</u>
Total Deferred Inflows	<u>\$716,761</u>	<u>\$2,223,588</u>	<u>\$0</u>	<u>\$0</u>	<u>\$716,761</u>	<u>\$2,223,588</u>
Net Position						
Net Investment in Capital Assets	\$5,738,543	\$3,024,862	\$44,795	\$55,395	\$5,783,338	\$3,080,257
Restricted	9,459,073	1,409,065			9,459,073	1,409,065
Unrestricted	<u>(3,359,668)</u>	<u>3,755,741</u>	<u>95,342</u>	<u>88,389</u>	<u>(3,264,326)</u>	<u>3,844,130</u>
Total Net Position	<u>\$11,837,948</u>	<u>\$8,189,668</u>	<u>\$140,137</u>	<u>\$143,784</u>	<u>\$11,978,085</u>	<u>\$8,333,452</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL
DISTRICT NO. 1 BOARD OF EDUCATION
LITTLE FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2023 compared to 2022.

**Table 2
Changes in Net Position
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues:						
Charges for Services and Sales	\$376,729	\$1,258,028	\$352,424	\$89,241	\$729,153	\$1,347,269
Operating Grants and Contributions	1,175,278	8,234,590	256,868	661,950	1,432,146	8,896,540
General Revenues:						
Taxes:						
Property Taxes	28,343,055	27,818,024			28,343,055	27,818,024
Federal and State Aid not Restricted	7,485,275	869,498			7,485,275	869,498
Federal and State Aid Capital Outlay	736,178	1,074,906			736,178	1,074,906
Other Restricted Miscellaneous						
Revenue	4,605				4,605	0
Tuition Received	1,096,788				1,096,788	0
Miscellaneous Income	362,145	292,195			362,145	292,195
Investment Income	226,681		3,029	119	229,710	119
Transfers					0	0
Total Revenues and Transfers	<u>\$39,806,734</u>	<u>\$39,547,241</u>	<u>\$612,321</u>	<u>\$751,310</u>	<u>\$40,419,055</u>	<u>\$40,298,551</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL
DISTRICT NO. 1 BOARD OF EDUCATION
LITTLE FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Functions/Program Expenses						
Instruction:						
Regular	\$8,540,875	\$16,767,087			\$8,540,875	\$16,767,087
Special Education	4,173,228	6,456,012			4,173,228	6,456,012
Other Special Education	1,136,574	1,638,049			1,136,574	1,638,049
Other Instruction					0	0
Support Services:						
Tuition	5,156,513				5,156,513	0
Student & Instruction Related Services	2,760,103	2,842,925			2,760,103	2,842,925
General Administrative Services	483,127	660,878			483,127	660,878
School Administrative Services	1,037,093	1,253,799			1,037,093	1,253,799
Central Services and Administrative Information Technology	468,170	501,646			468,170	501,646
Plant Operations and Maintenance	3,940,190	4,250,268			3,940,190	4,250,268
Pupil Transportation	2,460,484	1,837,177			2,460,484	1,837,177
Unallocated Benefits	4,845,797				4,845,797	0
Charter Schools	288,736				288,736	0
Capital Outlay - nondepreciable	381,749				381,749	0
Interest on long-term debt	28,687	46,757			28,687	46,757
Unallocated Depreciation	450,128				450,128	0
Amortization	7,000				7,000	0
Food Service			<u>615,968</u>	<u>676,424</u>	<u>615,968</u>	<u>676,424</u>
Total Expenses	<u>36,158,454</u>	<u>36,254,598</u>	<u>615,968</u>	<u>676,424</u>	<u>36,774,422</u>	<u>36,931,022</u>
Increase or (Decrease) in Net Position	<u>\$3,648,280</u>	<u>\$3,292,643</u>	<u>(\$3,647)</u>	<u>\$74,886</u>	<u>\$3,644,633</u>	<u>\$3,367,529</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL
DISTRICT NO. 1 BOARD OF EDUCATION
LITTLE FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business - Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$34,244,463. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$28,343,055 because some of the cost was paid by those who benefitted from the programs \$729,153 by other governments and organizations who subsidized certain programs with grants and contributions \$1,432,146, federal and state aid not restricted of \$7,485,275, federal and state aid-capital outlay of \$736,178, tuition revenue of \$1,096,788 and by miscellaneous sources of \$596,460.

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Food service expenses exceeded revenues by \$3,647.
- ✓ Charges for services provided totaled \$352,424. This represents amounts paid by consumers for daily food services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$256,868.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2023, and the amount and percentage of increases/(decreases) relative to the prior year.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$30,432,635	72.7%	\$656,253	2.20%	\$29,776,382
State Source	9,142,040	21.8%	820,258	9.86%	8,321,782
Federal Source	<u>2,288,313</u>	<u>5.5%</u>	<u>1,000,239</u>	77.65%	<u>1,288,074</u>
Total	<u>\$41,862,988</u>	<u>100.0%</u>	<u>\$2,476,750</u>	6.29%	<u>\$39,386,238</u>

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$12,978,619	31.4%	(\$12,929,680)	(49.91)%	\$25,908,299
Undistributed	24,735,451	59.9%	13,138,732	113.30%	11,596,719
Debt Service	686,491	1.7%	(48,918)	(6.65)%	735,409
Capital Outlay	<u>2,871,558</u>	<u>7.0%</u>	<u>1,263,278</u>	78.55%	<u>1,608,280</u>
Total	<u>\$41,272,119</u>	<u>100.0%</u>	<u>\$1,423,412</u>	3.57%	<u>\$39,848,707</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL
DISTRICT NO. 1 BOARD OF EDUCATION
LITTLE FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2023, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.

General Fund

The general fund actual revenue was \$38,083,318, including transfers. That amount is \$7,238,193 above the final amended budget of \$30,845,125. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$5,057,881 for TPAF social security reimbursements and on-behalf pension payments, \$1,146,078 of excess extraordinary aid, maintenance of equity aid, State reimbursement for lead testing, and NTE Homeless Reimbursement and an excess in miscellaneous and federal revenues of \$1,008,351.

The actual expenditures of the general fund were \$36,635,856, which is \$2,110,456 above the final amended budget of \$34,525,400. The variance between the actual expenditures and final budget was due to non-budgeted on-behalf TPAF social security and pension payments of \$5,057,881 and \$2,947,425 of unexpended budgeted funds.

The General fund had total revenues of \$38,083,318, including transfers and total expenditures of \$36,635,856 with an ending fund balance of \$10,519,009 on the budgetary basis.

Special Revenue Fund

The special revenue fund actual revenue was \$2,067,726. That amount is above the original budget estimate of \$1,763,309 and below the final amended budget of \$2,167,209. The \$403,900 variance between the original and final budget was due to additional federal, state and local grant monies awarded to the District after the original budget was approved. The \$99,483 variance between the final amended budget and the June 30, 2023 actual results was due to the deferral of Federal and State grants received in the current fiscal year to be spent in the next fiscal year, and the inclusion of student activity fund revenue and scholarship revenue.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL
DISTRICT NO. 1 BOARD OF EDUCATION
LITTLE FALLS, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

Special Revenue Fund, (continued)

The actual expenditures of the special revenue fund were \$2,046,912, which is above the original budget of \$1,763,309 and below the final amended budget of \$2,167,209. The \$403,900 variance between the original and final budget was due to additional expenditures related to the additional grants awarded to the District after the original budget was approved. The \$121,017 variance between the final amended budget and the June 30, 2023 actual results was due to the anticipation of fully expending federal and state grant programs, and the inclusion of student activity fund expenses and scholarship expenses.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2023 the School District had \$20,922,122 invested in land, land improvements, buildings and building improvements, machinery and equipment and right to use leased assets. Of this amount, \$10,829,881 in depreciation/amortization has been taken over the years. We currently have a net book value of \$10,092,241. Total depreciable additions for the year were \$2,260,389 which consisted mainly of building and building improvements, and machinery and equipment purchases. Table 3 shows fiscal year 2023 balances compared to 2022.

Additional information about the District’s capital assets can be found in the notes to the basic financial statements.

**Table 3
Capital Assets at June 30,
(Net of Depreciation/Amortization)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Buildings and Improvements	\$5,403,729	\$5,498,359	\$	\$	\$5,403,729	\$5,498,359
Sites and Improvements	3,306,199	1,980,737			3,306,199	1,980,737
Machinery and Equipment	<u>1,337,518</u>	<u>766,766</u>	<u>44,795</u>	<u>55,395</u>	<u>1,382,313</u>	<u>822,161</u>
Total Assets	<u>\$10,047,446</u>	<u>\$8,245,862</u>	<u>\$44,795</u>	<u>\$55,395</u>	<u>\$10,092,241</u>	<u>\$8,301,257</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL
DISTRICT NO. 1 BOARD OF EDUCATION
LITTLE FALLS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION, (continued)

Debt Administration

At June 30, 2023, the District had \$9,053,047 in long term debt. Of this amount, \$1,276,000 is for serial bonds payable, \$364,114 is for compensated absences, \$4,373,030 is for the District's net pension liability, and \$3,039,903 represents obligations under capital leases. For more detailed information, please refer to the Notes to the Financial Statements

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The district continues to rely predominately upon local property taxes as its main source of funding. Therefore, in consideration of current economic conditions and the anticipation of continued flat state aid support, the Board of Education has sought to control budget expenses to minimize the impact on the local tax levy.

The following factors were considered in preparing the 2023-2024 fiscal year budget:

- Estimated Student Enrollment
- Sources of revenue
- Cost of negotiated salaries and benefits
- Cost of fixed charges
- Mandated Programs
- Requirements for health and safety issues

Prior to the end of fiscal 2004, S1701 was enacted. The law is meant to control public school district budgets by revising the calculation of budget caps and reducing surplus. Starting in 2005-06 the CAP will be set at 2.5% or the cost of living, whichever is greater. A number of other changes will affect the calculation of SGLA's and per pupil administrative costs. Any undesignated general fund balance in excess of 2% or \$250,000, whichever is greater must be appropriated for tax relief.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Passaic Valley Regional High School District No. 1 Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Colin J. Monahan
School Business Administrator
Passaic Valley Regional High School District No. 1
East Main Street
Little Falls, NJ 07424

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	7,738,096	185,143	7,923,239
Receivables, net	2,462,719	19,968	2,482,687
Internal Balances	37,048	(37,048)	-
Inventory		9,263	9,263
Restricted assets:			
Capital reserve account - cash	1,246,529		1,246,529
Net payroll account - cash	35,303		35,303
Payroll deductions and withholdings account - cash	9,588		9,588
Flexible spending account - cash	6,345		6,345
Unemployment compensation account - cash	213,804		213,804
Student activity accounts - cash	180,175		180,175
Athletic accounts - cash	90,582		90,582
Scholarship accounts - cash	169,393		169,393
Capital assets:			
Depreciable Buildings, Improvements and Equipment (net)	10,047,446	44,795	10,092,241
Total Assets	<u>22,237,028</u>	<u>222,121</u>	<u>22,459,149</u>
Deferred Outflow of Resources:			
Unamortized bond issuance costs	7,000		7,000
Deferred outflows of resources related to PERS	854,343		854,343
Total Deferred Outflows	<u>861,343</u>		<u>861,343</u>
LIABILITIES			
Accounts payable and accrued liabilities	1,398,156	39,460	1,437,616
Unearned revenue	-	42,524	42,524
Payroll deductions and withholdings payable	51,236		51,236
Unemployment compensation claims payable	41,223		41,223
Noncurrent liabilities:			
Due within one year	1,107,650		1,107,650
Due beyond one year	7,945,397		7,945,397
Total liabilities	<u>10,543,662</u>	<u>81,984</u>	<u>10,625,646</u>
Deferred Inflows of Resources:			
Deferred inflows of resources related to PERS	716,761		716,761
Total Deferred Inflows	<u>716,761</u>		<u>716,761</u>
NET POSITION			
Net Investment in Capital Assets	5,738,543	44,795	5,783,338
Restricted for:			
Debt service	642		642
Capital projects	273,909		273,909
Other purposes	9,184,522		9,184,522
Unrestricted (Deficit)	(3,359,668)	95,342	(3,264,326)
Total net position	<u>11,837,948</u>	<u>140,137</u>	<u>11,978,085</u>

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

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Statement of Activities
Fiscal Year Ended June 30, 2023

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	7,844,788	696,087			(8,540,875)		(8,540,875)
Special education	4,066,123	107,105		934,509	(3,238,719)		(3,238,719)
Other instruction	1,067,708	68,866			(1,136,574)		(1,136,574)
Support services:							
Tuition	5,156,513				(5,156,513)		(5,156,513)
Student & instruction related services	2,602,256	157,847	376,729	240,769	(2,142,605)		(2,142,605)
General administrative services	458,516	24,611			(483,127)		(483,127)
School administrative services	949,195	87,898			(1,037,093)		(1,037,093)
Central services and administrative information technology	433,149	35,021			(468,170)		(468,170)
Plant operations and maintenance	3,748,136	192,054			(3,940,190)		(3,940,190)
Pupil transportation	2,457,891	2,593			(2,460,484)		(2,460,484)
Unallocated benefits	4,845,797				(4,845,797)		(4,845,797)
Charter schools	288,736				(288,736)		(288,736)
Capital outlay - non-depreciable	381,749				(381,749)		(381,749)
Interest on long-term debt	28,687				(28,687)		(28,687)
Unallocated depreciation	450,128				(450,128)		(450,128)
Amortization	7,000				(7,000)		(7,000)
Total governmental activities	34,786,372	1,372,082	376,729	1,175,278	(34,606,447)	-	(34,606,447)
Business-type activities:							
Food Service	615,968		352,424	256,868		(6,676)	(6,676)
Total business-type activities	615,968		352,424	256,868		(6,676)	(6,676)
Total primary government	35,402,340		729,153	1,432,146	(34,606,447)	(6,676)	(34,613,123)
General revenues:							
Taxes:							
Levied for general purposes					27,878,874		27,878,874
Taxes levied for debt service					464,181		464,181
Federal and State aid not restricted					7,485,275		7,485,275
Federal and State aid - Capital Outlay					736,178		736,178
Tuition from Other LEA's Within the State					1,096,788		1,096,788
Investment Earnings					226,681	3,029	229,710
Miscellaneous Income					362,145		362,145
Other Restricted miscellaneous revenue					4,605	**	4,605
Total general revenues, special items, extraordinary items and transfers					38,254,727	3,029	38,257,756
Change in Net Position					3,648,280	(3,647)	3,644,633
Net Position—beginning (Restated)					8,189,668	143,784	8,333,452
Net Position—ending					11,837,948	140,137	11,978,085

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

* Student Activity revenue is reported as "charges for services"; scholarship revenue is reported as "operating grants and contributions"
** Includes the interest earnings on the unemployment compensation bank account

FUND FINANCIAL STATEMENTS

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2023

	<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					
Checking	7,116,094		88,701	642	7,205,437
Cash with Fiscal Agent			532,659		532,659
Accounts Receivable -					
Interfunds	572,721				572,721
Intergovernmental - Federal		687,873			687,873
Intergovernmental - State	1,562,776				1,562,776
Intergovernmental - Other	194,801				194,801
Other receivables	17,269				17,269
Restricted cash and cash equivalents					
Capital reserve	1,246,529				1,246,529
Net payroll	35,303 *				35,303
Payroll deductions and withholdings	9,588 *				9,588
Flexible spending	6,345 *				6,345
Unemployment compensation	213,804 *				213,804
Student activity accounts		180,175 *			180,175
Athletic accounts		90,582 *			90,582
Scholarship accounts		169,393 *			169,393
Total assets	<u>10,975,230</u>	<u>1,128,023</u>	<u>621,360</u>	<u>642</u>	<u>12,725,255</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	486,023	335,828	163,823		985,674
Interfund payables		352,045	183,628		535,673
Unearned revenue					-
Payroll deductions and withholdings	51,236 **				51,236
Unemployment compensation claims payable	41,223 ***				41,223
Total liabilities	<u>578,482</u>	<u>687,873</u>	<u>347,451</u>	<u>-</u>	<u>1,613,806</u>
Fund Balances:					
Restricted for:					
Excess Surplus - current year	2,795,567				2,795,567
Excess Surplus - prior year - designated for subsequent year's expenditures	2,795,244				2,795,244
Capital reserve account	1,246,529				1,246,529
Student Activities		180,175			180,175
Athletic Accounts		90,582			90,582
Scholarship Accounts		169,393			169,393
Unemployment compensation	172,581				172,581
Assigned to:					
Year-end encumbrances	734,451				734,451
Designated by the BOE for subsequent year's expenditures	1,000,000				1,000,000
Capital projects fund			273,909		273,909
Debt service fund				642	642
Unassigned:					
General fund	1,652,376				1,652,376
Total Fund balances	<u>10,396,748</u>	<u>440,150</u>	<u>273,909</u>	<u>642</u>	<u>11,111,449</u>
Total liabilities and fund balances	<u>10,975,230</u>	<u>1,128,023</u>	<u>621,360</u>	<u>642</u>	

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2023

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 \$20,655,806 and the accumulated depreciation is \$10,608,360	10,047,446
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds	(24,011)
Accounts payable for subsequent Pension payment is not a payable in the funds	(388,471)
Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized accumulated amortization is \$7,000 over the life of the debt.	7,000
Deferred outflows and inflows of resources are applicable to future periods and therefore are not reported in the funds.	
Deferred outflows of resources related to PERS Pension Liability	854,343
Deferred inflows of resources related to PERS Pension Liability	(716,761)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6)	<u>(9,053,047)</u>
Net position of governmental activities	<u><u>11,837,948</u></u>

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

* Include former fiduciary fund cash and cash equivalents

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2023

	<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:					
Municipal tax levy	27,878,874			464,181	28,343,055
Tuition from Other LEA's Within the State	1,096,788				1,096,788
Other Restricted Miscellaneous Revenues	4,605 *				4,605
Interest Earned	226,681				226,681
Miscellaneous	336,262	2,262	25,883		364,407
Scholarship Donations		20,370 **			20,370
Student Group Receipts		376,729 ***			376,729
Total - Local Sources	29,543,210	399,361	25,883	464,181	30,432,635
State sources	8,892,065	27,666		222,309	9,142,040
Federal sources	427,155	1,861,158			2,288,313
Total revenues	38,862,430	2,288,185	25,883	686,490	41,862,988
EXPENDITURES					
Current:					
Regular instruction	7,844,788				7,844,788
Special education instruction	3,131,614	934,509			4,066,123
School sponsored/other instructional	1,067,708				1,067,708
Support services and undistributed costs:					
Tuition	5,156,513				5,156,513
Health services	152,281				152,281
Student & instruction related services	1,854,011	595,964 ***			2,449,975
General administrative services	458,516				458,516
School administrative services	949,195				949,195
Central services & administrative information technology	433,149				433,149
Plant operations and maintenance	3,753,136				3,753,136
Pupil transportation	2,457,891				2,457,891
Unallocated benefits	3,578,178				3,578,178
On-behalf contributions	5,057,881				5,057,881
Transfer to charter school	288,736				288,736
Debt service:					
Principal				676,000	676,000
Interest and other charges				10,491	10,491
Capital outlay	452,259	736,178	1,683,121		2,871,558
Total expenditures	36,635,856	2,266,651	1,683,121	686,491	41,272,119
Excess (Deficiency) of revenues	2,226,574	21,534	(1,657,238)	(1)	590,869
OTHER FINANCING SOURCES (USES)					
Transfers in	25,883				25,883
Transfers out			(25,883)		(25,883)
Total other financing sources and uses	25,883	-	(25,883)	-	-
Net change in fund balances	2,252,457	21,534	(1,683,121)	(1)	590,869
Fund balance—July 1	8,144,291	418,616	1,957,030	643	10,520,580
Fund balance—June 30	10,396,748	440,150	273,909	642	11,111,449

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

* Include interest earnings on the unemployment compensation bank account

** Special revenue fund now includes revenues from scholarships and student activities

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
Fiscal Year Ended June 30, 2023

Total net change in fund balances - governmental funds (from B-2)		590,869
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 capital outlays exceeded depreciation in the period.		
Depreciation expense	(450,128)	
Assets retired prior to full depreciation	(8,677)	
Depreciable Capital outlays	2,260,389	1,801,584
Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. In the current year, these amounts consist of:		
General Bond Obligations - Principal	676,000	
Capital Lease Obligations - Principal	243,097	919,097
The governmental funds report the effect of issuance costs when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (-)		
		(7,000)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)		
General Bond Obligations - Prior Year	1,454	
General Bond Obligations - Current Year	(3,801)	
Capital Lease Obligations - Prior Year	4,361	
Capital Lease Obligations - Current Year	(20,210)	(18,196)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
Increase in compensated absences payable		(248,613)
District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changed in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
District Pension Contributions	365,414	
Plus: Pension Benefit	245,125	610,539
Decrease in Pension Expense		
Per GASB No. 68, Non-employer contributing entities are required to record any increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements.		
Decrease in On-behalf State Aid TPAF Pension		(2,206,096)
Decrease in On-behalf TPAF Pension Expense		2,206,096
Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF post employment medical payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements		
Increase in On-behalf State Aid TPAF Post Employment Medical Revenue		149,842
Increase in On-behalf State Aid TPAF Post Employment Medical Expense		(149,842)
Change in net position of governmental activities		3,648,280

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

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type Activities - Enterprise Fund
	Food Service Program
ASSETS	
Current assets:	
Cash and cash equivalents	185,143
Accounts receivable:	
State	552
Federal	19,416
Inventories	9,263
Total current assets	214,374
Noncurrent assets:	
Capital assets:	
Building and building improvements	
Equipment	266,316
Less accumulated depreciation	(221,521)
Total capital assets (net of accumulated depreciation)	44,795
Total assets	259,169
Current Liabilities:	
Accounts payable	39,460
Unearned revenues	42,524
Interfund payable	37,048
Total Liabilities	119,032
NET POSITION	
Net Investment in Capital Assets	44,795
Unrestricted	95,342
Total net position	140,137

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

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2023

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Food Service Program</u>
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	318,866
Daily sales - non-reimbursable programs	33,558
Total operating revenues	<u>352,424</u>
Operating expenses:	
Cost of sales - reimbursable programs	151,003
Cost of sales - non-reimbursable programs	114,554
Salaries	193,098
Supplies and materials	18,629
Employee benefits	69,565
Depreciation expense	10,600
Repairs and other expenses	18,574
Purchased services	39,945
Total Operating Expenses	<u>615,968</u>
Operating income (loss)	<u>(263,544)</u>
Nonoperating revenues (expenses):	
State sources:	
School lunch program	6,705
Breakfast program	423
Federal sources:	
School lunch program	163,472
School breakfast program	28,131
Supply chain assistance funding	26,089
Local food for schools cooperative agreement program	455
U.S.D.A. commodities	31,593
Interest Income	3,029
Total nonoperating revenues (expenses)	<u>259,897</u>
Income (loss) before contributions & transfers	<u>(3,647)</u>
Total net position—beginning (Restated)	<u>143,784</u>
Total net position—ending	<u><u>140,137</u></u>

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

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2023

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Food Service Program</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	355,836
Payments to suppliers	<u>(597,884)</u>
Net cash provided by (used for) operating activities	<u>(242,048)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	7,665
Federal Sources	281,107
Interfunds	<u>110,713</u>
Net cash provided by (used for) non-capital financing activities	<u>399,485</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	<u>3,029</u>
Net cash provided by (used for) investing activities	<u>3,029</u>
Net increase (decrease) in cash and cash equivalents	<u>160,466</u>
Balances—beginning of year	<u>24,677</u>
Balances—end of year	<u><u>185,143</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(263,544)
Adjustments to reconcile operating income (loss) to net cash provided by	
Depreciation and net amortization	10,600
Food Distribution Program	31,593
Increase (decrease) in unearned revenue	2,364
(Increase) decrease in accounts receivable, net	1,008
(Increase) decrease in inventories	2,628
Increase (decrease) in accounts payable	<u>(26,697)</u>
Total adjustments	<u>21,496</u>
Net cash provided by (used for) operating activities	<u><u>(242,048)</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

**Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Board of Education of the Passaic Valley Regional High School District No. 1 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board's accounting policies are described below.

A. Description of the School District and Reporting Entity:

The Board of Education ("Board") of the Passaic Valley Regional High School District No. 1 ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Passaic Valley Regional High School District No. 1 is a Type II district located in the County of Passaic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades Pre-K through grade twelve (12). A superintendent 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 also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent of Schools is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools and a junior/senior high school, located in the Township of Little Falls. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Basis of Presentation:

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. Currently the District does not have any fiduciary funds.

District-wide Financial Statements:

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

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

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

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *government*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

GOVERNMENTAL FUNDS, (continued)

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service Funds.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. The District does not have any activities that are required to be included in the Fiduciary Fund.

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. Measurement Focus and Basis of Accounting:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

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

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Revenues - Exchange and Non-exchange Transactions, (continued)

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Budgets/Budgetary Control

Annual appropriated budgets are adopted in the spring of the preceding year for the general, special revenue and debt service funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts 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. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Budgets/Budgetary Control, (continued)

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

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

Encumbrances

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 reservations of 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.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Cash, Cash Equivalents and Investments, (continued)

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Revenues/Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

Lease Receivable

Lease receivables recorded on the government-wide financial statement, in the governmental funds, and in the proprietary fund types represents a contract that conveys control of the right to use the School District's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The School District was not a lessor during the fiscal year ended June 30, 2023.

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

Short-Term Interfund Receivables/Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See NOTE 1(Encumbrances) regarding the special revenue fund.

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date—an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Accounting and Financial Reporting for Pensions, (continued)

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Bond Discounts/Premiums

Bond discounts/premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts/premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pension.

In addition to liabilities, the statement of net 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 District has one item that qualifies in this category, deferred amounts related to pension.

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.

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Right to Use Assets

The District has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related issue.

Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance 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. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

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.

Net Position

Net position represent the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

Impact of Recently Issued Accounting Principles

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

GASB Statement No. 96, *Subscription-Based Information Technology*, which improves 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 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. The District did not have any subscription-based information technology arrangements that rose to an amount that required disclosure. The District will review new SBITA's annually to determine proper disclosure.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statement that will become effective for the School District for fiscal years ending after June 30, 2024:

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Recently Issued Accounting Pronouncements, (continued)

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the School District in the fiscal year ending June 30, 2025. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2023, \$0- of the District's bank balance of \$9,186,373 was, exposed to custodial credit risk.

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 3. RECEIVABLES:

Receivables at June 30, 2023, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial Statements	Business-Type Activities	District Wide Financial Statements
Intergovernmental - State	\$1,562,776	\$552	\$1,563,328
Intergovernmental - Federal	687,873	19,416	707,289
Intergovernmental - Other	194,801		194,801
Other Receivables	17,269		17,269
Due from Other Funds	<u>572,721</u>		
Gross Receivables	3,035,440	<u>19,968</u>	<u>2,482,687</u>
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$3,035,440</u>	<u>\$19,968</u>	<u>\$2,482,687</u>

NOTE 4. INTERFUND BALANCES AND ACTIVITY:

Balance due to/from other funds at June 30, 2023, consist of the following:

\$352,045	Due to the General Fund from the Special Revenue Fund to cover deficit in cash.
183,628	Due to the General Fund from the Capital Projects Fund for reimbursement of expenses and interest earnings.
37,048	Due to the General Fund from the Enterprise Fund from the General Fund for reimbursement of cash advance less subsidy reimbursements received.
<u>\$572,721</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

Interfund transfers for the year ended June 30, 2023 consisted of the following:

<u>\$25,883</u>	Due to the General Fund from the Capital Projects Fund for interest earnings.
-----------------	---

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 5. CAPITAL ASSETS:

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

	Restated Balance <u>6/30/22</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>6/30/23</u>
Governmental Activities				
Buildings and Building Improvements	\$13,128,453	\$117,782	\$	\$13,246,235
Site Improvements	3,257,784	1,418,173		4,675,957
Machinery and Equipment	<u>2,062,908</u>	<u>724,434</u>	<u>(53,728)</u>	<u>2,733,614</u>
Totals at Historical Cost	<u>18,449,145</u>	<u>2,260,389</u>	<u>(53,728)</u>	<u>20,655,806</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(7,630,094)	(212,412)		(7,842,506)
Site Improvements	(1,277,047)	(92,711)		(1,369,758)
Equipment	<u>(1,296,142)</u>	<u>(145,005)</u>	<u>45,051</u>	<u>(1,396,096)</u>
Total Accumulated Depreciation	<u>(10,203,283)</u>	<u>(450,128)</u>	<u>45,051</u>	<u>(10,608,360)</u>
Total Capital Assets Being Depreciated, Net of accumulated depreciation	<u>8,245,862</u>	<u>1,810,261</u>	<u>(8,677)</u>	<u>10,047,446</u>
Governmental Activities Capital Assets, Net	<u>\$10,308,770</u>	<u>\$2,534,695</u>	<u>(\$62,405)</u>	<u>\$12,781,060</u>
Business-type activities:				
Equipment	\$266,316	\$	\$	\$266,316
Totals at Historical Cost	<u>266,316</u>	<u>0</u>	<u>0</u>	<u>266,316</u>
Less Accumulated Depreciation for:				
Buildings and Improvements				0
Equipment	<u>(210,921)</u>	<u>(10,600)</u>	<u>0</u>	<u>(221,521)</u>
Total Accumulated Depreciation	<u>(210,921)</u>	<u>(10,600)</u>	<u>0</u>	<u>(221,521)</u>
Business-type Activities Capital Assets, Net	<u>\$55,395</u>	<u>(\$10,600)</u>	<u>\$0</u>	<u>\$44,795</u>

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as “unallocated depreciation”.

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 6. LONG-TERM OBLIGATIONS:

Long-term liability activity for the year ended was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Long-term Portion</u>
Governmental Activities:						
Bonds Payable:						
General Obligation Debt	1,952,000	_____	(676,000)	1,276,000	655,000	621,000
Total Bonds Payable	<u>1,952,000</u>	_____	<u>(676,000)</u>	<u>1,276,000</u>	<u>655,000</u>	<u>621,000</u>
Other Liabilities:						
Net Pension Liability PERS	3,415,469	957,561		4,373,030		4,373,030
Obligations Under Capital Lease	3,283,000		(243,097)	3,039,903	452,650	2,587,253
Compensated Absences Payable	115,501	248,613		364,114		364,114
Total Other Liabilities	<u>6,813,970</u>	<u>1,206,174</u>	<u>(243,097)</u>	<u>7,777,047</u>	<u>452,650</u>	<u>7,324,397</u>
	<u>\$8,765,970</u>	<u>\$1,206,174</u>	<u>(\$919,097)</u>	<u>\$9,053,047</u>	<u>\$1,107,650</u>	<u>\$7,945,397</u>

Bonds payable are generally liquidated by the debt service fund, while compensated absences, lease purchase agreements, leases and net pension liability, are liquidated by the general fund.

A. Bonds Payable:

Bonds and loans are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Outstanding bonds payable at June 30, 2023 consisted of the following:

<u>Issue</u>	<u>Amount Issued</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2023</u>
General Refunding Bonds	1,952,000	8/9/2021	0.65%	7/15/2024	1,276,000
					<u>1,276,000</u>

Principal and Interest due on bonds outstanding is as follows:

<u>Year ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	\$661,165	\$655,000	\$6,165
2025	623,018	621,000	2,018
	<u>\$1,284,183</u>	<u>\$1,276,000</u>	<u>\$8,183</u>

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 6. LONG-TERM OBLIGATIONS: (continued)

B. Bonds Authorized by not Issued:

As of June 30, 2023, the Board has no authorized but not issued bonds.

C. Capital Leases:

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.

<u>Issue</u>	<u>Amount Issued</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2023</u>
General Refunding Bonds	2,083,000	2022	2.1567%	4/1/2040	2,078,000
Acquisition of a New Turf Field	1,200,000	2022	1.07%	8/15/2023	961,903
					<u>3,039,903</u>

The following is a schedule of future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2023:

<u>Fiscal Year Ending Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	\$507,759	\$452,650	\$55,109
2025	500,101	452,183	47,918
2026	502,507	461,742	40,765
2027	363,762	330,328	33,434
2028	119,964	91,000	28,964
2029-2033	553,109	436,000	117,109
2034-2038	621,132	556,000	65,132
2039-2040	268,476	260,000	8,476
	<u>\$3,436,810</u>	<u>\$3,039,903</u>	<u>\$396,907</u>
Total Minimum Lease - Purchase Payments			\$3,436,810
Less: Amount representing interest			<u>(396,907)</u>
Present value of lease - purchase payments			<u>\$3,039,903</u>

D. Compensated Absences

Compensated Absences will be paid from the fund which the employees’ salaries are paid.

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 6. LONG-TERM OBLIGATIONS: (continued)

E. Net Pension Liability

For details on the net pension liability, refer to Note 7. The District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

F. Leases

As of June 30, 2023 the Board has no leases outstanding.

NOTE 7. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

[THIS AREA INTENTIONALLY LEFT BLANK]

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. PENSION PLANS, (continued)

Benefits Provided

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 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 represents 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 Tiers 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 reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 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 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. PENSION PLANS, (continued)

Benefits Provided, (continued)

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 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 reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 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 10 years of service credit and have not reached the service retirement age for the respective tier.

Defined Contribution Retirement Program

Empower Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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 DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

**Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS, (continued)

Contributions Requirements Fund Based Statements

The Board’s contribution to PERS and DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

Year	PERS	DCRP
<u>Ending</u>		
6/30/23	\$365,414	\$1,829
6/30/22	337,645	6,321
6/30/21	302,345	11,899

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

Year	Pension Contributions	Post-Retirement Medical Contributions	NCGI Premium	Long-Term Disability Insurance
<u>Ending</u>				
6/30/23	\$3,384,417	\$901,413	\$46,955	\$804
6/30/22	3,632,594	860,695	51,251	805
6/30/21	2,773,946	885,851	52,778	1,035

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$724,292 during the year ended June 30, 2023 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2023, the District had a liability of \$4,373,030 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2022, the District's proportion was 0.0289770091 percent, which was an increase of 0.0001459680 percent from its proportion measured as of June 30, 2021.

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. PENSION PLANS, (continued)

For the year ended June 30, 2023, the District recognized pension expense of \$(245,125). At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$31,563	\$27,834
Changes of assumptions	13,549	654,816
Net difference between projected and actual earnings on pension plan investments	180,996	
Changes in proportion and differences between District contributions and proportionate share of contributions	239,764	34,111
District contributions subsequent to the measurement date	<u>388,471</u>	<u> </u>
Total	<u>\$854,343</u>	<u>\$716,761</u>

The \$388,471 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$(375,114)
2024	(191,108)
2025	(93,200)
2026	203,326
2027	(446)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.04, 5.13, 5.16, 5.21, 5.63 and 5.48 years for 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. PENSION PLANS, (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$1,660,772,008	1,164,738,169
Collective deferred inflows of resources	3,236,303,935	8,339,123,762
Collective net pension liability	15,091,376,611	11,846,499,172
District's Proportion	0.0289770091%	0.0288310411%

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions.

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. PENSION PLANS, (continued)

Mortality Rates

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. PENSION PLANS, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2022</u>		
	<u>1%</u> Decrease	At Current Discount Rate	<u>1%</u> Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
District's proportionate share of the pension liability	\$5,628,606	\$4,373,030	\$3,304,483

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. PENSION PLANS, (continued)

contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>45,527,626</u>
	<u>\$45,527,626</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2022, the proportion of the TPAF net pension liability associated with the District was 0.0882413829%.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$1,225,276 from the actuarial report, employer pension expense and related revenue for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75%-5.65% (based on years of service)
Investment Rate of Return	7.00%

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. PENSION PLANS, (continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Health 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 a 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2022.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

**Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be 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 to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 8. POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement NO. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability of the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget's Financial Publications webpage: nj.gov/treasury/omb/fr.shtml.

[THIS AREA INTENTIONALLY LEFT BLANK]

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2023 was as follows:

OPEB Liability:	
District's proportionate share	\$
State's proportionate share associated with the District	<u>41,404,184</u>
	<u>\$41,404,184</u>

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2022 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:	2.75 - 4.25%	2.75 - 6.55%
	based on service years	based on service years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP). "General" (PERS), and "Safety" (PFRS) 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.

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

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

(a) *Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

(b) *Discount Rate*

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

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Cost Trend Rates:

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the healthcare cost trend rates is not applicable to the District.

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

For the year ended June 30, 2023, the board of education/board of trustees recognized on-behalf OPEB expense of \$1,051,255 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Passaic Valley Regional High School District's proportionate share of school retirees OPEB is zero; therefore, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 9. DEFERRED COMPENSATION:

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

AXA Equitable	NEA/Security Benefits
Lincoln Investment	Vanguard
Met Life	AIG/V.A.L.I.C.

NOTE 10. RISK MANAGEMENT:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report (ACFR).

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

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

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$4,605	\$45,400	\$59,597	\$213,804
2021-2022	219	22,401		223,396
2020-2021	50,180	19,348	18	200,776

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 11. CAPITAL RESERVE ACCOUNT:

A capital reserve account was established by the Passaic Valley Regional High School District No. 1 Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The balance at June 30, 2023 is \$1,246,529 of which \$416,000 has been appropriated in the 2023-2024 budget.

Funds placed in the capital reserve account 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. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$696,529
Increased by:	
Deposits Approved by Board Resolution	<u>550,000</u>
Ending balance, June 30, 2023	<u>\$1,246,529</u>

[THIS AREA INTENTIONALLY LEFT BLANK]

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 12. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$10,396,748 General Fund balance at June 30, 2023, \$734,451 reserved for encumbrances; \$5,590,811 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$2,795,567 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024); \$1,246,529 has been reserved in the Capital Reserve Account; \$1,000,000 of unreserved and undesignated has been appropriated and included as anticipated revenue for the year ended June 30, 2024; \$1,652,376 is unreserved and undesignated.

Special Revenue Fund: The Special Revenue Fund balance at June 30, 2023 of \$180,175 is reserved for Student Groups; \$90,582 is reserved for Athletics; \$169,393 is reserved for Scholarships.

Debt Service Fund: The Debt Service Fund balance at June 30, 2023 of \$642 is unreserved and undesignated.

NOTE 13. CALCULATION OF EXCESS SURPLUS:

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004 c.73 (S1701) the designation for Reserved Fund Balance — 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 reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. The excess fund balance at June 30, 2023 is \$5,590,811. Of this amount, \$2,795,567 is the result of the current year’s operations.

NOTE 14. INVENTORY:

Inventory in the Food Service Fund at June 30, 2023 consisted of the following:

Food	\$5,522
Supplies	<u>3,741</u>
	<u>\$9,263</u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 15. RETROACTIVE RESTATEMENT DUE TO UPDATED FIXED ASSET SCHEDULE

During the fiscal year 2023, the District contracted with an outside service provider to prepare a fixed asset report. The following adjustments were made to the capital asset schedule and the Statement of Net Position as of June 30, 2022.

	<u>Balance</u> <u>June 30, 2022</u>	<u>Restatement</u>	<u>Restated</u> <u>Balance</u> <u>June 30, 2022</u>
<u>GOVERNMENTAL FUNDS:</u>			
Assets:			
Capital Assets			
Not Being Depreciated			-
Being Depreciated, Net	9,010,039	(764,177)	8,245,862
Net Assets:			
Net Investment in Capital Assets	3,789,039	(764,177)	3,024,862
Total Net Position	8,953,845	(764,177)	8,189,668
 <u>BUSINESS-TYPE ACTIVITIES:</u>			
Assets:			
Capital Assets			
Being Depreciated, Net	40,016	15,379	55,395
Net Assets:			
Net Investment in Capital Assets	40,016	15,379	55,395
Total Net Position	128,405	15,379	143,784

Passaic Valley Regional High School District No. 1
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 16. CONTINGENT LIABILITIES:

Grant Programs - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation - 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.

NOTE 17. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through November 15, 2023, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

Exhibit C-1

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	27,878,874		27,878,874	27,878,874	
Tuition from Other LEA's Within State	1,040,000		1,040,000	1,096,788	56,788
Interest Eamed on Capital Reserve Funds	600	(600)			
Other Restricted Miscellaneous Revenue				4,605	4,605
Unrestricted Miscellaneous Revenues	25,000		25,000	562,943	537,943
Total - Local Sources	<u>28,944,474</u>	<u>(600)</u>	<u>28,943,874</u>	<u>29,543,210</u>	<u>599,336</u>
Revenues from State Sources:					
Categorical Special Education Aid	991,508		991,508	991,508	
Equalization Aid	140,892		140,892	140,892	
Categorical Security Aid	149,237		149,237	149,237	
Categorical Transportation Aid	251,474		251,474	251,474	
Maintenance of Equity Aid				694,960	694,960
Extraordinary Aid	350,000		350,000	750,070	400,070
Non Public Transportation Aid				48,048	48,048
State Reimbursement for Lead Testing of Drinking Water				3,000	3,000
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				901,413	901,413
On-behalf TPAF Pension (non-budgeted)				3,384,417	3,384,417
On-behalf TPAF NCGI Premium (non-budgeted)				46,955	46,955
On-behalf TPAF LTDI				804	804
Reimbursed TPAF Social Security Contributions (non-budgeted)				724,292	724,292
Total - State Sources	<u>1,883,111</u>		<u>1,883,111</u>	<u>8,087,070</u>	<u>6,203,959</u>
Revenues from Federal Sources:					
Special Education Medicaid Initiative	18,410	(270)	18,140	19,966	1,826
FFCRA/SEMI Revenue				2,550	2,550
MAC				9,611	9,611
FEMA				395,028	395,028
Total - Federal Sources	<u>18,410</u>	<u>(270)</u>	<u>18,140</u>	<u>427,155</u>	<u>409,015</u>
TOTAL REVENUES	<u>30,845,995</u>	<u>(870)</u>	<u>30,845,125</u>	<u>38,057,435</u>	<u>7,212,310</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Grades 9-12 - Salaries of Teachers	7,483,777	(204,395)	7,279,382	7,153,063	126,319
Regular Programs - Home Instruction:					
Salaries of Teachers	21,000		21,000	2,511	18,489
Other Salaries for Instruction	346,000	(200,000)	146,000	118,944	27,056
Purhased Professional - Educational Services	20,000		20,000		20,000
Regular Programs - Undistributed Instruction					
Purchased Professional - Educational Services	29,500		29,500	2,007	27,493
Purchased Technical Services	25,800	13,000	38,800	38,341	459
Other Purchased Services (400-500 series)	288,748	(5,000)	283,748	243,870	39,878
General Supplies	254,276	(14,229)	240,047	186,191	53,856
Textbooks	105,900	1,991	107,891	96,315	11,576
Other Objects	15,172	(990)	14,182	3,546	10,636
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>8,590,173</u>	<u>(409,623)</u>	<u>8,180,550</u>	<u>7,844,788</u>	<u>335,762</u>
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of Teachers	725,876	34,129	760,005	760,005	
General Supplies	2,000		2,000		2,000
Total Resource Room/Resource Center	<u>727,876</u>	<u>34,129</u>	<u>762,005</u>	<u>760,005</u>	<u>2,000</u>
Autism:					
Other Salaries for Instruction	200,000	165,871	365,871	333,837	32,034
Professional Svcs-Educational Services	2,292,132	(66,005)	2,226,127	2,026,561	199,566
General Supplies	5,000		5,000	4,034	966
Total Autism	<u>2,497,132</u>	<u>99,866</u>	<u>2,596,998</u>	<u>2,364,432</u>	<u>232,566</u>
Home Instruction					
Salaries of Teachers	34,000		34,000	7,177	26,823
Total Home Instruction	<u>34,000</u>		<u>34,000</u>	<u>7,177</u>	<u>26,823</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>3,259,008</u>	<u>133,995</u>	<u>3,393,003</u>	<u>3,131,614</u>	<u>261,389</u>

Exhibit C-1

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
School-Sponsored Co/Extra Curricular Activities - Instruction					
Salaries	203,694	(42,000)	161,694	161,446	248
Supplies and Materials	99,913	26,865	126,778	100,459	26,319
Other Objects	250	135	385	385	
Total School-Sponsored Co/Extra Curricular Activities - Instruction	303,857	(15,000)	288,857	262,290	26,567
School-Sponsored Athletics - Instruction					
Salaries	594,017		594,017	546,484	47,533
Purchased Services (300-500 series)	118,968	(8,410)	110,558	93,885	16,673
Supplies and Materials	166,667	7,255	173,922	162,549	11,373
Other Objects		2,500	2,500	2,500	
Total School-Sponsored Athletics - Instruction	879,652	1,345	880,997	805,418	75,579
TOTAL INSTRUCTION	13,032,690	(289,283)	12,743,407	12,044,110	699,297
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	3,782,645		3,782,645	3,745,638	37,007
Tuition to Other LEAs Within the State - Special	119,883		119,883	44,065	75,818
Tuition to Private Schools for the Handicapped - Within State	2,126,557		2,126,557	1,366,810	759,747
Total Undistributed Expenditures - Instruction:	6,029,085		6,029,085	5,156,513	872,572
Undist. Expend. - Health Services					
Salaries	136,415	1,224	137,639	137,639	
Purchased Professional and Technical Services	40,000	(12,770)	27,230	13,247	13,983
Supplies and Materials	7,000		7,000	1,395	5,605
Total Undistributed Expenditures - Health Services	183,415	(11,546)	171,869	152,281	19,588
Undist. Expend. - Speech, OT, PT & Related Svcs.					
Salaries	17,345	90,564	107,909	107,909	
Purchased Prof. Services-Educational Services	122,302	(77)	122,225	122,225	
Total Undist. Expend. - Speech, OT, PT, & Related Svcs	139,647	90,487	230,134	230,134	
Undist. Expend. - Other Supp. Serv. Students-Extra Serv.					
Purchased Prof. Services-Educational Services	80,000	3,684	83,684	64,434	19,250
Total Undist. Expend. - Other Supp. Serv. Students-Extra Svcs.	80,000	3,684	83,684	64,434	19,250
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	602,298	(2,936)	599,362	597,978	1,384
Salaries of Secretarial and Clerical Assistants	96,765	(3,683)	93,082	92,545	537
Purchased Professional - Educational Services	2,500		2,500		2,500
Other Purchased Professional and Technical Services	500		500		500
Other Purchased Services (400-500 series)	138,000	(4,806)	133,194	123,805	9,389
Supplies and Materials	41,599	4,806	46,405	36,525	9,880
Other Objects	1,815		1,815	269	1,546
Total Undist. Expend. - Guidance	883,477	(6,619)	876,858	851,122	25,736
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	370,862		370,862	334,364	36,498
Salaries of Secretarial and Clerical Assistants	55,667		55,667	53,995	1,672
Other Purchased Professional and Technical Services	3,750		3,750		3,750
Supplies and Materials	3,000	3,000	6,000	3,645	2,355
Total Undist. Expend. - Child Study Teams	433,279	3,000	436,279	392,004	44,275
Undist. Expend. - Improvement of Instructional Services					
Salaries of Other Professional Staff	12,000		12,000	11,045	955
Other Purch Services (400-500)	18,700	(3,000)	15,700	11,020	4,680
Total Undist. Expend. - Improvement of Inst. Services	30,700	(3,000)	27,700	22,065	5,635
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	103,649	62,895	166,544	166,544	
Salaries of Technology Coordinators	131,220		131,220	120,609	10,611
Supplies and Materials	20,000		20,000	6,849	13,151
Other Objects	350		350	250	100
Total Undist. Expend. - Educational Media Serv./Sch. Library	255,219	62,895	318,114	294,252	23,862
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	257,710		257,710	253,000	4,710
Legal Services	120,000		120,000	21,142	98,858
Audit Fees	42,511		42,511	36,389	6,122
Architectural/Engineering Services	60,000	(3,500)	56,500	7,301	49,199
Other Purchased Professional Services	9,000	3,500	12,500	10,335	2,165
Communications/Telephone	175,643	(1,200)	174,443	100,444	73,999
BOE Other Purchased Services	3,000		3,000	1,997	1,003
Other Purch Services (400-500 Series)	31,665	1,200	32,865	12,987	19,878
General Supplies	6,000		6,000	1,831	4,169
BOE In-House Training/Meeting Supplies	5,000		5,000	1,679	3,321
Misc. Expenditures	1,785		1,785	635	1,150
BOE Membership Dues and Fees	12,000		12,000	10,776	1,224
Total Undist. Expend. - Supp. Serv. - General Administration	724,314		724,314	458,516	265,798

Exhibit C-1

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	629,187	(7,183)	622,004	617,741	4,263
Salaries of Secretarial and Clerical Assistants	277,648	8,183	285,831	285,831	
Other Purchased Services (400-500 series)	23,000		23,000	17,807	5,193
Supplies and Materials	22,000	(2,592)	19,408	16,321	3,087
Other Objects	17,150		17,150	11,495	5,655
Total Undist. Expend. - Support Serv. - School Administration	968,985	(1,592)	967,393	949,195	18,198
Undist. Expend. - Support Serv. - Central Services					
Salaries	353,409	11,592	365,001	360,001	5,000
Purchased Technical Services	51,450		51,450	50,931	519
Misc. Pur Services (400-500 Series)	3,250		3,250	2,270	980
Supplies and Materials	12,500		12,500	10,927	1,573
Interest on Lease Purchase Agreements	10,354		10,354	8,845	1,509
Misc. Expenditures	4,200		4,200	175	4,025
Total Undist. Expend. - Support Serv. - Central Services	435,163	11,592	446,755	433,149	13,606
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	376,813	25,000	401,813	366,014	35,799
Cleaning, Repair and Maintenance Services	715,606	179,350	894,956	777,580	117,376
General Supplies	8,000	(150)	7,850	1,032	6,818
Other Objects	600	150	750	750	
Undist. Expend. - Required Maint. for School Facilities	1,101,019	204,350	1,305,369	1,145,376	159,993
Undist. Expend. - Custodial Services (262)					
Salaries	1,091,200	44,311	1,135,511	1,135,511	
Cleaning, Repair and Maintenance Services	263,297	(139,169)	124,128	124,128	
Other Purchased Property Services	67,213		67,213	44,842	22,371
Insurance	258,000	26,063	284,063	282,081	1,982
General Supplies	133,448	25,000	158,448	155,481	2,967
Energy (Natural Gas)	102,155	(13,500)	88,655	17,867	70,788
Energy (Electricity)	250,575	(75,988)	174,587	153,895	20,692
Interest - Energy Savings Impr Prog Bonds	44,425	(374)	44,051	44,051	
Principal - Energy Savings Impr Prog Bonds	5,000		5,000	5,000	
Total Undist. Expend. - Custodial Services	2,215,313	(133,657)	2,081,656	1,962,856	118,800
Undist. Expend. - Care & Upkeep of Grounds (263)					
Salaries	251,282	2,158	253,440	230,064	23,376
Cleaning, Repair and Maintenance Services	54,500	45,670	100,170	53,474	46,696
General Supplies	97,600	28,000	125,600	111,038	14,562
Total Undist. Expend. - Care & Upkeep of Grounds	403,382	75,828	479,210	394,576	84,634
Undist. Expend. - Security					
Salaries	250,000		250,000	242,674	7,326
Purchased Professional and Technical Services	15,000		15,000	1,485	13,515
General Supplies	7,000		7,000	6,169	831
Total Undist. Expend. - Security	272,000		272,000	250,328	21,672
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Bet. Home & Sch.) - Regular	38,118	(8,389)	29,729	26,656	3,073
Other Purchased Prof. and Tech. Services	12,750	(8,389)	4,361	1,550	2,811
Rental Payments - School Buses		22,500	22,500	22,500	
Contract Services (Aid in Lieu Pymnts-Non Pub School)	152,000	164,279	316,279	288,862	27,417
Contract Services (Between Home & School)-Vendors	468,498	141,371	609,869	568,790	41,079
Contract Services (Other than Between Home & School)-Vendors	195,000	(8,969)	186,031	140,727	45,304
Contract Services (Reg. Students)-ESCs&CTSAs	640,000	217,707	857,707	851,682	6,025
Contract Services (Spl. Ed. Students)-ESCs&CTSAs	697,641	(31,595)	666,046	554,563	111,483
Miscellaneous Purchased Services - Transportation	7,500		7,500	2,561	4,939
Other Objects	350		350	350	
Total Undist. Expend. - Student Transportation Services	2,211,857	488,515	2,700,372	2,457,891	242,481
UNALLOCATED BENEFITS					
Social Security Contributions	334,797		334,797	320,164	14,633
Other Retirement Contributions-PERS	350,000	27,256	377,256	377,256	
Unemployment Compensation	20,000	(20,000)			
Workmen's Compensation	133,806	1,897	135,703	135,703	
Health Benefits	2,958,996	(245,515)	2,713,481	2,713,481	
Tuition Reimbursement	25,000	5,665	30,665	30,665	
Other Employee Benefits	30,310	(14,818)	15,492	909	14,583
TOTAL UNALLOCATED BENEFITS	3,852,909	(245,515)	3,607,394	3,578,178	29,216
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				901,413	(901,413)
On-behalf TPAF Pension (non-budgeted)				3,384,417	(3,384,417)
On-behalf TPAF NCGI Premium (non-budgeted)				46,955	(46,955)
On-behalf TPAF LTDI				804	(804)
Reimbursed TPAF Social Security Contributions (non-budgeted)				724,292	(724,292)
TOTAL ON-BEHALF CONTRIBUTIONS				5,057,881	(5,057,881)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	3,852,909	(245,515)	3,607,394	8,636,059	(5,028,665)
TOTAL UNDISTRIBUTED EXPENDITURES	20,219,764	538,422	20,758,186	23,850,751	(3,092,565)

Exhibit C-1

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
TOTAL GENERAL CURRENT EXPENSE	<u>33,252,454</u>	<u>249,139</u>	<u>33,501,593</u>	<u>35,894,861</u>	<u>(2,393,268)</u>
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Grades 9-12	2,300	229	2,529	2,529	
Undistributed Expenditures - Care & Upkeep of Grounds	110,516	19,800	130,316	57,556	72,760
School Buses - Regular	<u>135,000</u>		<u>135,000</u>	<u>133,805</u>	<u>1,195</u>
Total Equipment	<u>247,816</u>	<u>20,029</u>	<u>267,845</u>	<u>193,890</u>	<u>73,955</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	30,000		30,000		30,000
Construction Services	196,000	(8,238)	187,762	12,000	175,762
Principal - Lease Purchase	241,226	8,204	249,430	246,335	3,095
Assessment for Debt Service on SDA Funding	34		34	34	
Total Facilities Acquisition and Construction Services	<u>467,260</u>	<u>(34)</u>	<u>467,226</u>	<u>258,369</u>	<u>208,857</u>
TOTAL CAPITAL OUTLAY	<u>715,076</u>	<u>19,995</u>	<u>735,071</u>	<u>452,259</u>	<u>282,812</u>
Transfer of Funds to Charter Schools	<u>174,918</u>	<u>113,818</u>	<u>288,736</u>	<u>288,736</u>	
TOTAL EXPENDITURES	<u>34,142,448</u>	<u>382,952</u>	<u>34,525,400</u>	<u>36,635,856</u>	<u>(2,110,456)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,296,453)</u>	<u>(383,822)</u>	<u>(3,680,275)</u>	<u>1,421,579</u>	<u>5,101,854</u>
Other Financing Sources/(Uses):					
Operating Transfers In:					
Transfer from Capital Projects				25,883	(25,883)
Total Other Financing Sources/(Uses):				<u>25,883</u>	<u>(25,883)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(3,296,453)</u>	<u>(383,822)</u>	<u>(3,680,275)</u>	<u>1,447,462</u>	<u>5,127,737</u>
Fund Balance, July 1	9,071,547		9,071,547	9,071,547	
Fund Balance, June 30	<u>5,775,094</u>	<u>(383,822)</u>	<u>5,391,272</u>	<u>10,519,009</u>	<u>5,127,737</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(719,216)		(719,216)	(719,216)	
Increase in Capital Reserve:					
Principal				550,000	550,000
Interest Deposit to Capital Reserve	600	(600)			
Budgeted Fund Balance	<u>(2,577,837)</u>	<u>(383,222)</u>	<u>(2,961,059)</u>	<u>1,616,678</u>	<u>4,577,737</u>
	<u>(3,296,453)</u>	<u>(383,822)</u>	<u>(3,680,275)</u>	<u>1,447,462</u>	<u>5,127,737</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Current Year				2,795,567	
Excess Surplus - Designated for Subsequent Year's Expenditures				2,795,244	
Capital Reserve				1,246,529	
Unemployment Compensation				172,581	
Assigned Fund Balance:					
Year-end Encumbrances				734,451	
Designated for Subsequent Year's Expenditures				1,000,000	
Unassigned Fund Balance				<u>1,774,637</u>	
Total Fund Balance per Governmental Funds (Budgetary)				<u>10,519,009</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				122,261	
Total Fund Balance per Governmental Funds (GAAP)				<u>10,396,748</u>	

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
REVENUES:						
Local Sources		2,262	2,262	399,361	(397,099)	note 1
State Sources		27,666	27,666	27,666	-	
Federal Sources	1,763,309	373,972	2,137,281	1,640,699	496,582	
Total Revenues	1,763,309	403,900	2,167,209	2,067,726	99,483	
EXPENDITURES:						
Instruction:						
Salaries of Teachers	429,991	105,936	535,927	487,425	48,502	
Purchased Professional - Educational Services	33,000	-	33,000	32,850	150	
Other Purchased Services (400-500 series)		-		369,035	(369,035)	
General Supplies	194,418	80,751	275,169	72,519	202,650	
Total instruction	657,409	186,687	844,096	961,829	(117,733)	
Support services:						
Other Salaries	223,401	(37,385)	186,016	-	186,016	
Personnel Services - Employee Benefits	147,452	14,114	161,566	36,736	124,830	
Purchased Professional - Educational Services		88,167	88,167	88,167	-	
Other Purchased Professional Services	8,236	(587)	7,649	-	7,649	
Supplies & Materials	132,120	52,259	184,379	157,632	26,747	
Scholarships Awarded				32,405	(32,405)	note 1
Student Activity Disbursements				343,160	(343,160)	note 1
Total support services	511,209	116,568	627,777	658,100	(30,323)	
Facilities acquisition and const. serv.:						
Buildings	535,000	71,624	606,624	392,551	214,073	
Instructional Equipment	4,691	(4,691)		-	-	
Noninstructional Equipment	55,000	33,712	88,712	33,712	55,000	
Total facilities acquisition and const. serv.	594,691	100,645	695,336	426,263	269,073	
Total Expenditures	1,763,309	403,900	2,167,209	2,046,192	121,017	
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	21,534	(21,534)	
Fund Balance, July 1				\$ 418,616		
Fund Balance, June 30				\$ 440,150		
Recapitulation:						
Restricted:						
Student Activities				\$ 180,175		
Athletic Accounts				90,582		
Scholarship Accounts				169,393		
Total Fund Balance				\$ 440,150		

note 1 Not required to budget for student activity or scholarship funds

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
Fiscal Year Ended June 30, 2023

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	38,057,435	2,067,726
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Prior Year			401,933
Current Year			(181,474)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		927,256	
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		(122,261)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	38,862,430	2,288,185
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	36,635,856	2,046,192
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Prior Year			401,933
Current Year			(181,474)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	36,635,856	2,266,651

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Share of Net Pension Liability - PERS
*Last 10 Fiscal Years**

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - PERS Employee's	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	District's Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0264229514%	\$ 4,947,099	\$ 2,530,590	195.49%	52.08%
2016	0.0256990609%	\$ 5,768,924	\$ 1,772,170	325.53%	52.07%
2017	0.0262723720%	\$ 7,781,123	\$ 1,816,776	428.29%	59.86%
2018	0.0282369300%	\$ 6,573,106	\$ 1,880,749	349.49%	51.90%
2019	0.0271338400%	\$ 5,342,518	\$ 1,876,778	284.66%	46.40%
2020	0.0270146532%	\$ 4,867,631	\$ 1,962,641	248.01%	43.43%
2021	0.0276378373%	\$ 4,507,008	\$ 2,070,099	217.72%	41.35%
2022	0.0288310411%	\$ 3,415,469	\$ 2,110,212	161.85%	29.35%
2023	0.0289770091%	\$ 4,373,030	\$ 2,236,908	195.49%	36.78%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
*Last 10 Fiscal Years**

Fiscal Year Ending June 30,	Contractually Required Contribution		Contributions in Relations to the Contractually Required Contributions		Contribution Deficiency (Excess)	District's PERS Covered-Employee Payroll		Contributions as a Percentage of PERS Covered-Employee Payroll
	Contractually Required Contribution	Contractually Required Contribution	Contractually Required Contributions	Contributions in Relations to the Contractually Required Contributions		District's PERS Covered-Employee Payroll	District's PERS Covered-Employee Payroll	
2015	217,827	(217,827)	(217,827)	-	-	2,530,590	8.61%	
2016	220,943	(220,943)	(220,943)	-	-	1,772,170	12.47%	
2017	233,400	(233,400)	(233,400)	-	-	1,816,776	12.85%	
2018	261,585	(261,585)	(261,585)	-	-	1,880,749	13.91%	
2019	269,894	(269,894)	(269,894)	-	-	1,876,778	14.38%	
2020	262,775	(262,775)	(262,775)	-	-	1,962,641	13.39%	
2021	302,345	(302,345)	(302,345)	-	-	2,070,099	14.61%	
2022	337,645	(337,645)	(337,645)	-	-	2,110,212	16.00%	
2023	365,414	(365,414)	(365,414)	-	-	2,236,908	16.34%	

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Share of Net Pension Liability - TPAF
*Last 10 Fiscal Years**

Fiscal Year Ending June 30,	District's	District's	State's	District's Covered	District's	Plan Fiduciary
	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Share of the Net Pension Liability Associated with the District (Asset)	Payroll - TPAF Employee's	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Net Position as a Percentage of the Total Pension Liability
2015	0.0951588493%	\$ -	50,859,308	10,997,122	0.00%	33.64%
2016	0.0955475451%	\$ -	60,390,129	9,946,970	0.00%	28.71%
2017	0.0982653562%	\$ -	77,301,786	10,064,142	0.00%	22.33%
2018	0.0953624651%	\$ -	64,296,813	10,055,660	0.00%	25.41%
2019	0.0965155391%	\$ -	61,401,113	10,123,671	0.00%	26.49%
2020	0.0969851218%	\$ -	59,520,685	10,400,631	0.00%	26.95%
2021	0.0955978435%	\$ -	62,950,030	10,011,929	0.00%	24.60%
2022	0.0954269516%	\$ -	45,876,687	9,596,099	0.00%	35.52%
2023	0.0882413829%	\$ -	45,527,626	9,991,772	0.00%	32.29%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Note to Required Schedules of Supplementary Information - Part III
Fiscal Year Ended June 30, 2023

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

None

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

None

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Schedule of Required Supplementary Information
Schedule of Changes in the District's Proportionate Share of the State OPEB Liability
*Last 10 Fiscal Years**

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Costs	\$ 2,024,731	\$ 2,414,898	\$ 1,412,113	\$ 1,359,242	\$ 1,463,836	\$ 1,764,868
Interest on Total OPEB Liability	1,097,256	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 Experiences	1,457,439	(9,334,147)	7,773,815	(5,540,532)	(2,379,193)	
Changes in Assumptions	(11,107,044)	48,327	10,157,056	535,426	(4,484,777)	(5,797,814)
Gross Benefit Payments	(1,086,865)	(1,000,949)	(968,031)	(1,102,341)	(1,045,020)	(843,153)
Contribution from the Member	34,867	32,485	29,341	32,676	36,118	31,047
Net Changes in total Share of OPEB Liability	<u>(7,579,616)</u>	<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>48,983,800</u>	<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>\$ 41,404,184</u>	<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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	41,404,184	48,983,800	55,604,631	35,910,337	39,081,318	43,884,774
Total OPEB Liability as a Percentage of its Covered Payroll	<u>\$ 41,404,184</u>	<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 Employee Payroll	\$ 12,228,680	\$ 11,706,311	\$ 12,082,028	\$ 12,363,272	\$ 12,000,449	\$ 11,936,409
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%

Notes to Schedule:

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

Change in benefit terms

Decrease in liability due to employers adopting provisions of Chapter 44.

Change in assumptions

Assumptions used in calculating the OPEB liability are presented in Note 9.

* GASB requires that ten years of information be presented. However, since fiscal year 2019 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Other Supplementary Information

SPECIAL REVENUE FUND

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

Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1a)	SDA Emergent Needs and Capital Maintenance	IDEA Part - B	ESEA Title I	ESEA Title II, Part A Training & Recruiting	Totals 2023
REVENUES						
Local Sources	399,361					399,361
State Sources	-	27,666				27,666
Federal Sources	1,155,889		254,493	202,432	27,885	1,640,699
Total Revenues	1,555,250	27,666	254,493	202,432	27,885	2,067,726
EXPENDITURES:						
Instruction:						
Salaries of Teachers	57,200		254,493	153,507	22,225	487,425
Purchased Professional - Educational Services	32,850					32,850
Other Purchased Services (400-500 series)	369,035					369,035
General Supplies	52,528			16,496	3,495	72,519
Total instruction	511,613	-	254,493	170,003	25,720	961,829
Support services:						
Personnel Services - Employee Benefits	2,142			32,429	2,165	36,736
Purchased Professional - Educational Services	88,167					88,167
Supplies & Materials	157,632					157,632
Scholarships Awarded	32,405					32,405
Student Activity Disbursements	343,160					343,160
Total support services	623,506	-	-	32,429	2,165	658,100
Facilities acquisition and const. serv.:						
Buildings	364,885	27,666				392,551
Noninstructional Equipment	33,712					33,712
Total facilities acquisition and const. serv.	398,597	27,666	-	-	-	426,263
Total Expenditures	1,533,716	27,666	254,493	202,432	27,885	2,046,192
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	21,534					21,534
Fund Balance, July 1	418,616					418,616
Fund Balance, June 30	440,150					440,150

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1b)	ESEA Title IV	CRRSA - ESSER II	ARP - ESSER III	ARP - Accelerated Learning Coach and Educator Support	Total Carried Forward
REVENUES						
Local Sources	399,361					399,361
State Sources	-					-
Federal Sources	504,198	2,660	130,473	470,258	48,300	1,155,889
Total Revenues	903,559	2,660	130,473	470,258	48,300	1,555,250
EXPENDITURES:						
Instruction:						
Salaries of Teachers	8,900				48,300	57,200
Purchased Professional - Educational Services	32,850					32,850
Other Purchased Services (400-500 series)	369,035					369,035
General Supplies	3,104	2,660	46,764			52,528
Total instruction	413,889	2,660	46,764	-	48,300	511,613
Support services:						
Personnel Services - Employee Benefits	2,142					2,142
Purchased Professional - Educational Services	88,167					88,167
Supplies & Materials	2,262		49,997	105,373		157,632
Scholarships Awarded	32,405					32,405
Student Activity Disbursements	343,160					343,160
Total support services	468,136	-	49,997	105,373	-	623,506
Facilities acquisition and const. serv.:						
Buildings	-			364,885		364,885
Noninstructional Equipment	-		33,712			33,712
Total facilities acquisition and const. serv.	-	-	33,712	364,885	-	398,597
Total Expenditures	882,025	2,660	130,473	470,258	48,300	1,533,716
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	21,534					21,534
Fund Balance, July 1	418,616					418,616
Fund Balance, June 30	440,150					440,150

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

Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1c)	ARP - Evidence Based Summer Learning and Enrichment	ARP - Evidence Based Comprehensive Beyond the School Day	ARP - NJTSS Mental Health Support Staffing	Additional or Compensatory Special Education and Related Services	Total Carried Forward
REVENUES						
Local Sources	399,361					399,361
State Sources	-	11,042	35,954	88,167	369,035	504,198
Federal Sources	-					
Total Revenues	399,361	11,042	35,954	88,167	369,035	903,559
EXPENDITURES:						
Instruction:						
Salaries of Teachers	-	8,900				8,900
Purchased Professional - Educational Services	-		32,850			32,850
Other Purchased Services (400-500 series)	-				369,035	369,035
General Supplies	-		3,104			3,104
Total instruction	-	8,900	35,954	-	369,035	413,889
Support services:						
Personnel Services - Employee Benefits	-	2,142				2,142
Purchased Professional - Educational Services	-			88,167		88,167
Supplies & Materials	2,262					2,262
Scholarships Awarded	32,405					32,405
Student Activity Disbursements	343,160					343,160
Total support services	377,827	2,142	-	88,167	-	468,136
Facilities acquisition and const. serv.:						
Buildings	-					-
Noninstructional Equipment	-					-
Total facilities acquisition and const. serv.	-	-	-	-	-	-
Total Expenditures	377,827	11,042	35,954	88,167	369,035	882,025
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	21,534	-	-	-	-	21,534
Fund Balance, July 1	418,616					418,616
Fund Balance, June 30	440,150					440,150

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

Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2023

	Student Activities	Athletics	Scholarships	Golf Donation	Total Carried Forward
REVENUES					
Local Sources	195,030	181,699	20,370	2,262	399,361
State Sources	-	-	-	-	-
Federal Sources	-	-	-	-	-
Total Revenues	195,030	181,699	20,370	2,262	399,361
EXPENDITURES:					
Instruction:					
Salaries of Teachers	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Total instruction	-	-	-	-	-
Support services:					
Personnel Services - Employee Benefits	-	-	-	-	-
Purchased Education Services - Head Start	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-
Supplies & Materials	-	-	-	2,262	2,262
Scholarships Awarded	-	-	32,405	-	32,405
Student Activity Disbursements	170,848	172,312	-	-	343,160
Total support services	170,848	172,312	32,405	2,262	377,827
Facilities acquisition and const. serv.:					
Buildings	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-
Total Expenditures	170,848	172,312	32,405	2,262	377,827
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	24,182	9,387	(12,035)	-	21,534
Fund Balance, July 1	155,993	81,195	181,428	-	418,616
Fund Balance, June 30	180,175	90,582	169,393	-	440,150

CAPITAL PROJECTS FUND

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
Fiscal Year Ended June 30, 2023

Revenues and Other Financing Sources

State Sources - SCC Grant	-
Bond proceeds and transfers	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
Interest on Investments	25,883
	25,883

Expenditures and Other Financing Uses

Purchased professional and technical services	1,638,477
Land and improvements	-
Construction services	44,644
Equipment purchases	-
	-

Total expenditures	1,683,121
--------------------	-----------

Excess (deficiency) of revenues over (under) expenditures	(1,657,238)
---	-------------

Other Finance Sources (Uses)

Transfers out:	
General Fund	(25,883)
	(25,883)

Total other financing sources (uses)	(25,883)
--------------------------------------	----------

Net change in fund balance	(1,683,121)
----------------------------	-------------

Fund balance - beginning	1,957,030
--------------------------	-----------

Fund balance - ending	273,909
-----------------------	---------

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
Fiscal Year Ended June 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	
Capital Lease Proceeds	2,083,000		2,083,000	2,083,000
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
	<u>2,083,000</u>	<u>-</u>	<u>2,083,000</u>	<u>2,083,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	247,716	1,638,477	1,886,193	2,083,000
Land and improvements			-	
Construction services			-	
Equipment purchases			-	
	<u>247,716</u>	<u>1,638,477</u>	<u>1,886,193</u>	<u>2,083,000</u>
Other Finance Sources (Uses)				
Transfers out			-	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,835,284</u>	<u>(1,638,477)</u>	<u>196,807</u>	<u>-</u>
Additional project information:				
Project number		N/A		
Grant Date		N/A		
Bond authorization date		N/A		
Bonds authorized		N/A		
Bonds issued		N/A		
Original authorization cost	2,083,000			
Additional authorized cost				
Revised authorized cost	2,083,000			
Percentage increase over original authorized cost		-		
Percentage completion		91%		
Original target completion date				
Revised target completion date				

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
Fiscal Year Ended June 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	
Capital Lease Proceeds	1,200,000		1,200,000	1,200,000
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
	<u>1,200,000</u>	<u>-</u>	<u>1,200,000</u>	<u>1,200,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	2,000		2,000	2,000
Land and improvements			-	
Construction services	621,817	44,644	666,461	743,563
Equipment purchases	454,437		454,437	454,437
	<u>1,078,254</u>	<u>44,644</u>	<u>1,122,898</u>	<u>1,200,000</u>
Other Finance Sources (Uses)				
Transfers in				
Transfers out			-	
			<u>-</u>	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>121,746</u>	<u>(44,644)</u>	<u>77,102</u>	<u>-</u>
Additional project information:				
Project number		N/A		
Grant Date		N/A		
Bond authorization date		N/A		
Bonds authorized		N/A		
Bonds issued		N/A		
Original authorization cost	1,200,000			
Additional authorized cost				
Revised authorized cost	1,200,000			
Percentage increase over original authorized cost		-		
Percentage completion		94%		
Original target completion date				
Revised target completion date				

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 Capital Projects Fund
 Summary Statement of Project Expenditures
 Fiscal Year Ended June 30, 2023

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2023
			Prior Years	Current Year	
ESIP Project	FY2022	2,083,000	247,716	1,638,477	196,807
Turf Field Project	FY2022	1,200,000	1,078,254	44,644	77,102
		<u>3,283,000</u>	<u>1,325,970</u>	<u>1,683,121</u>	<u>273,909</u>

PROPRIETARY FUNDS

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
June 30, 2023

	Food Service Program	Totals
	<u> </u>	<u> </u>
ASSETS		
Current assets:		
Cash and cash equivalents	185,143	185,143
Accounts receivable:		
State	552	552
Federal	19,416	19,416
Inventories	9,263	9,263
Total current assets	<u>214,374</u>	<u>214,374</u>
Noncurrent assets:		
Capital assets:		
Equipment	266,316	266,316
Less accumulated depreciation	<u>(221,521)</u>	<u>(221,521)</u>
Total capital assets (net of accumulated depreciation)	<u>44,795</u>	<u>44,795</u>
Total assets	<u>259,169</u>	<u>259,169</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	39,460	39,460
Unearned revenues	42,524	42,524
Interfund payable	37,048	37,048
Total Liabilities	<u>119,032</u>	<u>119,032</u>
NET POSITION		
Net Investment in Capital Assets	44,795	44,795
Unrestricted	95,342	95,342
Total net position	<u>140,137</u>	<u>140,137</u>

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2023

	Food Service Program	Totals
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	318,866	318,866
Daily sales - non-reimbursable programs	33,558	33,558
Total operating revenues	352,424	352,424
 Operating expenses:		
Cost of sales - reimbursable programs	151,003	151,003
Cost of sales - non-reimbursable programs	114,554	114,554
Salaries	193,098	193,098
Supplies and materials	18,629	18,629
Employee benefits	69,565	69,565
Depreciation	10,600	10,600
Repairs and other expenses	18,574	18,574
Purchased services	39,945	39,945
Total Operating Expenses	615,968	615,968
Operating income (loss)	(263,544)	(263,544)
 Nonoperating revenues (expenses):		
State sources:		
School lunch program	6,705	6,705
School breakfast program	423	423
Federal sources:		
School lunch program	163,472	163,472
School breakfast program	28,131	28,131
Supply chain assistance funding	26,089	26,089
Local food for schools cooperative agreement program	455	455
U.S.D.A. commodities	31,593	31,593
Interest Income	3,029	3,029
Total nonoperating revenues (expenses)	259,897	259,897
Income (loss) before contributions & transfers	(3,647)	(3,647)
 Total net position—beginning (Restated)	143,784	143,784
Total net position—ending	140,137	140,137

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2023

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	355,836	355,836
Payments to suppliers	(597,884)	(597,884)
Net cash provided by (used for) operating activities	(242,048)	(242,048)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	7,665	7,665
Federal Sources	281,107	281,107
Interfunds	110,713	110,713
Net cash provided by (used for) non-capital financing activities	399,485	399,485
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	3,029	3,029
Net cash provided by (used for) investing activities	3,029	3,029
Net increase (decrease) in cash and cash equivalents	160,466	160,466
Balances—beginning of year	24,677	24,677
Balances—end of year	185,143	185,143
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(263,544)	(263,544)
Adjustments to reconcile operating income (loss) to net cash provided by		
Depreciation and net amortization	10,600	10,600
Food distribution program	31,593	31,593
Increase decrease in unearned revenue	2,364	2,364
(Increase) decrease in accounts receivable	1,008	1,008
(Increase) decrease in inventories	2,628	2,628
Increase (decrease) in accounts payable	(26,697)	(26,697)
Total adjustments	21,496	21,496
Net cash provided by (used for) operating activities	(242,048)	(242,048)

LONG-TERM DEBT

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Serial Bonds
Fiscal Year Ended June 30, 2023

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
2021 Refunding Bond	44,417	1,952,000	7/15/2023 7/15/2024	655,000 621,000	0.65% 0.65%	676,000	1,276,000
						<u>676,000</u>	<u>1,276,000</u>
						<u>\$ 1,952,000</u>	<u>1,276,000</u>

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Capital Leases Payable
Fiscal Year Ended June 30, 2023

<u>Issue</u>	<u>Date of Lease</u>	<u>Amount of Lease</u>	<u>Principal Payment Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2022</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
ESIP Lease	6/9/2022	2,083,000	4/1/2024	216,000	2.1567%	2,083,000	5,000	2,078,000
			4/1/2025	213,000	2.1567%			
			4/1/2026	220,000	2.1567%			
			4/1/2027	86,000	2.1567%			
			4/1/2028	91,000	2.1567%			
			4/1/2029	79,000	2.1567%			
			4/1/2030	83,000	2.1567%			
			4/1/2031	87,000	2.1567%			
			4/1/2032	91,000	2.1567%			
			4/1/2033	96,000	2.1567%			
			4/1/2034	101,000	2.1567%			
			4/1/2035	106,000	2.1567%			
			4/1/2036	111,000	2.1567%			
		4/1/2037	116,000	2.1567%				
		4/1/2038	122,000	2.1567%				
		4/1/2039	127,000	2.1567%				
		4/1/2040	133,000	2.1567%				
Turf Lease Purchase	12/7/2021	1,200,000	8/15/2023	236,650	1.07%	1,200,000	238,097	961,903
			8/15/2024	239,183	1.07%			
			8/15/2025	241,742	1.07%			
			8/15/2023	244,328	1.07%			
						\$ 3,283,000	\$ 243,097	3,039,903

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

Budgetary Comparison Schedule

Debt Service Fund

Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	464,181		464,181	464,181	
Total Local Sources	464,181	-	464,181	464,181	-
State Sources:					
Debt Service Aid Type II	222,309		222,309	222,309	-
Total - State Sources	222,309	-	222,309	222,309	-
Total Revenues	686,490	-	686,490	686,490	-
EXPENDITURES:					
Regular Debt Service:					
Interest	10,491		10,491	10,491	-
Redemption of Principal	676,000		676,000	676,000	-
Total Regular Debt Service	686,491	-	686,491	686,491	-
Total expenditures	686,491	-	686,491	686,491	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1)	-	(1)	(1)	-
Fund Balance, July 1	643	-	643	643	-
Fund Balance, June 30	642	-	642	642	-
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	(1)		(1)	(1)	
Total	(1)	-	(1)	(1)	-

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- J-8 Principal Property Taxpayers
- J-9 Property Tax Levies and Collections

Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

Demographic and Economic Information

- J-14 Demographic and Economic Statistics
- J-15 Principal Employers

Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes 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 sources, 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 to 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 (ACFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.	

Passaic Valley Regional High School District No. 1 Board of Education
Net Assets/Position* by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Restated 2014	2015	2016	2017	2018	2019	Restated 2020	2021	Restated 2022	2023
Governmental activities										
Net investment in capital assets	\$ 999,257	\$ 1,348,375	\$ 1,690,914	\$ 2,136,503	\$ 3,090,355	\$ 3,911,693	\$ 4,498,966	\$ 5,113,920	\$ 3,024,862	\$ 5,738,543
Restricted	1	1	1	1,000,000	91,206	66,206	590,478	683,204	1,409,065	9,459,073
Unrestricted	(2,643,765)	(2,470,470)	(2,409,741)	(2,335,583)	(1,675,679)	(1,812,400)	(1,166,259)	(135,922)	3,755,741	(3,359,668)
Total governmental activities net assets/position	\$ (1,644,507)	\$ (1,122,094)	\$ (718,826)	\$ 800,920	\$ 1,505,882	\$ 2,165,499	\$ 3,923,185	\$ 5,661,202	\$ 8,189,668	\$ 11,837,948
Business-type activities										
Net investment in capital assets	\$ 81,563	\$ 68,287	\$ 72,526	\$ 86,829	\$ 76,543	\$ 66,255	\$ 59,438	\$ 49,555	\$ 55,395	\$ 44,795
Restricted										
Unrestricted	130,177	101,961	55,948	59,546	36,112	44,251	13,766	3,964	88,389	95,342
Total business-type activities net assets/position	\$ 211,740	\$ 170,248	\$ 128,474	\$ 146,375	\$ 112,655	\$ 110,506	\$ 73,204	\$ 53,519	\$ 143,784	\$ 140,137
District-wide										
Net investment in capital assets	\$ 1,080,820	\$ 1,416,662	\$ 1,763,440	\$ 2,223,332	\$ 3,166,898	\$ 3,977,948	\$ 4,558,404	\$ 5,163,475	\$ 3,080,257	\$ 5,783,338
Restricted	1	1	1	1,000,000	91,206	66,206	590,478	683,204	1,409,065	9,459,073
Unrestricted	(2,513,588)	(2,368,509)	(2,353,793)	(2,276,037)	(1,639,567)	(1,768,149)	(1,152,493)	(131,958)	3,844,130	(3,264,326)
Total district net assets/position	\$ (1,432,767)	\$ (951,846)	\$ (590,352)	\$ 947,295	\$ 1,618,537	\$ 2,276,005	\$ 3,996,389	\$ 5,714,721	\$ 8,333,452	\$ 11,978,085

Source: ACFR Exhibit A-1

* - GASB Statement No. 63 became effective for the fiscal year ended June 30, 2014 which changed Net Assets to Net Position.

Passaic Valley Regional High School District No. 1 Board of Education
 Changes in Net Assets/Position*, Last Ten Fiscal Years
 (accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 8,540,875
Special education	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	4,173,228
Other special education	35,242	47,772	48,408	24,225	2,841					
Other instruction	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	1,136,574
Support Services:										
Tuition										
Student & instruction related services	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	5,156,513
General administrative services	631,712	544,974	581,694	691,713	693,538	713,751	728,430	784,035	660,878	2,760,103
School administrative services	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	483,127
Central Administration	840,623	856,608	687,827	578,274	549,621	529,285	496,083	590,376	501,646	1,037,093
Plant operations and maintenance	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	468,170
Pupil transportation	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	3,940,190
Unallocated Benefits										2,460,484
Charter Schools										4,845,797
Interest on long-term debt	247,416	226,874	204,623	182,876	162,176	137,645	118,146	97,866	46,757	288,736
Unallocated depreciation										28,687
Amortization & Capital Lease Obligations										450,128
Capital Outlay - nondepreciable										7,000
Total governmental activities expenses	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	36,158,454
Business-type activities:										
Food service	869,269	894,750	907,928	748,414	688,443	644,858	546,923	162,004	676,424	615,968
Total business-type activities expense	869,269	894,750	907,928	748,414	688,443	644,858	546,923	162,004	676,424	615,968
Total district expenses	\$ 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	\$ 36,774,422
Program Revenues										
Governmental activities:										
Charges for services:										
Student & instruction related services	\$ 163,216	\$ 122,296	\$ 125,330	\$ 357,987	\$ 445,106	\$ 983,026	\$ 1,136,782	\$ 1,255,595	\$ 1,258,028	\$ 376,729
Operating grants and contributions	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	1,175,278
Capital grants and contributions									1,074,906	
Total governmental activities program revenues	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	1,552,007

Passaic Valley Regional High School District No. 1 Board of Education
Changes in Net Assets/Position*, Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities:										
Charges for services:										
Food service	656,826	649,422	609,787	505,570	452,146	448,527	349,503	6,762	89,241	352,424
Operating grants and contributions	189,864	203,836	244,443	236,155	202,577	193,987	158,939	135,468	661,950	256,868
Total business type activities program revenues	846,690	853,258	854,230	741,725	654,723	642,514	508,442	142,230	751,191	609,292
Total district program revenues	\$ 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	\$ 2,161,299
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (34,606,447)
Business-type activities	(22,579,000)	(41,492)	(53,698)	(6,689)	(33,720)	(2,344)	(38,481)	(19,774)	74,767	(6,676)
Total district-wide net expense	\$ (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)	\$ (34,613,123)
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 27,878,874
Taxes levied for debt service	675,102	646,185	670,550	607,471	573,647	509,017	496,385	483,236	485,795	464,181
Federal and State Aid not restricted	301,595	237,329	257,105	277,655	350,175	350,456	354,625	354,083	869,498	7,485,275
Federal and State Aid - Capital outlay										736,178
Tuition from Other LEAs Within the State										1,096,788
Investment earnings	103,695	72,008	93,999	811,707	88,789	283,196	148,961	328,641	292,195	226,681
Miscellaneous income										362,145
Other Restricted Miscellaneous revenue										4,605
Total governmental activities	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	38,254,727
Business-type activities:										
Investment earnings	-	-	-	-	-	195	1,179	89	119	3,029
Total business-type activities	-	-	-	-	-	195	1,179	89	119	3,029
Total district-wide	\$ 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	\$ 38,257,756
Change in Net Assets/Position										
Governmental activities	\$ 1,079,175	\$ 522,413	\$ 508,380	\$ 1,541,576	\$ 704,962	\$ 659,617	\$ 1,250,146	\$ 1,738,017	\$ 3,292,643	\$ 3,648,280
Business-type activities	(22,579)	(41,492)	(53,698)	(6,689)	(33,720)	(2,149)	(37,302)	(19,685)	74,886	(3,647)
Total district	\$ 1,056,596	\$ 480,921	\$ 454,682	\$ 1,534,887	\$ 671,242	\$ 657,468	\$ 1,212,844	\$ 1,718,332	\$ 3,367,529	\$ 3,644,633

Source: ACFR Exhibit A-2

* - GASB Statement No. 63 became effective for the fiscal year ended June 30, 2014 which changed Net Assets to Net Position.

Passaic Valley Regional High School District No. 1 Board of Education
 Fund Balances, Governmental Funds,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Restated 2014	2015	2016	2017	2018	2019	Restated 2020	2021	2022	2023
General Fund										
Restricted	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	6,459,921
Assigned	197,946	537,020	224,357	161,530	444,283	449,043	614,220	581,905	1,106,645	1,734,451
Unassigned	414,084	425,344	449,095	382,309	417,558	409,971	265,930	769,148	1,187,489	1,652,376
Total general fund	\$ 2,868,488	\$ 3,031,209	\$ 3,172,001	\$ 4,755,400	\$ 4,700,650	\$ 4,509,751	\$ 5,190,423	\$ 6,209,364	\$ 8,144,291	\$ 9,846,748
All Other Governmental Funds										
Reserved	\$ 55,326	\$ 13,621	\$ 13,621	\$ (48,291)		\$ 40,000	\$ 471,694	\$ 415,779	\$ 543,917	\$ 440,150
Unreserved, reported in:										
Special revenue fund	(8,800)	(9,053)								
Assigned, reported in:										
Capital projects fund									1,831,729	273,909
Debt service fund									643	642
Total all other governmental funds	\$ 46,526	\$ 4,568	\$ 13,370	\$ (48,291)	\$ -	\$ 40,000	\$ 471,694	\$ 415,779	\$ 2,376,289	\$ 714,701

Source: ACFR Exhibit B-1

Passaic Valley Regional High School District No. 1 Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 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	\$ 28,343,055
Tuition from other LEA's within the state	163,216	122,296	125,330	1,057,712	445,106	983,026	1,136,782	1,255,595	1,258,028	1,096,788
Other restricted miscellaneous revenue										4,605
Miscellaneous	103,696	72,008	93,999	115,947	98,577	285,196	153,961	606,252	700,330	226,681
Scholarship donations										364,407
Student group receipts										20,370
State sources	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	376,729
Federal sources	438,984	488,137	480,306	497,443	555,811	519,078	630,808	779,025	1,288,074	9,142,040
Total revenue	27,626,942	28,265,249	29,170,180	31,027,260	31,638,441	33,378,805	34,413,278	36,337,682	39,386,238	41,862,988
Expenditures										
Instruction										
Regular instruction	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	7,844,788
Special education instruction	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	4,066,123
Other special instruction	31,970	39,644	45,601	21,384						
Other instruction	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	1,067,708
Support Services:										
Tuition										
Health Services										
Student & instruction related services	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	5,156,513
General administrative services	631,712	500,837	529,979	600,912	597,306	664,631	692,465	722,128	693,431	152,281
School Administrative services	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	2,449,975
Central administrative services	727,565	856,608	669,189	531,286	490,190	508,613	496,208	559,482	532,623	438,516
Plant operations and maintenance	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	949,195
Pupil transportation	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	433,149
Unallocated employee benefits										3,753,136
TPAF Pension / Social Security										2,457,891
Operating Lease Payments	222,884									3,578,178
Charter Schools										5,057,881
Capital outlay	282,003	118,033	78,355	135,186	607,998	486,752	249,503	105,478	1,608,280	288,736
Debt service:										
Principal	620,751	600,000	650,000	630,000	630,000	625,000	625,000	625,000	650,000	676,000
Interest and other charges	254,355	233,392	211,877	190,264	169,564	146,239	127,098	107,176	85,409	10,491
Total expenditures	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	41,272,119
Excess (Deficiency) of revenues over (under) expenditures	505,856	120,763	149,594	1,521,738	(6,459)	(150,899)	604,826	963,026	(462,469)	590,869
Other Financing sources (uses)										
Capital leases (non-budgeted)										
ESIP										
Proceeds of refunding debt									2,083,000	
Payments to Refunded Bond Escrow Agent									1,200,000	
Insurance Proceeds									1,952,000	
Transfers in	81	27	1	286	66,083	40,114	845	112	40,104	25,883
Transfers out	(81)	(27)	(1)	(286)	(66,083)	(40,114)	(845)	(112)	(40,104)	(25,883)
Total other financing sources (uses)									4,357,906	
Net change in fund balances	\$ 505,856	\$ 120,763	\$ 149,594	\$ 1,521,738	\$ (6,459)	\$ (150,899)	\$ 604,826	\$ 963,026	\$ 3,895,437	\$ 590,869
Debt service as a percentage of noncapital expenditures	3.3%	3.0%	3.0%	2.8%	2.6%	2.3%	2.2%	2.1%	1.9%	1.8%

Source: ACFR Exhibit B-2

Exhibit J-5

**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,	Interest on Investments	Reimb./ Refunds	Tuition Refunds	Tuition/ Transportation			Land Sale Proceeds	Misc.	Total
				Fees	Land Sale Proceeds	Misc.			
2014	1,680		49,623	163,216			45,762	260,281	
2015	1,525	16,503		122,296			53,953	194,277	
2016	1,163	33,361		125,330			59,474	219,328	
2017	2,926			357,987	699,725		109,020	1,169,658	
2018	9,810			445,106			789,000	1,243,916	
2019	13,461			983,026			269,621	1,266,108	
2020	117,170			1,136,782			30,946	1,284,898	
2021	14,917	15,796	26,192	1,255,595			271,625	1,584,125	
2022	17,230			1,258,028			274,861	1,550,119	
2023	226,681	3,918		1,096,788			336,949	1,664,336	

Source: District Records

**Passaic Valley Regional High School District No. 1 Board of Education
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years**

Township of Little Falls	Year Ended Dec. 31,	Total Assessed Value					Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
		Vacant Land	Residential	Commercial	Industrial	Apartment						
	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	100.00%
	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	100.00%
	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	91.92%
	2017	\$ 31,827,900	\$ 1,053,630,100	\$ 238,172,400	\$ 45,283,800	\$ 115,646,700	\$ 1,484,562,900	\$ -	\$ 4,415,500	\$ 1,488,978,400	\$ 1,627,535,576	91.49%
	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	92.10%
	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	91.16%
	2020	\$ 26,087,900	\$ 1,092,644,600	\$ 233,815,500	\$ 45,393,300	\$ 105,985,600	\$ 1,503,928,900	\$ -	\$ 4,522,700	\$ 1,508,451,600	\$ 1,671,623,578	90.24%
	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	86.13%
	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	88.69%
	2023	\$ 41,365,600	\$ 1,117,262,000	\$ 232,968,300	\$ 40,510,500	\$ 110,839,200	\$ 1,542,945,600	\$ -	\$ 4,609,700	\$ 1,547,555,300	\$ 1,967,903,162	78.64%

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b 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 Fiscal Years

Year Ended Dec. 31,	Borough of Totowa										Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a			
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	116.63%
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	107.03%
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	103.60%
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	106.83%
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	107.41%
2019	\$ 39,230,900	\$ 1,367,903,100	\$ 900,400	\$ 2,800	\$ 563,532,600	\$ 339,352,600	\$ 2,398,500	\$ 2,313,320,900	\$ -	\$ -	\$ 2,313,320,900	\$ 2,174,893,916	106.36%
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	107.41%
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	107.41%
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	107.41%
2023	\$ 45,335,600	\$ 1,378,184,500	\$ 900,400	\$ 4,300	\$ 658,580,400	\$ 382,704,600	\$ 22,399,500	\$ 2,488,109,300	\$ -	\$ -	\$ 2,488,109,300	\$ 2,316,459,641	107.41%

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b 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 Fiscal Years

Year Ended Dec. 31,	Borough of Woodland Park										Less: Tax-Exempt Property	Total Assessed Value	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
	Vacant Land	Residential	Qfarm	Commercial	Industrial	Apartment	Public Utilities ^a									
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	0.436	\$ 1,713,484,050	98.71%			
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	0.496	\$ 1,724,271,639	95.34%			
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	0.504	\$ 1,732,691,322	95.34%			
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	0.510	\$ 1,802,509,345	92.87%			
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	0.532	\$ 1,839,011,266	91.64%			
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	0.508	\$ 1,808,328,203	93.50%			
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	0.514	\$ 1,877,635,274	89.63%			
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	0.548	\$ 2,029,682,248	82.82%			
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	0.517	\$ 2,049,497,773	82.51%			
2023	\$ 14,053,200	\$ 1,265,877,200	\$ 2,100	\$ 278,407,000	\$ 75,448,300	\$ 70,018,200	\$ 1,703,806,000	\$ -	\$ 744	\$ 1,703,806,744	0.483	\$ 2,209,279,362	77.12%			

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

Exhibit J-7a

Passaic Valley Regional High School District No. 1 Board of Education
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
(rate per \$100 of assessed value)

Township of Little Falls	Board of Education		Overlapping Rates			Total Direct and Overlapping Tax Rate
	Passaic Valley Regional H.S. District No. 1	Total Direct	Little Falls School District	Township of Little Falls	Passaic County	
Fiscal Year Ended Dec. 31,						
2014	0.520	0.520	0.897	0.801	0.776	2.994
2015	0.487	0.487	0.922	0.822	0.844	3.075
2016	0.494	0.494	0.955	0.837	0.835	3.121
2017	0.510	0.510	0.974	0.869	0.810	3.163
2018	0.490	0.490	0.985	0.887	0.798	3.160
2019	0.502	0.502	0.997	0.911	0.771	3.181
2020	0.507	0.507	1.017	0.909	0.750	3.183
2021	0.517	0.517	1.027	0.936	0.750	3.230
2022	0.582	0.582	1.017	0.910	0.721	3.230
2023	0.534	0.534	1.061	0.978	0.709	3.282

Source: District Records and Municipal Tax Collector

Note: N.J.S.A. 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, which ever is greater, plus any pending growth adjustments.

**Passaic Valley Regional High School District No. 1 Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)**

Borough of Totowa	Board of Education		Overlapping Rates			Total Direct and Overlapping Tax Rate
	Passaic Valley Regional H.S. District No. 1	Total Direct	Totowa School District	Borough of Totowa	Passaic County	
Fiscal Year Ended Dec. 31,						
2014	0.397	0.397	0.610	0.524	0.591	2.122
2015	0.404	0.404	0.638	0.534	0.708	2.284
2016	0.418	0.418	0.665	0.543	0.723	2.349
2017	0.426	0.426	0.691	0.554	0.688	2.359
2018	0.438	0.438	0.710	0.553	0.682	2.383
2019	0.458	0.458	0.715	0.563	0.652	2.388
2020	0.457	0.457	0.703	0.584	0.678	2.422
2021	0.439	0.439	0.707	0.594	0.639	2.379
2022	0.430	0.430	0.682	0.593	0.733	2.438
2023	0.497	0.497	0.691	0.622	0.783	2.593

Source: District Records and Municipal Tax Collector

Note: N.J.S.A. 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, which ever is greater, plus any pending growth adjustments.

Passaic Valley Regional High School District No. 1 Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Borough of Woodland Park

Fiscal Year Ended Dec. 31,	Board of Education		Overlapping Rates			Total Direct and Overlapping Tax Rate
	Passaic Valley Regional H.S. District No. 1	Total Direct	Woodland Park School District	Borough of Woodland Park	Passaic County	
	2014	0.436	0.436	0.882	0.706	
2015	0.496	0.496	0.929	0.765	0.773	2.963
2016	0.504	0.504	0.951	0.775	0.800	3.030
2017	0.510	0.510	0.971	0.804	0.794	3.079
2018	0.532	0.532	0.998	0.822	0.809	3.161
2019	0.508	0.508	1.014	0.842	0.751	3.115
2020	0.514	0.514	1.050	0.865	0.757	3.186
2021	0.548	0.548	1.067	0.886	0.745	3.246
2022	0.517	0.517	1.082	0.927	0.762	3.288
2023	0.483	0.483	1.094	0.985	0.721	3.283

Source: District Records and Municipal Tax Collector

Note: N.J.S.A. 18A:7F-5d limits the amount that the district can submit for a general fund tax levy .
 The levy when added to other components of the district's net budget may not exceed the
 prebudget year net budget by more than the spending growth limitation calculated as follows:
 the prebudget year net budget increased by the cost of living or 2.5 percent, which ever is greater,
 plus any pending growth adjustments.

**Passaic Valley Regional High School District No. 1 Board of Education
Principal Property Taxpayers
Current Year and Nine Years Ago**

Township of Little Falls	Taxpayer	2023			2015		
		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
	Inwood Owners Inc	\$ 61,650,000	1	3.98%	\$ 68,500,000	1	4.62%
	Theta Holding Co	\$ 38,615,000	2	2.50%	\$ 50,055,000	2	3.38%
	PAR 3 LLC	\$ 14,601,900	3	0.94%	\$ 12,432,200	4	0.84%
	Park Falls Associates	\$ 13,000,000	4	0.84%	\$ 13,285,000	3	0.90%
	Great Notch Village Associates LP	\$ 9,771,900	5	0.63%	\$ 10,027,700	5	0.68%
	Saturn Realty of Little Falls	\$ 9,656,300	6	0.62%	\$ 9,656,300	6	0.65%
	Accurate JMF Urban Renewal LLC	\$ 9,033,400	7	0.58%			
	Lemnar Little Falls Townhomes LLC	\$ 8,874,400	8	0.57%			
	SL 101 East Main St LLC	\$ 8,500,000	9	0.55%			
	Sisco	\$ 8,433,500	10	0.54%	\$ 8,965,100	7	0.60%
	Andrew Realty			0.00%	\$ 8,500,000	8	0.57%
	ST Hilltop Mnr LLC			0.00%	\$ 7,000,000	9	0.47%
	Brownstone Inc.			0.00%	\$ 6,898,800	10	0.47%
	Total	\$ 182,136,400		11.77%	\$ 195,320,100		13.17%
				Net Assessed Valuation: \$ 1,547,555,300			\$ 1,482,747,400

Source: Municipal Tax Assessor.

**Passaic Valley Regional High School District No. 1 Board of Education
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2023			2015		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Borough of Totowa						
JP Morgan Chase C/O Lereta	\$ 82,373,100	1	3.31%			
Digital Totowa LLC	\$ 64,573,900	2	2.60%			
Totowa VF, LLC	\$ 47,000,000	3	1.89%	\$ 56,501,300	1	2.45%
Fidelity Totowa Associates LLC	\$ 45,180,800	4	1.82%	\$ 46,000,000	2	1.99%
CPT NJ 700 Union LLC C/O Nai Hanson	\$ 41,377,100	5	1.66%			
Prologis USLV Operating PTR LP	\$ 23,271,900	6	0.94%			
Abill Realty Corp	\$ 22,365,000	7	0.90%	\$ 22,365,000	5	0.97%
50 Madison Road, LLC	\$ 18,928,400	8	0.76%	\$ 18,928,400	6	0.82%
The Manor at Totowa LLC	\$ 17,310,000	9	0.70%			
Tulfra Hampshire S.S. C/O Paragram	\$ 15,600,000	10	0.63%			
Totowa Property Assoc. LLC			0.00%	\$ 24,521,900	3	1.06%
930 N. Riverview Assoc. LLC			0.00%	\$ 24,424,700	4	1.06%
Norwell Land Company			0.00%	\$ 18,500,000	7	0.80%
Totowa Plaza Rt 46, LLC			0.00%	\$ 18,355,800	8	0.80%
Totowa Plaza Rt 46, LLC			0.00%	\$ 17,711,500	9	0.77%
Taft Associates			0.00%	\$ 16,920,000	10	0.73%
Total	\$ 377,980,200		15.19%	\$ 264,228,600		11.45%

Net Assessed Valuation: \$ 2,488,109,300 \$ 2,308,222,024

Source: Municipal Tax Assessor.

**Passaic Valley Regional High School District No. 1 Board of Education
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2023			2015		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Borough of Woodland Park						
Rose Manor Estates	\$ 58,294,100	1	3.42%	\$ 51,843,600	1	3.15%
Levco Rte 46 Accoc. C/O NY Urban	\$ 37,091,000	2	2.18%			
1150M Woodland Park, LLC	\$ 27,868,900	3	1.64%			
1225 Realty LLC C/O Bergman Rlty	\$ 22,417,100	4	1.32%	\$ 19,689,600	3	1.20%
The Bank of New York C/O CBRE, Inc	\$ 21,623,100	5	1.27%	\$ 21,623,100	2	1.32%
DDRM West Falls Plaza, LLC	\$ 19,847,800	6	1.16%	\$ 17,444,800	5	1.06%
Summit Lenox Plaza, LLC	\$ 10,250,000	7	0.60%	\$ 14,453,600	6	0.88%
Notchwood Commons, LLC	\$ 9,869,600	8	0.58%			
Wells Fargo Bank	\$ 8,600,000	9	0.50%	\$ 8,820,000	10	0.54%
Lackawanna Woodlan, LLC	\$ 7,000,000	10	0.41%			
G.O.P. 1, LLC				\$ 17,900,000	4	1.09%
G.O.P. 3, LLC				\$ 13,550,000	7	0.82%
G.O.P. 5, LLC				\$ 11,649,000	8	0.71%
The Leeward Corporation				\$ 11,556,600	9	0.70%
Total	\$ 222,861,600		13.08%	\$ 188,530,300		11.47%

Net Assessed Valuation: \$ 1,703,806,744 \$ 1,643,975,196

Source: Municipal Tax Assessor.

Exhibit J-9

**Passaic Valley Regional High School District No. 1 Board of Education
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	\$ -
2023	\$28,343,055	\$28,343,055	100.00%	\$ -

Source: Municipal Tax Collector

**Passaic Valley Regional High School District No. 1 Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds/Loans ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)				
				Capital Leases	Capital Leases			
2014	6,973,000					6,973,000	0.413%	\$ 155
2015	6,373,000					6,373,000	0.368%	\$ 138
2016	5,723,000					5,723,000	0.324%	\$ 123
2017	5,093,000					5,093,000	0.284%	\$ 108
2018	4,463,000					4,463,000	0.239%	\$ 91
2019	3,838,000					3,838,000	0.198%	\$ 75
2020	3,213,000					3,213,000	0.152%	\$ 58
2021	2,588,000					2,588,000	0.116%	\$ 43
2022	1,952,000		3,283,000			5,235,000	Not Available	Not Available
2023	1,276,000		3,039,903			4,315,903	Not Available	Not Available

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

**Passaic Valley Regional High School District No. 1 Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds/Loans	Deductions			
2014	\$ 6,973,000		6,973,000	0.13%	\$ 52
2015	\$ 6,373,000		6,373,000	0.12%	\$ 46
2016	\$ 5,723,000		5,723,000	0.11%	\$ 41
2017	\$ 5,093,000		5,093,000	0.09%	\$ 36
2018	\$ 4,463,000		4,463,000	0.08%	\$ 30
2019	\$ 3,838,000		3,838,000	0.07%	\$ 25
2020	\$ 3,213,000		3,213,000	0.06%	\$ 19
2021	\$ 2,588,000		2,588,000	0.05%	\$ 14
2022	\$ 1,952,000		1,952,000	0.03%	Not Available
2023	\$ 1,276,000		1,276,000	0.02%	Not Available

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

Passaic Valley Regional High School District No. 1 Board of Education
 Ratios of Overlapping Governmental Activities Debt
 As of June 30, 2023

	Estimated Percentage Applicable ^a	Debt Outstanding	Estimated Share of Overlapping Debt
<u>Governmental Unit</u>			
Direct Debt of School District as of June 30, 2023			\$ 1,276,000
Net overlapping debt of School District:			
Township of Little Falls	100.000%	\$ 32,122,633	
Borough of Totowa	100.000%	\$ 782,417	
Borough of Woodland Park	100.000%	\$ 24,769,428	
Subtotal, overlapping debt			<u>\$ 57,674,478</u>
Net overlapping debt of School District:			
County of Passaic (A)	11.578%	\$ 33,281,337	
Passaic County Utilities Authority (B)	11.578%	\$ 4,319,154	
Passaic Valley Sewer Commission (C)	0.085%	\$ 5,556,873	
Subtotal, overlapping debt			<u>\$ 43,157,364</u>
Total direct and overlapping debt			<u><u>\$ 102,107,842</u></u>

Sources: Township of Little Falls Administration
 Borough of Totowa Administration
 Borough of Woodland Park Administration
 Passaic County Treasurer's Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Little Falls, Totowa and Woodland Park. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping payment.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Passaic Valley Regional High School District No. 1 Board of Education
 Legal Debt Margin Information
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	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	125,450,333
Total net debt applicable to limit	6,973,000	6,373,000	5,723,000	5,093,000	4,463,000	3,838,000	3,213,000	2,588,000	1,952,000	1,276,000
Legal debt margin	\$ 165,461,181	\$ 161,014,678	\$ 161,419,418	\$ 160,814,941	\$ 162,026,363	\$ 162,406,103	\$ 167,116,077	\$ 171,315,561	\$ 182,720,232	\$ 124,174,333
Total net debt applicable to the limit as a percentage of debt limit	4.04%	3.81%	3.42%	3.07%	2.68%	2.31%	1.89%	1.49%	1.06%	1.02%

	2022	2021	2020
Equalized valuation basis	\$ 6,493,642,165		
	\$ 6,629,532,959		
	\$ 5,915,500,379		
[A]	\$ 12,545,033,338		
Average equalized valuation of taxable property	[A/3] \$ 4,181,677,779		
Debt limit (3% of average equalization value)	[B] 125,450,333 a		
Net bonded school debt	[C] 1,276,000		
Legal debt margin	[B-C] \$ 124,174,333		

Source: Abstract of Rates and District Records CAFR Schedule J-6

Passaic Valley Regional High School District No. 1 Board of Education
 Demographic and Economic Statistics
 Last Ten Fiscal Years

Township of Little Falls

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita		Unemployment Rate ^d
			Personal Income ^c	Unemployment Rate ^d	
2014	14,412	\$ 647,214,096	\$ 44,908	5.90%	
2015	14,383	\$ 662,265,235	\$ 46,045	5.00%	
2016	14,458	\$ 673,988,586	\$ 46,617	4.40%	
2017	14,493	\$ 683,939,163	\$ 47,191	4.10%	
2018	14,564	\$ 716,068,188	\$ 49,167	3.80%	
2019	14,475	\$ 741,163,425	\$ 51,203	3.20%	
2020	14,412	\$ 803,829,300	\$ 55,775	8.60%	
2021	13,357	\$ 795,529,563	\$ 59,559	5.60%	
2022	14,044	Not Available	Not Available	3.60%	
2023	Not Available	Not Available	Not Available	Not Available	

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income - Passaic County - provided by NJ Dept of Labor and Workforce Development
- ^c Per Capita Personal Income - Passaic County - provided by NJ Dept of Labor and Workforce Development
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**Passaic Valley Regional High School District No. 1 Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years**

Borough of Totowa

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita		Unemployment Rate ^d
			Personal Income ^c		
2014	10,848	\$ 487,161,984	\$ 44,908		6.80%
2015	10,845	\$ 499,358,025	\$ 46,045		5.90%
2016	10,830	\$ 504,862,110	\$ 46,617		5.30%
2017	10,825	\$ 510,842,575	\$ 47,191		5.20%
2018	10,803	\$ 531,151,101	\$ 49,167		5.00%
2019	10,792	\$ 552,582,776	\$ 51,203		3.80%
2020	10,797	\$ 602,202,675	\$ 55,775		12.00%
2021	10,917	\$ 650,205,603	\$ 59,559		7.70%
2022	10,822	Not Available	Not Available		4.50%
2023	Not Available	Not Available	Not Available		Not Available

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income - Passaic County - provided by NJ Dept of Labor and Workforce Development
- ^c Per Capita Personal Income - Passaic County - provided by NJ Dept of Labor and Workforce Development
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**Passaic Valley Regional High School District No. 1 Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years**

Borough of Woodland Park

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita		Unemployment Rate ^d
			Personal Income ^c	Unemployment	
2014	12,298	\$ 552,278,584	\$ 44,908		7.40%
2015	12,361	\$ 569,162,245	\$ 46,045		64.00%
2016	12,547	\$ 584,903,499	\$ 46,617		5.70%
2017	12,634	\$ 596,211,094	\$ 47,191		5.40%
2018	12,612	\$ 620,094,204	\$ 49,167		4.50%
2019	12,582	\$ 644,236,146	\$ 51,203		3.80%
2020	12,655	\$ 705,832,625	\$ 55,775		13.10%
2021	13,298	\$ 792,015,582	\$ 59,559		7.60%
2022	13,191	Not Available	Not Available		4.20%
2023	Not Available	Not Available	Not Available		Not Available

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income - Passaic County - provided by NJ Dept of Labor and Workforce Development
- ^c Per Capita Personal Income - Passaic County - provided by NJ Dept of Labor and Workforce Development
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

Passaic Valley Regional High School District No. 1 Board of Education
 Principal Employers
 Current Year and Ten Years Ago **

	2023		2014		
<u>Employer</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>

THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED TO RELEASE INFORMATION NEED TO COMPLETE THIS SCHEDULE DUE TO PRIVACY CONCERNS

Source: Township of Little Falls, Borough of Totowa, and Borough of Woodland Park

** Data was only provided for years noted

Passaic Valley Regional High School District No. 1 Board of Education
 Full-time Equivalent District Employees by Function/Program,
 Last Ten Fiscal Years

<u>Function/Program</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Regular	97	100	100	100	103	101	90	89	89	91
Special education	8	8	8	9	10	9	9	8	9	10
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	11	22	23	27	32	32	40	30	25	23
General administrative services	2	2	2	2	2	2	2	1	1	1
School administrative services	8	8	8	8	14	14	11	10	9	9
Central Services	4	4	5	5	3	3	5	5	5	5
Administrative information technology	1	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	22	22	23	23	23	24	25	22	22	22
Pupil transportation	1	1	1	1	1	1	1	1	1	1
Other Support Services	8	8	8	8	10	10	11	11	11	11
Total	162	176	179	184	199	197	195	178	173	174

Source: District Personnel Records

**Passaic Valley Regional High School District No. 1 Board of Education
Operating Statistics
Last Ten Fiscal Years**

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Senior High School	School				
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	-5.38%	94.85%	
2016	1,338	28,080,354	20,987	3.80%	108	1:13	1,256	1,194	-4.85%	95.06%	
2017	1,294	28,550,072	22,063	5.13%	108	1:13	1,252	1,181	-0.32%	94.33%	
2018	1,276	30,237,338	23,697	7.40%	113	1:12	1,281	1,210	2.32%	94.46%	
2019	1,189	32,271,713	27,142	14.54%	113	1:12	1,183	1,117	-7.65%	94.42%	
2020	1,179	32,806,851	27,826	2.52%	99	1:12	1,174	1,126	-0.76%	95.91%	
2021	1,045	34,557,002	33,069	18.84%	98	1:11	1,040	1,009	-11.41%	97.02%	
2022	1,021	37,505,018	36,734	11.08%	98	1:11	1,016	958	-2.31%	94.29%	
2023	1,033	37,714,070	36,509	-0.61%	101	1:11	1,031	972	1.48%	94.28%	

Sources: District records, ASSA and Schedules J-4

Note: Enrollment based on annual October district count for all students attending school facilities

a Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay, Schedule J-4

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Passaic Valley Regional High School District No. 1 Board of Education
 School Building Information
 Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District Buildings										
High School										
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	1,385	1,385	1,338	1,276	1,171	1,099	1,043	1,043	1,009	1,033

Number of Schools at June 30, 2023
 Senior High School = 1

Source: District records, ASSA

Note: Enrollment is based on students' enrolled within the District -- out of district students have not been included

Passaic Valley Regional High School District No. 1 Board of Education
 General Fund
 Schedule of Required Maintenance for School Facilities
 Last Ten Fiscal Years
 Unaudited

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School Facilities										
Senior High School	1,145,376	547,831	570,237	566,377	563,654	508,439	412,809	426,474	316,415	486,117
Grand Total	\$ 1,145,376	\$ 547,831	\$ 570,237	\$ 566,377	\$ 563,654	\$ 508,439	\$ 412,809	\$ 426,474	\$ 316,415	\$ 486,117

Passaic Valley Regional High School District No. 1 Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2023
Unaudited

Company	Type of Coverage	Coverage	Deductible
Package - American Alternative Insurance Company			
	Property - Blanket Building and Contents	\$ 59,640,223	\$ 5,000
	Comprehensive General Liability	1,000,000	
	Comprehensive Automobile Liability	1,000,000	
	Comprehensive General Liability Aggregate	1,000,000	
	Theft of Money and Securities	250,000	5,000
	Funds Transfer Fraud	250,000	5,000
	Employee Theft	500,000	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>	30,000,000	Unshared Limit
	Per Occurrence	30,000,000	
	Aggregate		
Fireman's Fund Ins. Co.			
	Per Occurrence	25,000,000	
	Aggregate	25,000,000	
Excess Workers Compensation			
	<i>Safety National - SP4065113</i>		
	Employers Liability	1,000,000	
	Self-Insured Retention (Fund Retention)	600,000	
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. - ELL09503354-03</i>		
	Errors & Omissions	1,000,000	5,000
	Employment Practices	1,000,000	15,000
Cyber Liability			
	<i>Coalition Insurance Solutions Inc - C4FH238644CYBER2022</i>		
	1st and 3rd Pary Limits	1,000,000	
	Privacy & Cyber Security, Privacy Regulatory Defense	1,000,000	
	Business Int. & Extra Expense, Data Breach	1,000,000	25,000
Surety Bonds			
	<i>The Harford Insurance Group</i>		
	Business Administrator/Board Secretary	250,000	N/A
Student Accident Mandatory (Base Plan)			
	<i>QBE Insurance Corp - KHH000528</i>		
	Accident Medical Expense	1,000,000	N/A
Student Accident Mandatory (CAT Plan)			
	<i>US1530621</i>	5,000,000	
	Catastrophic Cash Benefit	1,000,000	
	Disappearing Deductible		25,000
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 - PPL0954039-01</i>		
	Occurrence Limit	3,000,000	5,000
	Policy Aggregate Limit	3,000,000	

Source: District Records

SINGLE AUDIT SECTION



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
PAUL J. CUVA, CPA, RMA, PSA
JAMES J. CERULLO, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, CMFO, PSA
ROBERT C. MCNINCH, CPA, CFE, PSA
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
PHONE: (973)-835-7900
FAX: (973)-835-7900
EMAIL: OFFICE@W-CPA.COM
WWW.W-CPA.COM

K-1
Page 1 of 2

**INDEPENDENT AUDITOR'S 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**

Honorable President and
Members of the Board of Education
Passaic Valley Regional High School
County of Passaic, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Passaic Valley Regional High School District No. 1, in the County of Passaic, New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 15, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit on 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) to determine the 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Passaic Valley Regional High School District No. 1 in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated November 15, 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Steven D. Wielkotz

Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

November 15, 2023





WIELKOTZ & COMPANY L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
PAUL J. CUVA, CPA, RMA, PSA
JAMES J. CERULLO, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, CMFO, PSA
ROBERT C. MCNINCH, CPA, CFE, PSA
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
PHONE: (973)-835-7900
FAX: (973)-835-7900
EMAIL: OFFICE@W-CPA.COM
WWW.W-CPA.COM

K-2
Page 1 of 4

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE AND N.J. OMB CIRCULAR 15-08

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the Passaic Valley Regional High School District No. 1 in the County of Passaic, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey 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 year ended June 30, 2023. 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

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; and the 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 N.J. OMB Circular 15-08. Our



responsibilities under those standards and the Uniform Guidance and N.J. OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of 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 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, regulations, rules, and provisions of contracts or grant agreements applicable to 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 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, the Uniform Guidance and N.J. 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 omissions, misrepresentations, 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 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, the Uniform Guidance and N.J. OMB Circular 15-08, we:

- Exercise professional judgment 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 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 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 Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and N.J. OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal and state program is not modified with respect to these matters.

The Passaic Valley Regional High School District No. 1 Board of Education’s responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Passaic Valley Regional High School District No. 1 Board of Education’s responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on these responses.

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 and 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 and 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 and 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

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 the Uniform Guidance and N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Steven D. Wielkocz

Steven D. Wielkocz, C.P.A.
Licensed Public School Accountant
No. 816

Wielkocz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

November 15, 2023



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

Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

Federal Grantor/Pass-through Grantor/ Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2023	
												(Accounts Receivable)	Deferred Revenue/ Interfund Payable
U.S. Department of Agriculture Passed-through State Department of Education: Enterprise Fund:													
USDA Commodities	10.555	23INJ304N1199	N/A	7/1/22-6/30/23	\$ 31,593		31,593	31,593					
National School Lunch Program	10.555	23INJ304N1199	N/A	7/1/22-6/30/23	163,472		151,500	163,472				(11,972)	
National School Lunch Program SSO	10.555	23INJ304N1099	N/A	7/1/21-6/30/22	541,101	(47,340)	47,340						
National Breakfast Program	10.555	23INJ304N1199	N/A	7/1/22-6/30/23	28,131		25,187	28,131				(2,944)	
National Breakfast Program SSO	10.555	21INJ304N1099	N/A	7/1/21-6/30/22	70,102	(10,548)	10,548						
Supply Chain Assistance Funding (1st/2nd Round	10.555	22INJ344N8903	N/A	1/1/22-9/30/23	46,532		46,532	26,089					20,443
Supply Chain Assistance Funding (3rd Round	10.555	23INJ344N8903	N/A	10/1/22-9/30/24	12,833		12,833						12,833
Local Food for Schools Cooperative Agreement Pre	10.185	USDA-AMS-10185	N/A	7/1/22-6/30/23	4,500			455				(4,500)	4,045
Total U.S. Department of Agriculture						(57,888)	325,533	249,740				(19,416)	37,321
U.S. Department of Education General Fund:													
Medical Administrative Claiming (MAC	93.778	200SNJ5MAP	N/A	7/1/22-6/30/23	9,611		9,611	9,611					
Medical Assistance Program (SEMI)	93.778	200SNJ5MAP	N/A	7/1/22-6/30/23	19,966		19,966	19,966					
Medical Assistance Program (SEMI)	93.778	200SNJ5MAP	N/A	7/1/21-6/30/22	19,880	(1,424)	1,424						
FFCRA/SEMI Revenue	93.778	200SNJ5MAP	N/A	7/1/22-6/30/23	2,550		2,550	2,550					
U.S. Department of Homeland Security FEMA	97.036		N/A	7/1/22-6/30/23	464,153		464,153	464,153					
Total General Fund						(1,424)	497,704	496,280					
U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund:													
Title I Part A, Improving Basic Programs	84.010	S010A220030	ESEA-3990-22	7/1/22-9/30/23	208,210			202,432				(106,858)	
Title I Part A, Improving Basic Programs	84.010	S010A210030	ESEA-3990-21	7/1/21-9/30/22	150,593	(28,996)	28,996						
						(28,996)		202,432				(106,858)	
ID.E.A. Part B	84.027A	H027A220100	IDEA-3990-22	7/1/22-9/30/23	254,493		319,339	254,493					
ID.E.A. Part B	84.027A	H027A210100	IDEA-3990-21	7/1/21-9/30/22	255,004	(64,846)	64,846						
ARP - ID.E.A. - Part B	84.027X	H027X210100	IDEA-3990-22	7/1/21-9/30/22	50,276	(13,946)	13,946						
						(78,792)	333,285	254,493					
Title II Part A	84.367A	S367A220029	ESEA-3990-22	7/1/22-9/30/23	34,503		2,451	27,885				(27,885)	
Title II Part A	84.367A	S367A220029	ESEA-3990-21	7/1/21-9/30/22	34,496	(2,451)	2,451						
						(2,451)		27,885				(27,885)	
Title III	84.365A	S365A220030	ESEA-3990-22	7/1/22-9/30/23	6,661								
Title IV	84.424	S424A220031	ESEA-3990-22	7/1/21-9/30/22	12,259			2,660				(2,660)	
								2,660				(2,660)	

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

Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

Federal Grantor/Pass-through Grantor/ Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2023	
												(Accounts Receivable)	Deferred Revenue/ Interfund Payable
Coronavirus Response and Relief Supplemental Act													
CARES ACT 2020/ESSER	84.425D	S425D200027		3/13/20-10/15/22	132,713	(14,170)		14,170					
CRRSA - ESSER II	84.425D	S425D210027		3/13/20-9/30/23	543,308	(71,699)		40,582	130,473			(161,590)	
CR Learning Acceleration	84.425D	S425D210027		3/13/20-9/30/23	34,867								
CR Mental Health	84.425D	S425D210027		3/13/20-9/30/23	45,000	(23,250)		23,250					
American Rescue Plan													
ARP - ESSER	84.425U	S425U210027		3/13/20-9/30/23	1,221,051	(324,710)		491,877	470,258			(303,091)	
Accelerated Learning Coach and Educator Support	84.425U	S425U210027		3/13/20-9/30/23	85,949			25,700	48,300			(22,600)	
Evidence Based Summer Learning and Enrichment	84.425U	S425U210027		3/13/20-9/30/23	40,000				11,042			(11,042)	
Evidence Based Comprehensive Beyond the School	84.425U	S425U210027		3/13/20-9/30/23	40,000			32,850	35,954			(3,104)	
NJTSS Mental Health Support Staffing	84.425U	S425U210027		3/13/20-9/30/23	88,501			42,167	88,167			(46,000)	
Additional or Compensatory Special Education anc Related Services (ACSERS)	21.027	C8220COVID19		3/13/20-9/30/23	369,035			184,518	369,035			(184,517)	
Additional or Compensatory Special Education anc Related Services (ACSERS)	21.027	C8220COVID19		3/13/20-9/30/23	296,684	(296,684)		296,684					
						(730,513)		1,151,798	1,153,229			(731,944)	
Total Special Revenue Fund						(840,752)		1,612,104	1,640,699			(869,347)	
Total Federal Financial Assistance					\$	(900,064)		2,435,341	2,386,719			(888,763)	37,321

See accompanying notes to schedules of expenditures of federal and state awards

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Passaic Valley Regional High School District No. 1. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(D) and 1(E) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of 2 *CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$804,995 for the general fund and \$220,459 for the special revenue fund. See Notes to Required Supplemental 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 follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$427,155	\$8,892,065	\$9,319,220
Special Revenue Fund	1,861,158	27,666	1,888,824
Debt Service Fund		222,309	222,309
Food Service Fund	<u>249,740</u>	<u>7,128</u>	<u>256,868</u>
Total Awards and Financial Assistance	<u>\$2,538,053</u>	<u>\$9,149,168</u>	<u>\$11,687,221</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. Revenue and expenditures reported under the U.S.D.A. food distribution program represent current year value received and current year distributions, respectfully. TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2023. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, the amount of \$4,333,589 of on-behalf payments is excluded from major program determination.

NOTE 7. INDIRECT COST RATE

The Passaic Valley Regional High School District No. 1 has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Grant Guidance); amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the school district:

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$202,432
Title II, Part A: <i>Supporting Effective Information</i>	27,885
Title III: <i>English Language Acquisition State Grants</i>	-
Title IV: <i>Student Support and Academic Enrichment Grants</i>	<u>2,660</u>
Total	<u>\$232,977</u>

**PASSAIC VALLEY REGIONAL SCHOOL DISTRICT NO. 1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- 1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X no
- 2. Material weakness(es) identified? _____ yes X none reported

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

Federal Awards

Internal Control over major programs:

- 1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X no
- 2. Material weakness(es) identified? _____ yes X no

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of the Uniform Guidance? _____ yes X no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
84.425D/84.425U	(A) S425D210027/ S425U210027	CARES-ESSER I/ CRRSA-ESSER II/ CR Learning Acceleration/ CR Mental Health/ APR-ESSER

Note: (A) Tested as Major Type A Program

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 SCHOOL DISTRICT NO. 1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)

Section I - Summary of Auditor's Results, (continued)

State Awards

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

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? X yes none reported

2. Material weakness(es) identified? yes X no

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08, as applicable? X yes no

Identification of major programs:

<u>GMIS Number(s)</u>		<u>Name of State Program</u>
<u>495-034-5120-044</u>	(A)	<u>Extraordinary Aid</u>
<u>495-034-5094-003</u>	(B)	<u>Reimbursed TPAF</u>

Note: (A) Tested as Major Type A Program

Note: (B) Tested as Major Type B Program

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

NONE

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

STATE AWARDS

Finding 2023-001

Information on the state program:

Extraordinary Special Education Aid, NJCFS Number 495-034-5120-044, Grant Period 7/1/22-6/30/23.

Criteria or specific requirement:

The Extraordinary Aid (EXAID) application process requires that districts complete one on-line form for each child eligible for aid. EXAID is available for partial reimbursement of expenditures incurred for individual classified pupils attending a school district who are placed in one of three categories and whose Individualized Education Plan (IEP) requires the provision of at least one intensive service.

Condition:

There were instances in which information entered into the student applications for Extraordinary Special Education Aid (EXAID) did not agree to the supporting documentation used to prepare the EXAID workpapers.

Questioned Costs:

Unknown

Context:

There were instances in which information entered into the individual student applications did not agree to the supporting documentation used to prepare the EXAID work papers.

Effect:

The district is not in compliance with the requirements of the Extraordinary Special Education Aid.

Cause:

The information entered into the on-line form for some of the children eligible for aid did not agree to the supporting documentation used to prepare the EXAID work papers.

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs (Cont.)

Recommendation:

The district should review the individual student on-line forms prior to final submission of the EXAID application to ensure the forms are complete and the information agrees to the supporting documentation for the work papers prepared.

Management's response:

Prior to final submission of the EXAID application, the on-line forms will be reviewed for completeness and accuracy to ensure the information entered agrees to the district workpapers and supporting documentation.

**PASSAIC VALLEY REGIONAL SCHOOL DISTRICT NO. 1
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

STATUS OF PRIOR YEAR FINDINGS:

None