NORTH CALDWELL BOARD OF EDUCATION

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

North Caldwell, New Jersey

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

North Caldwell Board of Education

North Caldwell, New Jersey

For The Fiscal Year Ended June 30, 2025

Prepared by

Business Office

NORTH CALDWELL BOARD OF EDUCATION
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INTRODUCTORY SECTION

NORTH CALDWELL BOARD OF EDUCATION
132A GOULD AVENUE
NORTH CALDWELL, NJ 07006

January 7, 2026

Honorable President and
Members of the Board of Education
North Caldwell School District
County of Essex, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the North Caldwell School District (the "Board" or "District") for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the North Caldwell 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.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A that should be read in conjunction with it. The North Caldwell Board of Education's MD&A can be found immediately following the "Independent Auditor's Report".

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the Independent Auditors' Report, Management's Discussion and Analysis and basic financial statements including the District-Wide financial statements presented in accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statements. The basic financial statements also include individual fund financial statements, Notes to Financial Statements and Required Supplementary Information (RSI). The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (U.S. Uniform Guidance), and the State OMB Circular 15-08, "Single

Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and questioned costs, are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES

The North Caldwell School District is an independent reporting entity within the criteria adopted by the GASB. All funds of the District are included in this report. The North Caldwell Board of Education constitutes the District's reporting entity. The District has no component units included in this report which meet the criteria of legally separate entities for which the District is financially accountable. In addition, the District is not includable in any other reporting entity as a component unit.

The District provides a full range of educational services appropriate to grade levels K through 6. These include regular, bilingual instruction in Spanish, as well as special education. The District completed the 2024/2025 fiscal year with an enrollment of 705 which is eight students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Fiscal Year	Average Daily Enrollment	Percent Change
2024-25	705	1.14%
2023-24	697	-.007%
2022-23	702	0.57%
2021-22	698	1.01%
2020-21	691	-0.01%
2019-20	694	3.43%
2018-19	671	-0.01%
2017-18	675	-0.01%
2016-17	685	0.00%
2015-16	685	3.32%

ECONOMIC CONDITION AND OUTLOOK

The North Caldwell School District continues to provide a high-quality education while maintaining a fiscally conservative approach. The Board has controlled costs and been mindful of the impact of its decisions on the local taxpayer. The State of New Jersey continues to add costly mandates with a 2% tax levy budget CAP. Despite the challenging environment, the North Caldwell School District is committed to move forward with the expectation of full compliance to regulations, adherence to the strict budget CAP and understanding of the difficult economic conditions of our taxpayers while continuing to provide high quality instruction to students.

RELEVANT FINANCIAL POLICES

The operations of the North Caldwell School District are financed primarily through the local property tax levy; however, the District receives additional revenue from state and federal aid along with other miscellaneous local revenues. The school portion of the property tax levy, the largest revenue source for the district, has been held relatively stable over the past five years despite increases and decreases in contractual salaries and benefits, special educational placements, and related transportation.

The administration continues to operate under the District's Standard Operating Procedures and Internal Controls which are reviewed and updated annually by the School Business Administrator. The policies include internal controls, accounting, budget development and purchasing in addition to other standardized procedures.

INTERNAL ACCOUNTING CONTROLS

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

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, regulations, contracts and grants.

BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, 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 reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2025.

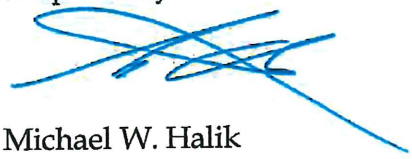
OTHER INFORMATION

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Bliss, LLP, 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 U.S. Uniform Guidance and the State OMB Circular 15-08. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's report related specifically to the single audit and Government Auditing Services is included in the single audit section of this report.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the North Caldwell School District for the 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 financial and accounting staff.

Respectfully submitted,

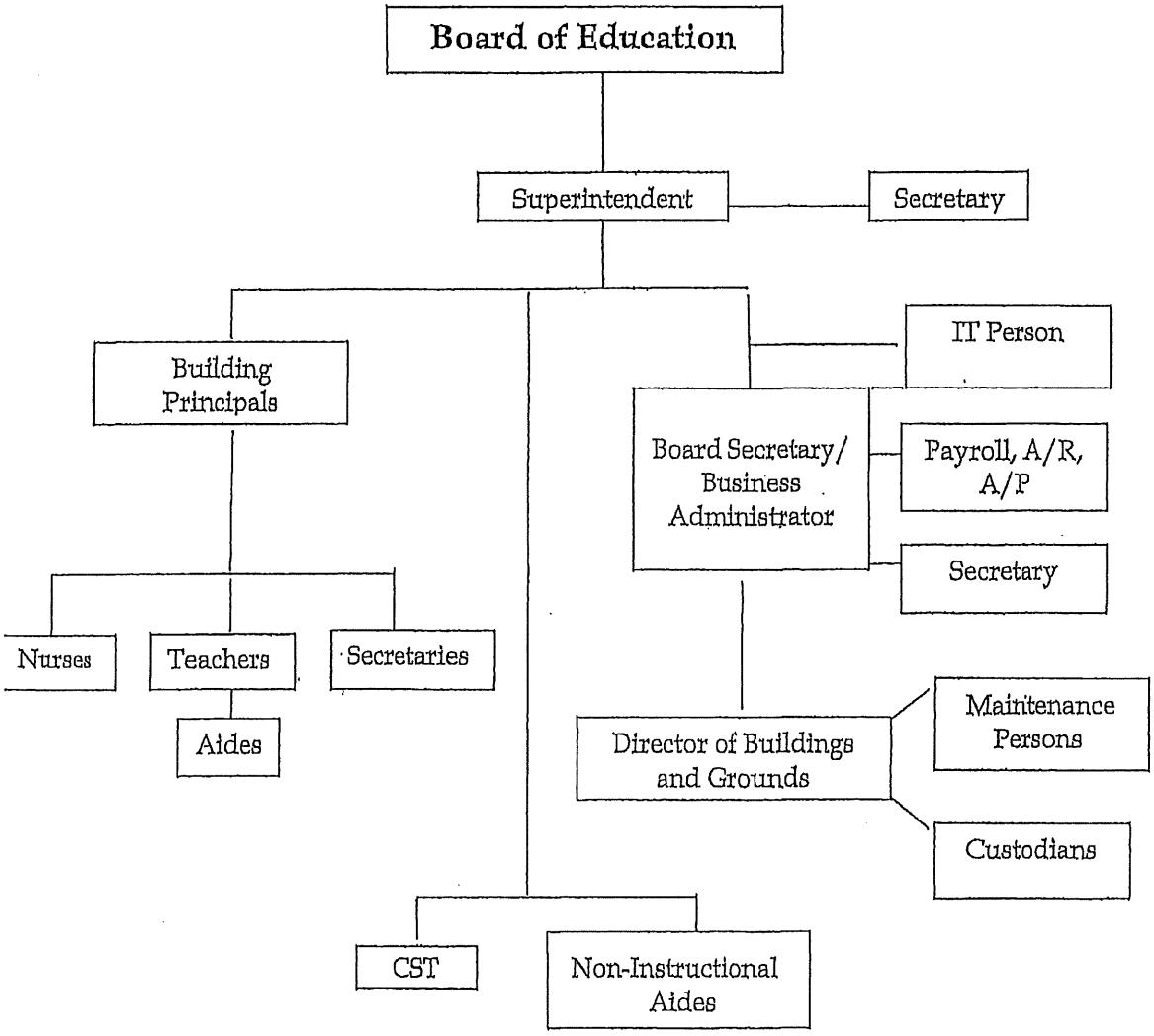


Michael W. Halik
Business Administrator/Board Secretary

NORTH CALDWELL BOARD OF EDUCATION

ORGANIZATION CHART

(Unit Control)



NORTH CALDWELL BOARD OF EDUCATION
NORTH CALDWELL, NEW JERSEY

ROSTER OF OFFICIALS
June 30, 2025

Members of the Board of Education	**Term Expires**
David Ved, President	2026
Sapna Malige, Vice President	2026
Eric Finkelstein	2025
Michael DiGirolomo	2027
Matthew Whitford	2027

Other Officials

Linda Freda, Superintendent of Schools

Michael Halik, Business Administrator / Board Secretary

Steven Lella, Treasurer of School Monies

NORTH CALDWELL BOARD OF EDUCATION
132A GOULD AVENUE
NORTH CALDWELL, NJ 07006

MICHAEL W. HALIK
Business Administrator/Board Secretary

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Consultants and Advisors

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35 Waterview Drive, Suite 303
Parsippany, NJ 07054

Audit Firm
Lerch, Vinci & Bliss, LLP
17-17 Route 208
Fair Lawn, NJ 07410

Attorneys
Methfessel & Werbel
2020 Lincoln Highway Suite 200
Edison, NJ 08818

Chasan, Lamparello, Mallon & Cappuzzo PC
300 Lighting Way Suite 200
Secaucus, NJ 07094

Wilentz, Goldman & Spitzer, P.A.
90 Woodbridge Center
Woodbridge, NJ 07095

Official Depository
Valley National Bank
15 Roseland Avenue
Caldwell, NJ 07006

Disclosure Agent
Phoenix Advisors, LLC
4 West Park Street
Bordentown, NJ 08505

FINANCIAL SECTION

LERCH, VINCI & BLISS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
North Caldwell Board of Education
132A Gould Avenue
North Caldwell, New Jersey 07006

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the North Caldwell Board of Education, as of and for the fiscal year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the North Caldwell Board of Education as of June 30, 2025, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 7, 2026 on our consideration of the North Caldwell Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the North Caldwell Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the North Caldwell Board of Education's internal control over financial reporting and compliance.

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

Elizabeth A. Shick

Elizabeth A. Shick
Public School Accountant
PSA Number CS00203200

Fair Lawn, New Jersey
January 7, 2026

REQUIRED SUPPLEMENTARY INFORMATION - PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of North Caldwell Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2024-2025) and the prior year (2023-2024) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2024-2025 fiscal year include the following:

- The assets and deferred outflows of resources of the North Caldwell Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $21,462,115 (net position).

- Overall District revenues were $20,196,734. General revenues accounted for $15,927,380 or 79% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for $4,269,354 of total revenues.

- The School District had $18,686,397 in expenses for governmental activities; only $4,269,354 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of $15,927,380 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 $14,557,715 a decrease of $76,067 when compared to the ending fund balance at June 30, 2025 of $14,633,782.

- The General Fund unassigned fund balance at June 30, 2025 of $392,207, an increase of $93,339 when compared with the ending fund balance of $298,868 at June 30, 2024.

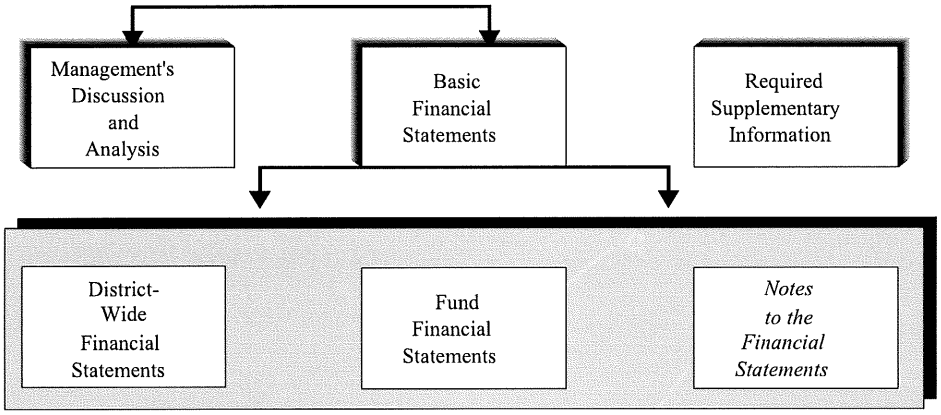
- The General Fund unassigned budgetary fund balance at June 30, 2025 was $1,258,358 which represents an increase of $79,302 when compared to the ending unassigned fund balance at June 30, 2024 of $1,179,056.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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.



OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements Governmental Funds
Scope	Entire district	The activities of the district that are not proprietary or fiduciary, such as instruction, special education building maintenance, and community education
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/liability information	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon there after; no capital assets or long-term liabilities included
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.

District-Wide Financial Statements

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in one category:

- *Governmental Activities* – Most of the District's basic services are included here, such as regular instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids and tuition charged to other school districts finance most of these activities.

Fund Financial Statements

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

- Some funds are required by State law and bond covenants.

- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

Fund Financial Statements (Continued)

The District has one kind of fund:

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

Notes to the Financial Statements

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

Other Information

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

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

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

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $21,462,115 and $19,951,778 (as restated) as of June 30, 2025 and 2024, respectively, as shown below.

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

Net Position
as of June 30, 2025 and 2024

	Governmental Activities	
	2025	2024 (Restated)
Assets		
Current and Other Assets	$ 14,851,735	$ 14,788,431
Capital Assets	10,346,926	9,074,477
Total Assets	25,198,661	23,862,908
Deferred Outflows of Resources		
Deferred Amounts on Net Pension Liability	218,755	116,071
Total Assets and Deferred Outflows	25,417,416	23,978,979
Liabilities		
Long-Term Liabilities	3,412,939	3,442,766
Other Liabilities	294,020	154,649
Total Liabilities	3,706,959	3,597,415
Deferred Inflows of Resources		
Deferred Amounts on Net Pension Liability	248,342	429,786
Total Deferred Inflows	248,342	429,786
Total Liabilities and Deferred Inflows	3,955,301	4,027,201
Net Position		
Net Investment in Capital Assets	10,346,926	9,074,477
Restricted	12,862,053	12,985,215
Unrestricted	(1,746,864)	(2,107,914)
Total Net Position	$ 21,462,115	$ 19,951,778

The changes in net position for fiscal years ended 2025 and 2024 are as follows:

	Governmental Activities	
	2025	2024 (Restated)
Revenues		
Program Revenues		
Charges for Services	$ 174,243	$ 144,120
Operating Grants and Contributions	4,095,111	4,557,710
General Revenues		
Property Taxes	15,137,113	14,758,529
Miscellaneous	790,267	857,782
Total Revenues	20,196,734	20,318,141
Expenses		
Instruction		
Regular	6,686,295	6,685,486
Special Education	4,110,182	4,404,843
School Sponsored Activities and Athletics	51,067	44,766
Support Services		
Student and Instruction Related Services	2,746,076	2,694,560
General Administration Services	563,819	753,703
School Administration Services	701,002	722,653
Business Services	694,535	706,450
Plant Operation and Maintenance	2,417,218	1,956,557
Pupil Transportation	716,203	705,680
Total Expenses	18,686,397	18,674,698
Change in Net Position	1,510,337	1,643,443
Net Position, Beginning of Year	19,951,778	18,563,103
Prior Period Adjustment	-	(254,768)
Net Position, End of Year	$ 21,462,115	$ 19,951,778

Governmental Activities

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

Total and Net Cost of Governmental Activities. The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2025 and 2024.

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
Instruction				
Regular	$ 6,686,295	$ 6,685,486	$ 5,526,312	$ 5,242,599
Special Education	4,110,182	4,404,843	1,942,856	2,137,324
School Sponsored Activities and Athletics	51,067	44,766	936	(7,404)
Support Services				
Student and Instruction Related Services	2,746,076	2,694,560	2,512,615	2,327,060
General Administration	563,819	753,703	494,256	673,239
School Administration Services	701,002	722,653	597,483	594,775
Business Services	694,535	706,450	585,886	602,682
Plant Operation and Maintenance	2,417,218	1,956,557	2,253,511	1,828,018
Pupil Transportation	716,203	705,680	503,188	574,575
Total	**$ 18,686,397**	**$ 18,674,698**	**$ 14,417,043**	**$ 13,972,868**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of $14,557,715, an increase of $76,067 from last year's fund balance of $14,633,782.

Revenues for the District's governmental funds were $21,498,575; total expenditures were $21,574,642.

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

Revenues and other financing sources of the General Fund were $21,946,751 for the fiscal year ended June 30, 2025. State sources amounted to $5,173,282 and local sources were $16,051,492. In addition, there was $721,977 of unexpended capital projects funds returned to the district's capital reserve.

Expenditures and other financing uses of the General Fund were $27,243,923. Instructional expenditures were $11,935,321, expenditures for support services were $7,533,989 and capital expenditures totaled $90,838 for the fiscal year ended June 30, 2025. Other financing uses (capital reserve transferred to the Capital Projects Fund) totaled $7,683,775.

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

Revenues of the Special Revenue Fund were $273,801 for the fiscal year ended June 30, 2025. State sources amounted to $6,354, federal sources totaled $217,316 and local sources were $50,131.

Expenditures of the Special Revenue Fund were $274,737. Instructional expenditures were $182,855 and expenditures for support services were $91,882 for the fiscal year ended June 30, 2025.

Capital Projects - The capital projects other financing sources exceeded expenditures and other financing uses by $5,222,041 increasing the fund balance from $3,082,904 at June 30, 2024 to $8,304,945 at June 30, 2025

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GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Reappropriation of June 30, 2025 encumbrances.
- Appropriation of Capital Reserve

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2025 and 2024 amounts to $10,346,926 and $9,074,477 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2024-2025 amounted to $558,146 for governmental activities.

The following is a comparative analysis of net capital assets at June 30, 2025 and 2024.

	Governmental Activities	
	2025	2024
Land	$ 52,316	$ 52,316
Construction in Progress	1,751,630	264,896
Buildings and Improvements	8,270,946	8,497,158
Machinery and Equipment	272,034	260,107
Total	$ 10,346,926	$ 9,074,477

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

LONG TERM LIABILITIES

At June 30, 2025, the District's long-term liabilities consisted of compensated absences payable of $826,726 and net pension liability of $2,586,213 totaling $3,412,939. This is in comparison to long-term liabilities at June 30, 2024 of $3,442,766 (as restated) or a decrease of $29,827.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2025-2026 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education costs and repairs to the District's aging facilities.

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, North Caldwell Board of Education, 132A Gould Avenue, North Caldwell, NJ 07006.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

NORTH CALDWELL BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

	Governmental Activities	Total
ASSETS		
Cash and Cash Equivalents	$ 14,832,121	$ 14,832,121
Receivables, net	19,614	19,614
Capital Assets, net		
Not Being Depreciated	1,803,946	1,803,946
Being Depreciated	8,542,980	8,542,980
Total Assets	25,198,661	25,198,661
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amounts on Net Pension Liability	218,755	218,755
Total Deferred Outflows of Resources	218,755	218,755
Total Assets and Deferred Outflows of Resources	25,417,416	25,417,416
LIABILITIES		
Accounts Payable	100,227	100,227
Payroll Deductions and Withholdings Payable	64,346	64,346
Unearned Revenue	129,447	129,447
Noncurrent Liabilities		
Due Beyond One Year	3,412,939	3,412,939
Total Liabilities	3,706,959	3,706,959
DEFERRED INFLOWS OF RESOURCES		
Deferred Amounts on Net Pension Liability	248,342	248,342
Total Deferred Inflows of Resources	248,342	248,342
Total Liabilities and Deferred Inflows of Resources	3,955,301	3,955,301
NET POSITION		
Net Investment in Capital Assets	10,346,926	10,346,926
Restricted for		
Capital Projects	11,589,854	11,589,854
Debt Service	1	1
Maintenance	495,381	495,381
Other	776,817	776,817
Unrestricted	(1,746,864)	(1,746,864)
Total Net Position	$ 21,462,115	$ 21,462,115

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

NORTH CALDWELL BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Governmental Activities	Total
Governmental Activities						
Instruction						
Regular	$ 6,686,295	$ 111,587	$ 1,048,396		$ (5,526,312)	$ (5,526,312)
Special Education	4,110,182		2,167,326		(1,942,856)	(1,942,856)
Co-Curricular Activities	51,067	50,131			(936)	(936)
Support Services					-	
Student and Instruction Related Services	2,746,076		233,461		(2,512,615)	(2,512,615)
General Administration Services	563,819		69,563		(494,256)	(494,256)
School Administration Services	701,002		103,519		(597,483)	(597,483)
Business/Central Services	694,535		108,649		(585,886)	(585,886)
Plant Operations and Maintenance	2,417,218	12,525	151,182		(2,253,511)	(2,253,511)
Pupil Transportation	716,203	-	213,015	-	(503,188)	(503,188)
Total Governmental Activities	18,686,397	174,243	4,095,111	-	(14,417,043)	(14,417,043)
Total Primary Government	$ 18,686,397	$ 174,243	$ 4,095,111	$ -	(14,417,043)	(14,417,043)
General Revenues						
Taxes						
Property Taxes Levied for General Purposes					15,137,113	15,137,113
Interest					726,278	726,278
Miscellaneous Income					63,989	63,989
Total General Revenues					15,927,380	15,927,380
Change in Net Position					1,510,337	1,510,337
Net Position, Beginning of Year (Restated)					19,951,778	19,951,778
Net Position, End of Year					$ 21,462,115	$ 21,462,115

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

FUND FINANCIAL STATEMENTS

NORTH CALDWELL BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 6,306,259	$ 160,916	$ 8,364,945	$ 1	$ 14,832,121
Receivables from Other Governments	19,614	-	-	-	19,614
Total Assets	6,325,873	160,916	8,364,945	1	14,851,735
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	40,227		60,000		100,227
Deferred Revenues		129,447			129,447
Payroll Deductions and Withholdings Payable	64,346	-	-	-	64,346
Total Liabilities	104,573	129,447	60,000	-	294,020
Fund Balances					
Restricted Fund Balance:					
Capital Reserve	3,284,909				3,284,909
Emergency Reserve	250,000				250,000
Maintenance Reserve	495,381				495,381
Excess Surplus - Designated for Subsequent Year's Budget	75,000				75,000
Excess Surplus	75,000				75,000
Unemployment Compensation	745,348				745,348
Student Activities		31,469			31,469
Capital Projects			8,304,945		8,304,945
Debt Service				1	1
Assigned Fund Balance:					
Designated for Subsequent Year's Budget	807,242				807,242
Encumbrances	96,213				96,213
Unassigned Fund Balance					
General Fund	392,207	-	-	-	392,207
Total Fund Balances	6,221,300	31,469	8,304,945	1	14,557,715
Total Liabilities and Fund Balances	$ 6,325,873	$ 160,916	$ 8,364,945	$ 1	$ 14,851,735

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

NORTH CALDWELL BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2025

Total Fund Balances Governmental Funds (Exhibit B-1)		$ 14,557,715
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 $21,215,270 and the accumulated depreciation is $10,868,344		10,346,926
Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.		
Deferred Outflows of Resources	$ 218,755	
Deferred Inflows of Resources	(248,342)	
		(29,587)
Long-term liabilities, including compensated absences and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Compensated Absences Payable	(826,726)	
Net Pension Liability	(2,586,213)	
		(3,412,939)
Net position of governmental activities (Exhibit A-1)		$ 21,462,115

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

EXHIBIT B-2

NORTH CALDWELL BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources					
Property Taxes	$ 15,137,113			-	$ 15,137,113
Tuition	111,587				111,587
Rent and Royalties	12,525				12,525
Interest	726,278				726,278
Miscellaneous	63,989	$ 50,131	-	-	114,120
Total - Local Sources	16,051,492	50,131	-	-	16,101,623
State Sources	5,173,282	6,354			5,179,636
Federal Sources	-	217,316	-	-	217,316
Total Revenues	21,224,774	273,801	-	-	21,498,575
EXPENDITURES					
Current					
Regular Instruction	7,524,676	30,659			7,555,335
Special Education Instruction	4,410,645	101,129			4,511,774
Co-Curricular Activities		51,067			51,067
Support Services					
Student and Instruction Related Services	2,657,066	85,528			2,742,594
General Administration Services	656,934				656,934
School Administration Services	843,586				843,586
Business/Central Services	802,861				802,861
Plant Operations and Maintenance	1,858,961	6,354			1,865,315
Pupil Transportation	714,581				714,581
Capital Outlay	90,838	-	$ 1,739,757	-	1,830,595
Total Expenditures	19,560,148	274,737	1,739,757	-	21,574,642
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,664,626	(936)	(1,739,757)	-	(76,067)
OTHER FINANCING SOURCES (USES)					
Transfer Out	(7,683,775)		(721,977)		(8,405,752)
Transfer In	721,977	-	7,683,775	-	8,405,752
Total Other Financing Sources and Uses	(6,961,798)	-	6,961,798	-	-
Net Change in Fund Balances	(5,297,172)	(936)	5,222,041	-	(76,067)
Fund Balance, Beginning of Year	11,518,472	32,405	3,082,904	$ 1	14,633,782
Fund Balance, End of Year	$ 6,221,300	$ 31,469	$ 8,304,945	$ 1	$ 14,557,715

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

EXHIBIT B-3

NORTH CALDWELL BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Total net change in fund balances - governmental funds (Exhibit B-2)		$ (76,067)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period.		
Capital Outlay	$ 1,830,595	
Depreciation Expense	(558,146)	
		1,272,449
In the statement of activities, certain operating expenses - compensated absences and pension expense are measured by the amounts earned or accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):		
Increase in Compensated Absences	(4,337)	
Decrease in Pension Expense	318,292	
		313,955
Change in net position of governmental activities (Exhibit A-2)		$ 1,510,337

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The North Caldwell Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of five elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade six (6) school district.

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

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

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

B. New Accounting Standards

During fiscal year 2025, the District adopted the following GASB statements:

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

- GASB Statement No. 102, *Certain Risk Disclosures*, was effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

- GASB Statement No. 104, *Disclosure of Certain Capital Assets,* will be effective beginning with the fiscal year ending June 30, 2026. The objective of this Statement is to provide user of governmental financial statements with essential information about certain types of capital assets. The requirements of this Statement will improve financial reporting by provided users of the financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as governmental 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. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no fiduciary funds.

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, are normally supported by property taxes and intergovernmental revenues. In the statement of net position, the governmental 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements (Continued)

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.

Fund Financial Statements

Separate fund financial statements are provided for governmental activities. The emphasis of fund financial statements is on major individual governmental funds, each reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds. The District considers all of its governmental funds to be major funds.

The District reports the following major governmental funds:

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

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

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

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

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

Reclassifications

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

Use of Estimates

The preparation of financial statements requires management of the District to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Capital Assets

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

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

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

Assets	Years
Buildings and Building Improvements	10-40
Machinery and Equipment	5-10

4. Deferred Outflows/Inflows of Resources

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

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

5. Compensated Absences

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Pensions*

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

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

7. Long-Term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

8. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Net Position/Fund Balance (Continued)

Restricted Fund Balance (Continued)

Excess Surplus – Designated for Subsequent Year's Budget - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2024 audited excess surplus that was appropriated in the 2025/2026 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2025 audited excess surplus that is required to be appropriated in the 2026/2027 original budget certified for taxes.

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

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

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

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

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

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

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

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

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

9. Fund Balance Policies

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental Fund Statements (Continued)

9. Fund Balance Policies (Continued)

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

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. Tuition Revenues and Expenditures

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

3. Tuition Revenues and Expenditures (Continued)

Tuition Expenditures - Tuition charges for the fiscal years 2023-2024 and 2024-2025 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. On-Behalf Payments

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November do not have to submit their budgets that meet levy cap requirements for voter approval. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 31, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required. Effective for the 2025/2026 school year budget, voter approval is not required for budgets that meet levy cap requirements regardless of when the school board member elections are held.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2024/2025. Also, during 2024/2025 the Board increased the original budget of the general fund by $7,892,580 and the special revenue fund by $301,685. The increases were funded by the additional appropriation of capital reserve, grant awards, student activity revenues and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of capital reserve of $7,683,775 from the general fund.

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

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

B. Capital Reserve

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2025 is as follows:

Balance July 1, 2024		$ 8,629,176
Increased by:		
Unexpended Withdrawal Returned From Capital Projects Fund	$ 721,977	
Deposit Approved by Board Resolution	1,617,531	
		2,339,508
		10,968,684
Decreased by:		
Withdrawals Approved by Board Resolution		7,683,775
Balance, June 30, 2025		$ 3,284,909

The June 30, 2025 LRFP balance of local support costs of uncompleted capital projects is $17,528,999.

C. Maintenance Reserve

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2025 is as follows:

Balance July 1, 2024	$ 495,381
Balance, June 30, 2025	$ 495,381

The June 30, 2025 comprehensive maintenance plan indicated a maximum maintenance reserve amount of $495,381.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Emergency Reserve

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

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

The activity of the emergency reserve for the fiscal year ended June 30, 2025 is as follows:

Balance July 1, 2024	$ 250,000
Balance, June 30, 2025	$ 250,000

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2025 is $150,000. Of this amount, $75,000 was designated and appropriated in the 2024/2025 original budget certified for taxes and the remaining amount of $75,000 will be appropriated in the 2025/2026 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments

Bank balances are insured up to $250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to $250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of $250,000 for each failed brokerage firm. At June 30, 2025, the book value of the Board's deposits was $14,832,121 and bank and brokerage firm balances of the Board's deposits amounted to $15,818,236. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account	
Insured	$ 15,771,003
Uninsured and Collateralized	47,233
	$ 15,818,236

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2025 the Board's bank balance of $47,233 was exposed to custodial credit risk as follows:

Depository Account	
Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department but not in the Board's name	$ 47,233

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

As of June 30, 2025, the Board had no outstanding investments.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

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

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

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

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

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

B. Receivables

Receivables as of June 30, 2025 for the District's individual major funds including the applicable allowances for uncollectible accounts, are as follows:

	General Fund
Receivables:	
Intergovernmental-	
State	$ 19,614
Gross Receivables	19,614
Less: Allowance for Uncollectibles	-
Net Total Receivables	$ 19,614

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

Special Revenue Fund	
Grant Draw Downs for Year-End Encumbrances	$ 129,447
Total Unearned Revenue for Governmental Funds	$ 129,447

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2025 was as follows:

	Balance, July 1, 2024	Increases	Decreases	Transfers	Balance, June 30, 2025
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 52,316				$ 52,316
Construction in progress	264,896	$ 1,739,757	-	$ (253,023)	1,751,630
Total capital assets, not being depreciated	317,212	1,739,757	-	(253,023)	1,803,946
Capital assets, being depreciated:					
Buildings and Building Improvements	17,810,633			253,023	18,063,656
Machinery and equipment	1,256,830	90,838	-	-	1,347,668
Total capital assets being depreciated	19,067,463	90,838	-	253,023	19,411,324
Less accumulated depreciation for:					
Buildings and Building Improvements	(9,313,475)	(479,235)			(9,792,710)
Machinery and equipment	(996,723)	(78,911)	-	-	(1,075,634)
Total accumulated depreciation	(10,310,198)	(558,146)	-	-	(10,868,344)
Total capital assets, being depreciated, net	8,757,265	(467,308)	-	253,023	8,542,980
Government activities capital assets, net	$ 9,074,477	$ 1,272,449	$ -	$ -	$ 10,346,926

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:	
Instruction	
Regular	$ 32,289
Total Instruction	32,289
Support Services	
Student and Instruction Related Services	39,365
Operations and Maintenance of Plant	486,492
Total Support Services	525,857
Total Depreciation Expense-Governmental Activities	$ 558,146

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2025:

Project	Spent to Date	Remaining Commitment
Grandview Access Road Project	$ 1,212,336	$ 1,016,627
Grandview Boiler Replacement Project	109,434	696,537
Grandview Classroom Addition	429,860	5,391,965

E. Interfund Receivables, Payables, and Transfers

Interfund Transfers

	Transfer In:		
	General Fund	Capital Projects	Total
Transfer Out:			
General Fund		$ 7,683,775	$ 7,683,775
Capital Projects	$ 721,977	-	721,977
Total Transfers Out	$ 721,977	$ 7,683,775	$ 8,405,752

The above transfers are the result of General Fund capital reserve funds being transferred to fund projects in the Capital Project Fund and unexpended project funds being returned to the General Fund capital reserve.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt

The District had no outstanding debt at June 30, 2025.

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2025 was as follows:

2.5 % of Equalized Valuation Basis (Municipal)	$ 58,149,713
Less: Net Debt Issued And Authorized But Not Issued	-
Remaining Borrowing Power	$ 58,149,713

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2025, was as follows:

	Balance July 1, 2024 (Restated)	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Governmental activities:					
Compensated Absences	$ 822,389	$ 4,337		$ 826,726	
Net Pension Liability	2,620,377	-	$ 34,164	2,586,213	-
Governmental Activity Long-Term Liabilities	$ 3,442,766	$ 4,337	$ 34,164	$ 3,412,939	$ -

For the governmental activities, the liability for net pension liability is generally liquidated by the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

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

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

The District is a member of the New Jersey Schools Insurance Group (NJSIG or "Group") and Morris Essex Insurance Group (MEIG or "Group") the Groups are risk sharing public entity pools, established for the purpose of insuring against various risks claims.

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

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

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

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

Fiscal Year Ended June 30,	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2025	$ 17,047	$ 33,583	$ 3,168	$ 745,348
2024	17,289	40,157	5,219	745,348
2023	13,962	25,633	26,286	745,348

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2025, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Plan Descriptions and Benefits Provided (Continued)

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

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

The following represent the membership tiers for TPAF:

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

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

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

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

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

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

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

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2024 is $13.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 68.22%. The collective net pension liability of the State funded TPAF at June 30, 2024 is $49.5 billion and the plan fiduciary net position as a percentage of total pension liability is 37.99%.

The total pension liabilities for the June 30, 2024 measurement date were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

Actuarial Methods and Assumptions

In the July 1, 2023 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2025.

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2025 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was more than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2025, 2024 and 2023 were equal to the required contributions.

During the fiscal years ended June 30, 2025, 2024 and 2023 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively, for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	PERS	On-Behalf TPAF	DCRP
2025	$ 258,988	$ 2,196,347	$ 1,620
2024	241,792	2,198,023	1,136
2023	223,260	2,057,647	1,011

In addition, for fiscal years 2025, 2024 and 2023 the State contributed $811, $732 and $693, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board $467,801 during the fiscal year ended June 30, 2025 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2023 through June 30, 2024. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2024 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2024.

At June 30, 2025, the District reported in the statement of net position (accrual basis) a liability of $2,586,213 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2024. At June 30, 2024, the District's proportionate share was 0.01903 percent, which was an increase of 0.00094 percent from its proportionate share measured as of June 30, 2023 of 0.01809 percent.

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of $59,304 for PERS. The pension contribution made by the District during the current 2024/2025 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2025 with a measurement date of the prior fiscal year end of June 30, 2024. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2025 for contributions made subsequent to the measurement date. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 51,807	$ 6,885
Changes of Assumptions	3,213	29,425
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		119,916
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	163,735	92,116
Total	$ 218,755	$ 248,342

At June 30, 2025, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Year Ending June 30,	Total
2025	$ 44,457
2026	(54,926)
2027	(14,193)
2028	(4,925)
Thereafter	-
	$ (29,587)

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

Mortality Rates

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	7.10%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Investment Grade Credit	7.00%	5.37%
US Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
Emerging Markets Equity	5.50%	10.66%
High Yield	4.50%	6.74%
Real Assets	3.00%	8.20%
Private Credit	8.00%	8.90%
Real Estate	8.00%	10.95%
Private Equity	13.00%	12.40%
International Small Cap Equity	1.25%	8.85%

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability as of the June 30, 2024 measurement date calculated using the discount rate of 7.00, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's Proportionate Share of the PERS Net Pension Liability	$ 3,436,441	$ 2,586,213	$ 1,862,673

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2024. A sensitivity analysis specific to the District's net pension liability at June 30, 2024 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2023 through June 30, 2024. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2024, the State's pension contribution was more than the actuarial determined amount.

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

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of $91,949 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2025 the State's proportionate share of the net pension liability attributable to the District is $25,206,323. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2024. At June 30, 2024, the State's share of the net pension liability attributable to the District was 0.05099 percent, which was an increase of 0.00135 percent from its proportionate share measured as of June 30, 2023 of 0.04964 percent.

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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%

Mortality Rates

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	7.10%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Investment Grade Credit	7.00%	5.37%
US Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
Emerging Markets Equity	5.50%	10.66%
High Yield	4.50%	6.74%
Real Assets	3.00%	8.20%
Private Credit	8.00%	8.90%
Real Estate	8.00%	10.95%
Private Equity	13.00%	12.40%
International Small Cap Equity	1.25%	8.85%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District as of the June 30, 2024 measurement date calculated using the discount rate of 7.00%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	$ 29,961,283	$ 25,206,323	$ 21,201,748

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2024. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2024 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

D. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans,* the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2023:

Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	153,556
Total	372,741

Measurement Focus and Basis of Accounting

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2024 is $59.7 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2024 were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

Actuarial Methods and Assumptions

In the June 30, 2023 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of $1.50 billion to the OPEB plan in fiscal year 2024.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2025, 2024 and 2023 were $641,774, $598,221 and $540,539, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2023 through June 30, 2024. Nonemployer allocation percentages have been rounded for presentation purposes.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of $1,628,229. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2025 the State's proportionate share of the OPEB liability attributable to the District is $29,998,080. The State's proportionate share of the OPEB liability attributable to the District was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2024. At June 30, 2024, the state's share of the OPEB liability attributable to the District was 0.05029 percent, which was an increase of 0.00104 percent from its proportionate share measured as of June 30, 2023 of 0.04925 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	PERS	TPAF
Salary Increases	2.75% to 6.55% Based on Years of Service	2.75% to 5.65% Based on Years of Service

Mortality Rates

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is, increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is, increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2024 was 3.93%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2025 (measurement date June 30, 2024) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2024 Measurement Date	$ 25,790,206
Changes Recognized for the Fiscal Year:	
Service Cost	1,222,316
Interest on the Total OPEB Liability	987,466
Differences Between Expected and Actual Experience	482,158
Changes of Assumptions	2,244,255
Gross Benefit Payments	25,823
Contributions from the Member	(754,144)
Net Changes	4,207,874
Balance, June 30, 2025 Measurement Date	$ 29,998,080

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% in 2023 to 3.93% in 2024.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024.

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District as of the June 30, 2024 measurement date calculated using the discount rate of 3.93%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
State's Proportionate Share of the OPEB Liability Attributable to the District	$ 35,134,176	$ 29,998,080	$ 25,867,593

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District as of the June 30, 2024 measurement date calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	$ 24,988,619	$ 29,998,080	$ 36,523,233

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024 were not provided by the pension system.

NOTE 4 OTHER INFORMATION (Continued)

E. Tax Abatements

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

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

NOTE 5 RESTATEMENT

During fiscal year 2025, the North Caldwell Board of Education determined that a restatement was required as a result of the implementation of GASB Statement No. 101 "Compensated Absences". The effect of implementing this change in reporting on the financial statements previously reported as of and for the fiscal year ended June 30, 2024 is as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2024 have been restated to reflect the change in accounting for compensated absences. The effect of this restatement is to decrease net position of governmental activities by $254,768 from $20,206,546 as previously reported to $19,951,778 as of June 30, 2024. In addition, the liability for compensated absences payable is increased by $254,768 from $567,621 as previously reported to $822,389 as of June 30, 2024.

	District-Wide Net Position	District-Wide Long Term Liabilities - Compensated Absences
	Governmental Activities	Governmental Activities
Balance July 1, 2024 - As Previously Reported	$ 20,206,546	$ 567,621
Change in Accounting Principle (Adoption of GASB No. 101)	(254,768)	254,768
Balance July 1, 2024 - Restated	$ 19,951,778	$ 822,389

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

NORTH CALDWELL BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Local Tax Levy	$ 15,137,113	-	$ 15,137,113	$ 15,137,113	
Tuition from Individuals	73,800	-	73,800	111,587	$ 37,787
Rents and Royalties	10,500	-	10,500	12,525	2,025
Interest Income		-	-	726,278	726,278
Miscellaneous	605,000	-	605,000	63,989	(541,011)
Total Local Sources	15,826,413	-	15,826,413	16,051,492	225,079
State Sources					
Special Education Aid	805,906	-	805,906	805,906	
Transportation Aid	200,165	-	200,165	200,165	
Security Aid	66,827	-	66,827	66,827	
Extraordinary Aid	-	-	-	760,000	760,000
Non-Public Transportation Aid		-		19,614	19,614
TPAF On-Behalf (Non-Budgeted)					
Pension					
Post Retirement Medical Contribution		-		641,774	641,774
Normal Costs		-		2,169,473	2,169,473
NCGI Premium		-		26,874	26,874
Long-Term Disability Insurance		-		811	811
Social Security Contributions	-	-	-	467,801	467,801
Total State Sources	1,072,898	-	1,072,898	5,159,245	4,086,347
Total Revenues	16,899,311	-	16,899,311	21,210,737	4,311,426
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	322,981	$ 7,275	330,256	324,829	5,427
Grades 1-5	3,169,147	(127,570)	3,041,577	2,974,742	66,835
Grades 6-8	380,148	10,520	390,668	390,142	526
Regular Program - Home Instruction					
Salaries of Teachers	4,000	7,200	11,200	7,200	4,000
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	2,250	-	2,250		2,250
Other Purchased Services	399,512	(37,200)	362,312	305,588	56,724
General Supplies	207,050	263,178	470,228	331,407	138,821
Textbooks	130,000	(109,859)	20,141	11,575	8,566
Misc. Exp.	8,250	-	8,250	7,981	269
Other Objects	7,000	-	7,000	1,650	5,350
Total Regular Programs	4,630,338	13,544	4,643,882	4,355,114	288,768
Resource Room					
Salaries of Teachers	1,454,142	(57,780)	1,396,362	1,302,953	93,409
Other Salaries for Instruction	664,336	-	664,336	582,647	81,689
General Supplies	5,000	-	5,000	532	4,468
Total Resource Room	2,123,478	(57,780)	2,065,698	1,886,132	179,566
Preschool Disabilities - Part-Time					
Salaries of Teachers	208,695	-	208,695	200,121	8,574
General Supplies	2,500	-	2,500	-	2,500
Total Preschool Disabilities - Part-Time	211,195	-	211,195	200,121	11,074
Home Instruction					
Salaries of Teachers	5,000	-	5,000	-	5,000
Purchased Professional-Educational Services	3,000	-	3,000	-	3,000
Total Home Instruction	8,000	-	8,000	-	8,000
Total Special Education	2,342,673	$ (57,780)	2,284,893	$ 2,086,253	198,640
Total Instruction	6,973,011	(44,236)	6,928,775	6,441,367	487,408

Continued

NORTH CALDWELL BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs W/I State-Special	$ 66,000	$ (66,000)			-
Tuition to Priv. Sch. For the Disabled W/I State	704,524	99,000	$ 803,524	$ 764,110	$ 39,414
Tuition - Other	2,000	-	2,000	-	2,000
Total Undistributed Expenditures - Instruction	772,524	33,000	805,524	764,110	41,414
Attendance					
Salaries	9,201	200	9,401	9,242	159
Purchased Professional and Technical Services	7,000	-	7,000	1,156	5,844
Total Attendance	16,201	200	16,401	10,398	6,003
Health Services					
Salaries	182,968	3,688	186,656	186,656	-
Purchased Professional and Technical Services	13,000	(1,311)	11,689	8,614	3,075
Other Purchased Services	100	-	100		100
Supplies and Materials	2,750	-	2,750	2,617	133
Total Health Services	198,818	2,377	201,195	197,887	3,308
Other Support Serv. Students OT, PT and Related Serv.					
Salaries	281,352	66,600	347,952	347,497	455
Purchased Professional-Educational Services	340,000	(115,422)	224,578	150,128	74,450
Supplies and Materials	3,000	-	3,000	1,185	1,815
Total Other Support Serv. Students OT, PT and Related Serv.	624,352	(48,822)	575,530	498,810	76,720
Other Support Serv. Students - Extra. Svcs.					
Salaries	119,000	(62,500)	56,500		56,500
Purchased Professional-Educational Services	419,858	82,000	501,858	422,869	78,989
Other Objects	5,500	-	5,500	650	4,850
Total Other Support Serv. Students - Extra Serv.	544,358	19,500	563,858	423,519	140,339
Guidance Services					
Salaries of Other Professionals	59,263	2,000	61,263	60,891	372
Other Salaries	3,000	500	3,500	3,500	-
Other Purchased Professional and Technical Services	6,000	-	6,000	5,809	191
Total Guidance Services	68,263	2,500	70,763	70,200	563
Child Study Team					
Salaries of Other Professional Staff	422,173	16,491	438,664	428,300	10,364
Salaries of Secretarial and Clerical Assistants	63,500	13,914	77,414	77,305	109
Other Salaries	10,000	(10,000)			-
Purchased Professional - Educational Services	10,000	2,500	12,500	10,247	2,253
Other Purchased Professional and Technical Services	33,000	600	33,600	32,595	1,005
Other Purchased Services	1,750	(716)	1,034	697	337
Supplies and Materials	16,000	14,468	30,468	28,816	1,652
Other Objects	1,000	(3)	997	195	802
Total Child Study Team	557,423	37,254	594,677	578,155	16,522
Improvement of Instructional Services					
Salaries of Other Professional Staff	5,250	7,530	12,780	12,758	22
Purchased Professional - Educational Services	2,500	(2,500)	-	-	-
Total Improvement of Instructional Services	7,750	5,030	12,780	12,758	22

Continued

NORTH CALDWELL BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Educational Media Services/School Library					
Salaries	$ 172,036	$ (16,750)	$ 155,286	$ 139,001	$ 16,285
Salaries of Technology Coordinators	87,352	-	87,352	85,000	2,352
Purchased Professional and Technical Services	2,800	-	2,800	2,638	162
Supplies and Materials	6,000	-	6,000	1,802	4,198
Total Educational Media Serv./School Library	268,188	(16,750)	251,438	228,441	22,997
Staff Training Services					
Purchased Professional-Educational Services	11,000	(1,730)	9,270	6,992	2,278
Other Purchased Services	3,000	(1,300)	1,700	500	1,200
Total Staff Training Services	14,000	(3,030)	10,970	7,492	3,478
Support Services General Administration					
Salaries	4,800	100	4,900	4,700	200
Salaries of Other Professional Staff	196,372	20,000	216,372	173,988	42,384
Salaries of Secretarial/Clerical Assistants	74,900	4,000	78,900	74,000	4,900
Legal Services	75,000	6,000	81,000	72,289	8,711
Audit Fees	31,500	-	31,500	26,080	5,420
Architectural/Engineering Services	25,000	(12,618)	12,382	7,553	4,829
Other Purchased Professional Services	10,000	11,212	21,212	21,212	-
Communications/Telephone	15,250	(7,012)	8,238	1,466	6,772
BOE Other Purchased Services	4,500	2,500	7,000		7,000
Miscellaneous Purchased Services	38,000	-	38,000	32,088	5,912
General Supplies	5,000	9,418	14,418	3,072	11,346
BOE In-House Training/Meeting Supplies	750	-	750	12	738
Miscellaneous Expenditures	3,500	-	3,500	396	3,104
BOE Membership Dues and Fees	15,757	-	15,757	14,150	1,607
Total Support Services General Administration	500,329	33,600	533,929	431,006	102,923
Support Services School Administration					
Salaries of Principal/Asst. Principals/Prog. Dir.	302,400	18,200	320,600	298,000	22,600
Salaries of Other Professional Staff	107,230	12,000	119,230	105,997	13,233
Salaries of Secretarial and Clerical Assistants	94,684	3,000	97,684	90,064	7,620
Purchased Professional and Technical Services	5,000	2,500	7,500	2,042	5,458
Other Purchased Services	2,000	1,000	3,000		3,000
Supplies and Materials	5,000	1,000	6,000	2,184	3,816
Other Objects	2,000	1,000	3,000	890	2,110
Total Support Services School Administration	518,314	38,700	557,014	499,177	57,837
Central Services					
Salaries	310,400	21,500	331,900	309,669	22,231
Purchased Technical Services	40,900	5,000	45,900	27,380	18,520
Miscellaneous Purchased Services	4,500	500	5,000	4,386	614
Supplies and Materials	3,500	500	4,000	2,705	1,295
Miscellaneous Expenditures	500	500	1,000	886	114
Total Central Services	359,800	28,000	387,800	345,026	42,774
Administrative Information Technology					
Salaries	85,000	8,000	93,000	85,000	8,000
Purchased Technical Services	43,000	-	43,000	28,388	14,612
Other Purchased Services	3,500	1,500	5,000	1,942	3,058
Total Administrative Information Technology	131,500	9,500	141,000	115,330	25,670

Continued

NORTH CALDWELL BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Required Maintenance for School Facilities					
Salaries	$ 79,241	$ (2,962)	$ 76,279	$ 52,717	$ 23,562
Cleaning, Repair and Maintenance Services	359,567	92,801	452,368	379,298	73,070
General Supplies	70,000	7,993	77,993	34,789	43,204
Other Objects	8,000	-	8,000	1,886	6,114
Total Required Maintenance for School Facilities	516,808	97,832	614,640	468,690	145,950
Custodial Services					
Salaries	140,000	7,500	147,500	138,832	8,668
Salaries of Secretarial and Clerical Assistants	14,100	900	15,000	14,800	200
Salaries of Non-Instructional Aides		173,715	173,715	159,943	13,772
Other Salaries	522,643	(149,753)	372,890	345,130	27,760
Cleaning, Repair and Maint. Serv.	11,200	-	11,200	9,376	1,824
Rental of Land/Building Other Than Lease Purchase Agreement	1	-	1	1	-
Other Purchased Property Services	21,000	-	21,000	15,213	5,787
Insurance	108,400	-	108,400	99,457	8,943
Miscellaneous Purchased Services	7,000	-	7,000	748	6,252
General Supplies	31,500	31,868	63,368	56,466	6,902
Energy (Natural Gas)	88,000	(11,138)	76,862	40,047	36,815
Energy (Electricity)	155,000	9,168	164,168	142,838	21,330
Energy (Gasoline)	6,000	-	6,000	3,277	2,723
Total Custodial Services	1,104,844	62,260	1,167,104	1,026,128	140,976
Security					
Salaries	5,180	-	5,180	2,685	2,495
Other Objects	25,000	8,432	33,432	28,559	4,873
Total Security	30,180	8,432	38,612	31,244	7,368
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	14,100	701	14,801	14,800	1
Other Purchased Prof. and Technical Serv.	17,000	-	17,000	15,000	2,000
Contracted Services (Aid In Lieu of Payment for Non-public)	45,555	8,000	53,555	53,161	394
Contracted Services (Bet. Home and Sch) - Vendors	278,230	(60,000)	218,230	206,425	11,805
Contracted Services (Other than Between Home and School) - Vendors	17,900	-	17,900	9,612	8,288
Contracted Services (Spl. Ed. Students) - Vendors	12,000	-	12,000	7,235	4,765
Contracted Services (Spl. Ed. Students) - Joint Agmts.	490,000	(18,701)	471,299	401,449	69,850
Total Student Transportation Services	874,785	(70,000)	804,785	707,682	97,103
Unallocated Benefits - Employee Benefits					
Social Security Contributions	170,000	13,020	183,020	183,014	6
Other Retirement Contributions - Regular	2,880	-	2,880	1,620	1,260
Other Retirement Contributions - PERS	272,500	-	272,500	258,988	13,512
Workmen's Compensation	78,750	9,000	87,750	87,567	183
Health Benefits	3,010,989	(161,020)	2,849,969	2,646,439	203,530
Tuition Reimbursement	50,000	(4,404)	45,596	43,289	2,307
Other Employee Benefits	7,250	9,404	16,654	16,654	-
Unused Sick Payment to Terminated / Retired Staff	30,000	22,000	52,000	48,777	3,223
Total Unallocated Benefits - Employee Benefits	3,622,369	(112,000)	3,510,369	3,286,348	224,021

Continued

NORTH CALDWELL BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

EXPENDITURES	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
TPAF On-Behalf (Non-Budgeted)					
Pension					
Post Retirement Medical Contribution				$ 641,774	$ (641,774)
Normal Costs				2,169,473	(2,169,473)
NCGI Premium				26,874	(26,874)
Long-Term Disability Insurance				811	(811)
Social Security Contributions	-	-	-	467,801	(467,801)
Total TPAF On-Behalf	-	-	-	3,306,733	(3,306,733)
Total Undistributed Expenditures	$ 10,730,806	$ 127,583	$ 10,858,389	13,009,134	(2,150,745)
Total Expenditures - Current Expenditures	17,703,817	83,347	17,787,164	19,450,501	(1,663,337)
Capital Outlay					
Equipment					
Undistributed Expenditures - Info Tech		7,420	7,420	7,420	-
Undistributed Expenditures - Operation & Maint.	-	118,038	118,038	90,838	27,200
Total Equipment	-	125,458	125,458	98,258	27,200
Facilities Acquisition and Construction Serv.					
Assessment Debt Service on SDA Funding	11,389	-	11,389	11,389	-
Total Facilities Acquisition and Constr. Services	11,389	-	11,389	11,389	-
Total Capital Outlay	11,389	125,458	136,847	109,647	27,200
Total Expenditures	17,715,206	208,805	17,924,011	19,560,148	(1,636,137)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(815,895)	(208,805)	(1,024,700)	1,650,589	2,675,289
Other Finacing Sources (Uses)					
Transfer from Capital Projects Fund				721,977	721,977
Transfer Capital Reserve to Capital Projects Fund	-	(7,683,775)	(7,683,775)	(7,683,775)	-
Total Other Financing Sources (Uses)	-	(7,683,775)	(7,683,775)	(6,961,798)	721,977
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)	(815,895)	(7,892,580)	(8,708,475)	(5,311,209)	3,397,266
Fund Balance, July 1, 2024	12,398,660	-	12,398,660	12,398,660	-
Fund Balance, June 30, 2025	$ 11,582,765	$ (7,892,580)	$ 3,690,185	$ 7,087,451	$ 3,397,266
Recapitulation of Fund Balance					
Restricted:					
Capital Reserve				$ 3,284,909	
Emergency Reserve				250,000	
Maintenance Reserve				495,381	
Excess Surplus - Designated for Subsequent Year's Budget				75,000	
Excess Surplus				75,000	
Unemployment Compensation				745,348	
Assigned					
Designated for Subsequent Year's Budget				807,242	
Encumbrances				96,213	
Unassigned				1,258,358	
Reconciliation to Governmental Funds Statements (GAAP):				7,087,451	
Less: State Aid Payments Not Recognized on GAAP Basis				(866,151)	
Fund Balance Per Governmental Funds (GAAP)				$ 6,221,300	

NORTH CALDWELL BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Intergovernmental					
Local		$ 180,514	$ 180,514	$ 179,578	$ (936)
State		82,000	82,000	82,000	-
Federal	$ 181,775	39,171	220,946	217,316	(3,630)
Total Revenues	181,775	301,685	483,460	478,894	(4,566)
EXPENDITURES					
Instruction					
Salaries of Teachers	27,175	1,305	28,480	28,480	-
Tuition	140,750	(39,621)	101,129	101,129	-
General Supplies		3,630	3,630	-	3,630
Student Activities	-	51,067	51,067	51,067	-
Total Instruction	167,925	16,381	184,306	180,676	3,630
Support Services					
Personnel Services - Employee Benefits		2,179	2,179	2,179	-
Purchased Professional/Technical Services	13,850	71,678	85,528	85,528	-
Total Support Services	13,850	73,857	87,707	87,707	-
Capital Outlay					
Facilities Improvements	-	211,447	211,447	211,447	-
Total Capital Outlay	-	211,447	211,447	211,447	-
Total Expenditures	181,775	301,685	483,460	479,830	3,630
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	(936)	(936)
Fund Balances, July 1, 2024	32,405	-	32,405	32,405	-
Fund Balances, June 30, 2025	$ 32,405	$ -	$ 32,405	$ 31,469	$ (936)

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

NORTH CALDWELL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

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

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	$ 21,210,737	(C-2)	$ 478,894
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Encumbrances, June 30, 2024				6,354
Encumbrances, June 30, 2025				(211,447)
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (prior year)		880,188		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (current year)		(866,151)		-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2)	$ 21,224,774		$ 273,801
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	$ 19,560,148	(C-2)	$ 479,830
Differences - Budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for *budgetary* purposes, but in the year the supplies are received for financial reporting purposes.				
Encumbrances, June 30, 2024				6,354
Encumbrances, June 30, 2025		-		(211,447)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2)	$ 19,560,148		$ 274,737

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION
AND
OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Ten Fiscal Years *

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportion of the Net Position Liability (Asset)	0.01903 %	0.01809 %	0.17700 %	0.01758 %	0.01916 %	0.02147 %	0.02072 %	0.01676 %	0.01652 %	0.01702 %
District's Proportionate Share of the Net Pension Liability (Asset)	$ 2,586,213	$ 2,620,377	$ 2,671,826	$ 2,082,289	$ 3,124,260	$ 3,868,867	$ 4,080,000	$ 3,903,533	$ 4,893,073	$ 3,821,527
District's Covered Payroll	$ 1,528,746	$ 1,443,773	$ 1,298,609	$ 1,397,040	$ 1,289,652	$ 1,435,039	$ 1,547,668	$ 1,371,792	$ 1,118,665	$ 1,119,602
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	169%	181%	206%	149%	242%	270%	264%	285%	437%	341%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

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

NORTH CALDWELL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS

PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 258,988	$ 241,792	$ 223,260	$ 205,850	$ 209,585	$ 208,857	$ 206,114	$ 155,346	$ 146,771	$ 146,360
Contributions in Relation to the Contractually Required Contributions	258,988	241,792	223,260	205,850	209,585	208,857	206,114	155,346	146,771	146,360
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 1,619,410	$ 1,528,746	$ 1,443,773	$ 1,298,609	$ 1,397,040	$ 1,289,652	$ 1,435,039	$ 1,547,668	$ 1,371,792	$ 1,118,665
Contributions as a Percentage of Covered Payroll	15.99%	15.82%	15.46%	15.85%	15.00%	16.19%	14.36%	10.04%	10.70%	13.08%

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

TEACHERS PENSION AND ANNUITY FUND
Last Ten Fiscal Years *

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportion of the Net Position Liability (Asset)	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
District's Proportionate Share of the Net Pension Liability (Asset)	0	0	0	0	0	0	0	0	0	0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	$ 25,206,323	$ 25,334,830	$ 25,078,386	$ 23,519,362	$ 31,301,746	$ 28,885,180	$ 30,672,722	$ 32,621,675	$ 36,162,558	$ 31,438,079
Total	$ 25,206,323	$ 25,334,830	$ 25,078,386	$ 23,519,362	$ 31,301,746	$ 28,885,180	$ 30,672,722	$ 32,621,675	$ 36,162,558	$ 31,438,079
District's Covered Payroll	$ 6,286,634	$ 6,019,331	$ 6,002,530	$ 5,785,968	$ 5,149,583	$ 5,018,705	$ 4,897,352	$ 5,004,262	$ 5,000,409	$ 4,873,882
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

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

NORTH CALDWELL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Change of Benefit Terms:	None.
Change of Assumptions:	Assumptions used in calculation the net pension liability and statutorily required employer contribution are presented in Note 4C.

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

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Eight Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	$ 1,222,316	$ 1,188,799	$ 1,466,357	$ 1,723,511	$ 993,956	$ 935,543	$ 1,004,498	$ 1,216,459
Interest on Total OPEB Liability	987,466	908,300	636,477	731,318	677,654	789,411	858,582	735,330
Changes of Benefit Terms			-	(30,006)				
Differences Between Expected and Actual Experience	482,158	308,885	775,645	(4,185,038)	5,133,714	(2,562,642)	(2,581,943)	
Changes of Assumptions	2,244,255	51,982	(6,442,775)	27,813	5,567,886	277,665	(2,264,965)	(3,069,118)
Gross Benefit Payments	(754,144)	(708,034)	(630,449)	(576,073)	(530,654)	(571,660)	(527,771)	(700,931)
Contribution from the Member	25,823	23,276	20,225	18,696	16,084	16,946	18,241	25,810
Net Change in Total OPEB Liability	4,207,874	1,773,208	(4,174,520)	(2,289,779)	11,858,640	(1,114,737)	(3,493,358)	(1,792,450)
Total OPEB Liability - Beginning	25,790,206	24,016,998	28,191,518	30,481,297	18,622,657	19,737,394	23,230,752	25,023,202
Total OPEB Liability - Ending	$ 29,998,080	$ 25,790,206	$ 24,016,998	$ 28,191,518	$ 30,481,297	$ 18,622,657	$ 19,737,394	$ 23,230,752
District's Proportionate Share of OPEB Liability								
State's Proportionate Share of OPEB Liability	$ 29,998,080	$ 25,790,206	$ 24,016,998	$ 28,191,518	$ 30,481,297	$ 18,622,657	$ 19,737,394	$ 23,230,752
Total OPEB Liability - Ending	$ 29,998,080	$ 25,790,206	$ 24,016,998	$ 28,191,518	$ 30,481,297	$ 18,622,657	$ 19,737,394	$ 23,230,752
District's Covered Payroll	$ 7,815,380	$ 7,463,104	$ 7,301,139	$ 7,183,008	$ 6,439,235	$ 6,453,744	$ 6,445,020	$ 6,376,054
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%

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

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

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

NORTH CALDWELL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Changes in Benefit Terms:	None.
Changes of Assumptions	Assumptions used in calculating the OPEB liability are presented in Note 4D.

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

NORTH CALDWELL BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ESEA Title I	ESEA Title II A	ESEA Title IV	IDEA Part B Basic	IDEA Part B Preschool	Donations	DCA Recreation Improvement	Student Activities	Total
REVENUES									
Intergovernmental									
Local						$ 129,447		$ 50,131	$ 179,578
State							$ 82,000		82,000
Federal	$ 30,659	$ 7,143	$ 10,000	$ 161,783	$ 7,731	-	-	-	217,316
Total Revenues	30,659	7,143	10,000	161,783	7,731	129,447	82,000	50,131	478,894
EXPENDITURES									
Instruction									
Salaries of Teachers	28,480								28,480
Tuition				101,129					101,129
Student Activities	-	-	-	-	-	-	-	51,067	51,067
Total Instruction	28,480	-	-	101,129	-	-	-	51,067	180,676
Support Services									
Personnel Services - Employee Benefits	2,179								2,179
Purchased Professional/Technical Services	-	7,143	10,000	60,654	7,731	-	-	-	85,528
Total Support Services	2,179	7,143	10,000	60,654	7,731	-	-	-	87,707
Facilities Acquisitions/Construction									
Equipment	-	-	-	-	-	129,447	82,000	-	211,447
Total Capital Outlay	-	-	-	-	-	129,447	82,000	-	211,447
Total Expenditures	30,659	7,143	10,000	161,783	7,731	129,447	82,000	51,067	479,830
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-	-	(936)	(936)
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	32,405	32,405
Fund Balances, End of Year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,469	$ 31,469

CAPITAL PROJECTS FUND

NORTH CALDWELL BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Issue/Project Title	Original Amount Authorized	Amended Authorization	Expenditures to Date: Prior Years	Expenditures to Date: Current Year	Cancellations	Balance, June 30, 2025
Grandview Elementary School						
Access Road	$ 95,000	$ 2,357,800	$ 176,522	$ 1,035,814		$ 1,145,464
Grandview Elementary School						
Boiler Replacement	15,000	890,500		109,434		781,066
Classroom Addition	520,500	6,808,275		429,860		6,378,415
Gould Elementary School						
Boiler Replacement	975,000	975,000	88,374	164,649	$ 721,977	-
	$ 1,605,500	$ 11,031,575	$ 264,896	$ 1,739,757	$ 721,977	$ 8,304,945

Analysis of Balance

Year End Encumbrances	$ 7,105,129
Available for Capital Projects	1,199,816
	$ 8,304,945

EXHIBIT F-2

NORTH CALDWELL BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Revenues and Other Financing Sources		
Transfer from Capital Reserve		$ 7,683,775
Total Revenues and Other Financing Sources		7,683,775
Expenditures and Other Financing Uses		
Architectural/Engineering Services		506,194
Construction Services		1,233,563
Transfers to General Fund - Cancelled Balances Restored to Capital Reserve		721,977
Total Expenditures and Other Financing Uses		2,461,734
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses		5,222,041
Fund Balance - Beginning of Year		3,082,904
Fund Balance- End of Year		$ 8,304,945
	Year End Encumbrances	$ 7,105,129
	Available for Capital Projects	1,199,816
		$ 8,304,945

NORTH CALDWELL BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
GRANDVIEW ELEMENTARY SCHOOL
ACCESS ROAD
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
Capital Reserve	$ 2,357,800	-	$ 2,357,800	$ 2,357,800
Total Revenues and Other Financing Sources	2,357,800	-	2,357,800	2,357,800
EXPENDITURES AND OTHER FINANCING USES				
Architectural/Engineering Services	60,446	$ 4,611	65,057	95,000
Construction Services	116,076	1,031,203	1,147,279	2,262,800
Total Expenditures and Other Financing Uses	176,522	1,035,814	1,212,336	2,357,800
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 2,181,278	$ (1,035,814)	$ 1,145,464	$ -

Additional Project Information:	
Project Number	3630-060-13-3630
Original Authorized Cost	$ 95,000
Additional Authorized Cost	2,262,800
Revised Authorized Cost	$ 2,357,800

EXHIBIT F-2b

NORTH CALDWELL BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
GRANDVIEW ELEMENTARY SCHOOL
BOILER REPLACEMENT
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
Capital Reserve	$ 15,000	$ 875,500	$ 890,500	$ 890,500
Total Revenues and Other Financing Sources	15,000	875,500	890,500	890,500
EXPENDITURES AND OTHER FINANCING USES				
Architectural/Engineering Services	-	60,034	60,034	82,000
Construction Services	-	49,400	49,400	808,500
Total Expenditures and Other Financing Uses	-	109,434	109,434	890,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 15,000	$ 766,066	$ 781,066	$ -

Additional Project Information:	
Project Number	N/A
Original Authorized Cost	$ 15,000
Additional Authorized Cost	875,500
Revised Authorized Cost	$ 890,500

EXHIBIT F-2c

NORTH CALDWELL BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
GRANDVIEW ELEMENTARY SCHOOL
CLASSROOM ADDITIONS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
Capital Reserve	$ -	$ 6,808,275	$ 6,808,275	$ 6,808,275
Total Revenues and Other Financing Sources	-	6,808,275	6,808,275	6,808,275
EXPENDITURES AND OTHER FINANCING USES				
Architectural/Engineering Services	-	429,860	429,860	520,500
Construction Services	-	-	-	6,287,775
Total Expenditures and Other Financing Uses	-	429,860	429,860	6,808,275
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ 6,378,415	$ 6,378,415	$ -

Additional Project Information:	
Project Number	N/A
Original Authorized Cost	$ 6,808,275
Additional Authorized Cost	-
Revised Authorized Cost	$ 6,808,275

NORTH CALDWELL BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
GOULD ELEMENTARY SCHOOL
BOILER REPLACEMENT
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
Capital Reserve	$ 975,000	$ (721,977)	$ 253,023	$ 253,023
Total Revenues and Other Financing Sources	975,000	(721,977)	253,023	253,023
EXPENDITURES AND OTHER FINANCING USES				
Architectural/Engineering Services	59,874	11,689	71,563	71,563
Construction Services	28,500	152,960	181,460	181,460
Total Expenditures and Other Financing Uses	88,374	164,649	253,023	253,023
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 886,626	$ (886,626)	$ -	$ -

Additional Project Information:	
Project Number	3630-050-24-1000
Original Authorized Cost	$ 975,000
Additional Authorized Cost	(721,977)
Revised Authorized Cost	$ 253,023

ENTERPRISE FUND

NOT APPLICABLE

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

EXHIBIT I-1

NORTH CALDWELL BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOT APPLICABLE

EXHIBIT I-2

LONG-TERM DEBT
SCHEDULE OF CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOT APPLICABLE

NORTH CALDWELL BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Local Tax Levy	-	-	-	-	-
Total Revenues	-	-	-	-	-
EXPENDITURES					
Regular Debt Service					
Principal			-	-	
Interest	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	$ 1	-	$ 1	$ 1	-
Fund Balance, End of Year	$ 1	$ -	$ 1	$ 1	$ -
Recapitulation of Balance					
Available for Subsequent Years Expenditures				$ 1	

STATISTICAL SECTION

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

Contents	Exhibits
Financial Trends	
These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changed over time.	J-1 to J-5
Revenue Capacity	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-6 to J-9
Debt Capacity	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 and J-15
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

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

EXHIBIT J-1

NORTH CALDWELL BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Years Ended June 30,									
	2016	2017	2018	2019	2020 (Restated)	2021	2022	2023	2024	2025
Governmental Activities										
Net Investment in Capital Assets	$ 7,574,416	$ 7,847,727	$ 8,659,616	$ 8,792,101	$ 8,961,854	$ 9,070,081	$ 9,231,688	$ 9,290,452	$ 9,074,477	$ 10,346,926
Restricted	3,645,729	4,893,967	5,216,629	6,530,179	8,155,902	8,965,935	9,559,732	11,524,673	12,985,215	12,862,053
Unrestricted	(2,483,334)	(2,871,113)	(3,115,263)	(3,309,916)	(3,496,863)	(3,101,607)	(2,042,183)	(2,252,022)	(2,107,914)	(1,746,864)
Total Governmental Activities Net Position	$ 8,736,811	$ 9,870,581	$ 10,760,982	$ 12,012,364	$ 13,620,893	$ 14,934,409	$ 16,749,237	$ 18,563,103	$ 19,951,778	$ 21,462,115
Business-type activities										
Net Investment in Capital Assets										
Unrestricted	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Business-Type Activities Net Position	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District-Wide										
Net Investment in Capital Assets	$ 7,574,416	$ 7,847,727	$ 8,659,616	$ 8,792,101	$ 8,961,854	$ 9,070,081	$ 9,231,688	$ 9,290,452	$ 9,074,477	$ 10,346,926
Restricted	3,645,729	4,893,967	5,216,629	6,530,179	8,155,902	8,965,935	9,559,732	11,524,673	12,985,215	12,862,053
Unrestricted	(2,483,334)	(2,871,113)	(3,115,263)	(3,309,916)	(3,496,863)	(3,101,607)	(2,042,183)	(2,252,022)	(2,107,914)	(1,746,864)
Total District Net Position	$ 8,736,811	$ 9,870,581	$ 10,760,982	$ 12,012,364	$ 13,620,893	$ 14,934,409	$ 16,749,237	$ 18,563,103	$ 19,951,778	$ 21,462,115

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

Note 2 - Net Position at June 30, 2024 is restated to reflect the implementation of GASB Statement No. 101, "Compensated Absences".

NORTH CALDWELL BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Years Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
Instruction										
Regular	$ 6,400,167	$ 6,831,927	$ 7,195,869	$ 6,459,945	$ 6,751,105	$ 7,341,460	$ 6,921,658	$ 6,487,716	$ 6,685,486	$ 6,686,295
Special Education	3,013,675	3,340,876	3,659,890	3,677,718	3,616,612	4,097,647	3,751,332	3,960,036	4,404,843	4,110,182
School Sponsored Activities						9,169	23,384	39,375	44,766	51,067
Support Services:										
Student & Instruction Related Services	1,384,965	1,612,114	1,946,351	2,054,933	2,129,722	2,180,253	2,393,274	2,383,191	2,694,560	2,746,076
General Administration Services	498,143	517,113	673,858	557,667	537,669	632,583	553,928	590,603	753,703	563,819
School Administration Services	602,783	659,602	721,456	699,317	707,154	767,621	696,791	684,749	722,653	701,002
Business / Central Services	509,856	604,297	618,296	599,305	569,044	601,570	601,740	700,934	706,450	694,535
Plant Operations and Maintenance	1,834,989	1,885,508	2,131,828	2,048,874	1,958,874	1,820,499	2,135,843	2,320,729	1,956,557	2,417,218
Pupil Transportation	397,334	263,856	311,843	471,275	408,659	751,175	730,560	678,360	705,680	716,203
Interest on Long-Term Debt	155,713	134,927	113,862	92,872	70,016	47,611	31,329	12,552	-	-
Total Governmental Activities Expenses	14,797,625	15,850,220	17,373,253	16,661,906	16,748,855	18,249,588	17,839,839	17,858,245	18,674,698	18,686,397
Business-Type Activities:										
Food Service	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Expense	-	-	-	-	-	-	-	-	-	-
Total District Expenses	$ 14,797,625	$ 15,850,220	$ 17,373,253	$ 16,661,906	$ 16,748,855	$ 18,249,588	$ 17,839,839	$ 17,858,245	$ 18,674,698	$ 18,686,397
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction	$ 113,574	$ 106,331	$ 105,600	$ 140,951	$ 95,651	$ 121,745	$ 112,444	$ 85,983	$ 79,600	$ 111,587
School Sponsored Activities and Athletics							23,085	46,914	52,170	50,131
Plant Operations and Maintenance			10,220	10,070	7,955	1,725	11,550	10,550	12,350	12,525
Operating Grants and Contributions	3,412,901	4,198,101	5,076,879	4,170,477	3,881,541	5,480,132	5,233,930	4,495,319	4,557,710	4,095,111
Capital Grants and Contributions	123,734	-	-	-	-	-	49,500	-	4,095,111	-
Total Governmental Activities Program Revenues	3,650,209	4,304,432	5,192,699	4,321,498	3,985,147	5,603,602	5,430,509	4,638,766	8,796,941	4,269,354
Business-Type Activities:										
Charges for Services										
Food Service										
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	-	-	-	-	-	-	-	-	-	-
Total District Program Revenues	$ 3,650,209	$ 4,304,432	$ 5,192,699	$ 4,321,498	$ 3,985,147	$ 5,603,602	$ 5,430,509	$ 4,638,766	$ 8,796,941	$ 4,269,354
Net (Expense)/Revenue										
Governmental Activities	$ (11,147,416)	$ (11,545,788)	$ (12,180,554)	$ (12,340,408)	$ (12,763,708)	$ (12,645,986)	$ (12,409,330)	$ (13,219,479)	$ (9,877,757)	$ (14,417,043)
Business-Type Activities										
Total District-Wide Net Expense	$ (11,147,416)	$ (11,545,788)	$ (12,180,554)	$ (12,340,408)	$ (12,763,708)	$ (12,645,986)	$ (12,409,330)	$ (13,219,479)	$ (9,877,757)	$ (14,417,043)

EXHIBIT J-2

NORTH CALDWELL BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Years Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	$ 11,525,704	$ 11,867,700	$ 12,292,153	$ 12,699,711	$ 12,953,705	$ 13,293,220	$ 13,559,084	$ 13,950,000	$ 14,758,529	$ 15,137,113
Taxes Levied for Debt Service	886,975	680,375	658,975	632,575	611,375	584,875	563,975	535,600		
Unrestricted Grants and Contributions	13,098	6,363	6,536	628	-	-				
Investment Earnings	13,522	23,644	88,567	174,926	131,719	5,971	15,295	484,468	808,362	726,278
Miscellaneous Income	36,726	101,476	24,724	83,950	1,561	75,436	85,804	63,277	49,420	63,989
Total Governmental Activities	12,476,025	12,679,558	13,070,955	13,591,790	13,698,360	13,959,502	14,224,158	15,033,345	15,616,311	15,927,380
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	-	-	-		-
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-	-	-	-	-	-
Total District-Wide	$ 12,476,025	$ 12,679,558	$ 13,070,955	$ 13,591,790	$ 13,698,360	$ 13,959,502	$ 14,224,158	$ 15,033,345	$ 15,616,311	$ 15,927,380
Change in Net Position										
Governmental Activities	$ 1,328,609	$ 1,133,770	$ 890,401	$ 1,251,382	$ 934,652	$ 1,313,516	$ 1,814,828	$ 1,813,866	$ 5,738,554	$ 1,510,337
Business-Type Activities	-	-	-	-	-	-	-	-	-	-
Total District	$ 1,328,609	$ 1,133,770	$ 890,401	$ 1,251,382	$ 934,652	$ 1,313,516	$ 1,814,828	$ 1,813,866	$ 5,738,554	$ 1,510,337

EXHIBIT J-3

NORTH CALDWELL BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Years Ended June 30,									
	2016	2017	2018	2019	2020 (Restated)	2021	2022	2023	2024	2025
General Fund										
Restricted	$ 3,579,532	$ 4,402,742	$ 5,526,406	$ 6,839,956	$ 8,497,515	$ 9,309,764	$ 9,903,860	$ 11,854,905	$ 10,269,905	$ 4,925,638
Committed		47,113	13,764	56,887						
Assigned	243,384	264,816	241,465	253,424	507,833	667,518	1,190,733	869,685	949,699	903,455
Unassigned	134,093	127,019	123,135	113,206	114,257	386,116	413,899	225,138	298,868	392,207
Total general fund	$ 3,957,009	$ 4,841,690	$ 5,904,770	$ 7,263,473	$ 9,119,605	$ 10,363,398	$ 11,508,492	$ 12,949,728	$ 11,518,472	$ 6,221,300
All Other Governmental Funds										
Restricted	$ 541,197	$ 891,225	$ 90,223	$ 90,223	$ 58,386	$ 56,171	$ 55,872	$ 69,768	$ 3,115,310	$ 8,336,415
Unassigned										
Total all other governmental funds	$ 541,197	$ 891,225	$ 90,223	$ 90,223	$ 58,386	$ 56,171	$ 55,872	$ 69,768	$ 3,115,310	$ 8,336,415

Note 1 - Fund balance at June 30, 2021 is restated to reflect the implementation of GASB No. 84, "Fiduciary Activities".

NORTH CALDWELL BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Years Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax Levy	$ 12,412,679	$ 12,548,075	$ 12,951,128	$ 13,332,286	$ 13,565,080	$ 13,878,095	$ 14,123,059	$ 14,485,600	$ 14,758,529	$ 15,137,113
Tuition	113,574	106,331	105,600	140,951	95,651	121,745	112,444	85,983	79,600	111,587
Rent and Royalties	8,075	13,675	10,220	10,070	7,955	1,725	11,550	10,550	12,350	12,525
Interest Earnings	13,522	23,644	88,567	174,926	131,719	5,971	15,295	484,468	808,362	726,278
Miscellaneous	28,651	87,801	24,724	83,950	1,561	79,876	108,889	110,191	101,590	114,120
State Sources	1,793,970	1,822,722	2,143,359	2,472,917	2,678,030	3,294,148	4,495,836	4,674,389	4,941,614	5,179,636
Federal Sources	204,235	208,845	247,083	246,936	244,492	338,109	687,204	554,401	569,362	217,316
Total Revenue	14,574,706	14,811,093	15,570,681	16,462,036	16,724,488	17,719,669	19,554,277	20,405,582	21,271,407	21,498,575
Expenditures										
Instruction										
Regular Instruction	5,462,619	5,463,837	5,741,707	5,646,418	6,035,646	6,377,179	7,116,353	6,933,967	7,272,067	7,555,335
Special Education Instruction	2,595,450	2,726,154	2,972,330	3,263,386	3,319,364	3,667,504	3,817,785	4,175,145	4,757,864	4,511,774
School Sponsored Activities and Athletics						6,655	23,384	39,375	44,766	51,067
Support Services:										
Student & Inst. Related Services	1,317,464	1,467,514	1,745,871	1,894,544	1,990,244	2,050,847	2,262,275	2,462,691	2,697,643	2,742,594
General Administration Services	432,990	424,593	536,749	499,438	495,360	566,795	569,066	628,687	790,040	656,934
School Administration Services	518,710	529,804	575,288	608,607	642,982	655,614	716,060	746,298	808,208	843,586
Business / Central services	427,126	480,273	484,756	520,563	531,769	525,635	620,921	756,920	745,119	802,861
Plant Operations and Maintenance	1,400,324	1,387,709	1,531,975	1,479,350	1,393,143	1,263,571	1,809,158	1,898,827	1,508,263	1,865,315
Pupil Transportation	396,305	261,352	309,711	468,449	406,610	687,500	730,697	679,528	706,184	714,581
Capital Outlay	545,087	154,773	751,241	90,003	153,322	91,916	179,808	93,412	326,967	1,830,595
Debt Service:										
Principal	720,000	535,000	535,000	530,000	530,000	530,000	525,000	515,000		
Interest and Other Charges	166,975	145,375	123,975	102,575	81,375	54,875	38,975	20,600	-	
Total Expenditures	13,983,050	13,576,384	15,308,603	15,103,333	15,579,815	16,478,091	18,409,482	18,950,450	19,657,121	21,574,642
Excess (Deficiency) of Revenues Over (Under) Expenditures	591,656	1,234,709	262,078	1,358,703	1,144,673	1,241,578	1,144,795	1,455,132	1,614,286	(76,067)
Other Financing Sources (uses)										
Transfers In	477,394	506,179	80,762					133,409	3,252,800	8,405,752
Transfers Out	(477,394)	(506,179)	(80,762)					(133,409)	(3,252,800)	(8,405,752)
Total Other Financing Sources (uses)	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	$ 591,656	$ 1,234,709	$ 262,078	$ 1,358,703	$ 1,144,673	$ 1,241,578	$ 1,144,795	$ 1,455,132	$ 1,614,286	$ (76,067)
Debt Service as a Percentage of Noncapital Expenditures	6.60%	5.07%	4.53%	4.21%	3.96%	3.57%	3.09%	2.84%	0.00%	0.00%

* Noncapital expenditures are total expenditures less capital outlay.

EXHIBIT J-5

NORTH CALDWELL BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Interest on Deposits	Rent and Royalties	Miscellaneous	Tuition	Total
2016	$ 13,522	$ 8,075	$ 28,651	$ 113,574	$ 163,822
2017	23,644	13,675	87,801	106,331	231,451
2018	88,567	10,220	24,724	105,600	229,111
2019	174,926	10,070	83,950	140,951	409,897
2020	131,719	7,955	1,561	95,651	236,886
2021	5,971	1,725	75,436	121,745	204,877
2022	15,295	11,550	85,804	112,444	225,093
2023	484,468	10,550	63,277	85,983	644,278
2024	808,362	12,350	49,420	79,600	949,732
2025	726,278	12,525	63,989	111,587	914,379

Source: School District's Financial Statements

NORTH CALDWELL BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct Local School Tax Rate [a]
2016	$ 20,618,600	$ 1,542,944,100			$ 24,707,200	$ 2,500,000	$ 459,500	$ 1,591,229,400	$ 472,000	$ 1,591,701,400	$ 1,729,088,755	0.789
2017	20,877,800	1,551,406,800			24,931,500	2,500,000		1,599,716,100	468,700	1,600,184,800	1,762,595,194	0.809
2018	26,662,700	1,557,840,400			24,439,500	2,500,000		1,611,442,600	461,900	1,611,904,500	1,817,249,973	0.827
2019	23,117,500	1,568,618,800			24,439,500	2,500,000		1,618,675,800	468,300	1,619,144,100	1,813,766,467	0.838
2020	15,186,600	1,596,906,200			24,439,500	2,500,000		1,639,032,300	477,300	1,639,509,600	1,844,195,238	0.847
2021	9,808,300	1,622,310,500			24,439,500	2,500,000		1,659,058,300	497,100	1,659,555,400	1,851,122,801	0.851
2022	6,703,000	1,861,143,800			21,996,100	2,825,000		1,892,667,900	554,300	1,893,222,200	1,893,222,200	0.765
2023	7,567,000	1,873,259,300			20,646,100	2,825,000		1,904,297,400	502,500	1,904,799,900	1,904,799,900	0.775
2024	6,276,000	1,878,218,600	-	-	20,646,100	2,825,000		1,907,965,700	-	1,907,965,700	1,907,965,700	0.793
2025	6,638,000	1,887,541,800	-	-	20,321,100	2,825,000		1,917,325,900	-	1,917,325,900	1,917,325,900	0.826

N/A - Not available

Source: County Abstract of Ratables

a Tax rates are per $100

NORTH CALDWELL BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)

(rate per $100 of assessed value)

Calendar Year	Total Direct Local School Tax Rate	Overlapping Rates			
		Regional High School District	Municipality	County	Total
2016	$ 0.789	$ 0.508	$ 0.384	$ 0.567	$ 2.248
2017	0.809	0.527	0.391	0.573	2.300
2018	0.827	0.571	0.391	0.570	2.359
2019	0.838	0.562	0.398	0.545	2.343
2020	0.847	0.567	0.398	0.531	2.343
2021	0.851	0.563	0.442	0.537	2.393
2022	0.765	0.532	0.409	0.473	2.179
2023	0.775	0.542	0.409	0.490	2.216
2024	0.793	0.575	0.420	0.470	2.258
2025	0.826	0.592	0.428	0.462	2.308

Source: Tax Duplicate, Borough of North Caldwell

NORTH CALDWELL BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Taxpayer	2025 Taxable Assessed Value	2025 % of Total District Net Assessed Value	2016 Taxable Assessed Value	2016 % of Total District Net Assessed Value
Greenbrook Country Club	$ 8,501,600	0.44%	$12,000,000	0.75%
Individual Taxpayer	3,041,200	0.16%		
Individual Taxpayer	2,868,500	0.15%		
Heller Property Partners, LP	2,695,000	0.14%		
LA Serra Farms LLC	2,620,000	0.14%		
Individual Taxpayer	2,571,400	0.13%		
Eddie 1 LLC	2,481,400	0.13%		
Individual Taxpayer	2,474,800	0.13%		
Individual Taxpayer	2,422,200	0.13%		
Individual Taxpayer	2,366,300	0.12%		
K. Hovnanian at Hilltop			8,503,100	0.53%
Individual Taxpayer			3,425,400	0.22%
Individual Taxpayer			2,824,800	0.18%
Individual Taxpayer			2,563,000	0.16%
Heller Property Partners, LP			2,500,000	0.16%
Individual Taxpayer			2,470,900	0.16%
Individual Taxpayer			2,458,300	0.15%
Individual Taxpayer			2,320,000	0.15%
Individual Taxpayer			2,314,000	0.15%
	$ 32,042,400	1.67%	$41,379,500	2.61%

Source: Municipal Tax Assessor

NORTH CALDWELL BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Local School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	$ 12,412,679	$ 12,412,679	100.00%	
2017	12,548,075	12,548,075	100.00%	
2018	12,951,128	12,951,128	100.00%	
2019	13,332,286	13,332,286	100.00%	
2020	13,565,080	13,565,080	100.00%	
2021	13,878,095	13,878,095	100.00%	
2022	14,123,059	14,123,059	100.00%	
2023	14,485,600	14,485,600	100.00%	
2024	14,758,529	14,758,529	100.00%	
2025	15,137,113	15,137,113	100.00%	

NORTH CALDWELL BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Governmental Activities: General Obligation Bonds	Total District	Population	Per Capita
2016	$ 3,700,000	$ 3,700,000	6,632	$ 558
2017	3,165,000	3,165,000	6,634	477
2018	2,630,000	2,630,000	6,625	397
2019	2,100,000	2,100,000	6,649	316
2020	1,570,000	1,570,000	6,641	236
2021	1,040,000	1,040,000	6,625	157
2022	515,000	515,000	6,581	78
2023	-	-	6,574	-
2024	-	-	6,769	-
2025	-	-	6,769 (1)	-

(1) - estimated

Source: District records

NORTH CALDWELL BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Debt	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2016	$ 3,700,000		$ 3,700,000	0.23%	$ 558
2017	3,165,000		3,165,000	0.20%	477
2018	2,630,000		2,630,000	0.16%	397
2019	2,100,000		2,100,000	0.13%	316
2020	1,570,000		1,570,000	0.10%	236
2021	1,040,000		1,040,000	0.06%	157
2022	515,000		515,000	0.03%	78
2023	-		-	0.00%	-
2024	-		-	0.00%	-
2025	-		-	0.00%	-

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

NORTH CALDWELL BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING DEBT
FOR YEAR ENDED DECEMBER 31, 2024
(Unaudited)

	Gross Debt	Deductions	Net Debt
Municipal Debt: (1)			
West Essex Regional High School	$ 532,448	$ 532,448	
Bonds and Notes for Utilities	4,490,000	4,490,000	
Borough of North Caldwell	16,837,500	-	$ 16,837,500
	$ 21,859,948	$ 5,022,448	16,837,500
Overlapping Debt Apportioned to the Municipality:			
Essex County (2);(A):			18,892,156
Total Direct and Overlapping Debt			$ 35,729,656

(A) The debt for this entity was apportioned to the Borough of North Caldwell by dividing the Municipality's 2024 equalized value by the total 2024 equalized value for Essex County.

Sources:

(1) Borough of North Caldwell 2024 Annual Debt Statement
(2) Essex County 2024 Annual Debt Statement

NORTH CALDWELL BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	$ 41,437,940	$ 42,677,511	$ 43,918,603	$ 44,647,548	$ 30,051,791	$ 45,420,914	$ 46,349,318	$ 49,185,030	$ 53,381,047	$ 58,149,713
Total Net Debt Applicable to Limit	3,700,000	3,165,000	2,630,000	2,100,000	1,570,000	1,040,000	515,000	-	-	
Legal Debt Margin	$ 37,737,940	$ 39,512,511	$ 41,288,603	$ 42,547,548	$ 28,481,791	$ 44,380,914	$ 45,834,318	$ 49,185,030	$ 53,381,047	$ 58,149,713
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.93%	7.42%	5.99%	4.70%	5.22%	2.29%	1.11%	0.00%	0.00%	0.00%

Source: Annual Debt Statements

Legal Debt Margin Calculation for Fiscal Year 2024

Equalized Valuation Basis	
2024	$ 2,487,569,361
2023	2,330,556,113
2022	2,159,840,123
	$ 6,977,965,597
Average Equalized Valuation of Taxable Property	$ 2,325,988,532
Debt Limit (2.5% of Average Equalization Value)	$ 58,149,713
Total Net Debt Applicable to Limit	-
Legal Debt Margin	$ 58,149,713

NORTH CALDWELL BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(Unaudited)

Year Ended December 31,	Unemployment Rate	Per Capita Income (1)	School District Population	
2016	2.8%	$ 57,228	6,632	
2017	2.8%	58,707	6,634	
2018	2.3%	59,322	6,625	
2019	2.1%	63,077	6,649	
2020	6.2%	67,431	6,641	
2021	4.3%	74,714	6,625	
2022	2.9%	76,488	6,581	
2023	3.2%	80,460	6,574	
2024	3.3%	N/A	6,769	
2025	N/A	N/A	6,769	(2)

Source: United States Bureau of Census
School District Records

(1) Represents per capita income of the County of Essex

(2) Estimated

N/A - not available

NORTH CALDWELL BOARD OF EDUCATION
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

INFORMATION NOT AVAILABLE

NORTH CALDWELL BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Regular	53.4	52.8	50.4	50.4	50.4	52.4	48.0	48.8	48.0	44.0
Special Education	40.0	39.0	43.0	43.0	43.0	43.0	33.0	37.0	33.0	40.0
Other Instruction	6.0	6.0	6.0	6.0	6.0	6.0	8.0	8.0	8.0	8.0
Support Services:										
Student and Instruction Related Services	2.0	2.0	2.0	2.0	2.0	2.0	8.0	8.0	8.0	9.0
General Administration Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
School Administrative Services	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0
Other Administrative Services	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0
Administrative Technology	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Plant Operations and Maintenance	7.5	7.5	7.5	7.5	7.5	7.5	8.0	8.0	8.0	8.0
Other Support Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total	120.9	119.3	120.9	120.9	120.9	122.9	119.0	123.8	119.0	125.0

Source: District Personnel Records

NORTH CALDWELL BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Enrollment [a]	Operating Expenditures [b]	Cost Per Pupil [c]	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School / Senior High School				
2016	673	$ 12,550,988	$ 18,649	0.74%	53.4	1:12.4	N/A / N/A	685.0	647.1	3.29%	94.47%
2017	690	12,741,236	18,466	-0.99%	52.8	1:12.4	N/A / N/A	684.8	652.2	-0.03%	95.24%
2018	666	13,898,387	20,868	13.01%	50.4	1:12.4	N/A / N/A	674.7	646.3	-1.47%	95.79%
2019	667	14,380,755	21,560	3.32%	50.4	1:13.2	N/A / N/A	670.7	641.9	-0.59%	95.71%
2020	689	14,815,118	21,502	-0.27%	50.4	1:13.7	N/A / N/A	694.1	671.1	3.49%	96.69%
2021	684	15,801,300	23,101	7.44%	52.4	1:13.7	N/A / N/A	690.5	675.5	-0.52%	97.83%
2022	693	17,665,699	25,492	10.35%	55.0	1:13.7	N/A / N/A	697.6	660.8	1.03%	94.72%
2023	700	18,321,438	26,173	2.67%	48.8	1:13.7	N/A / N/A	702.3	660.8	0.67%	94.09%
2024	680	19,330,154	28,427	8.61%	48.0	1:13.7	N/A / N/A	681.4	647.2	-2.97%	94.98%
2025	690	19,744,047	28,615	0.66%	44.0	1:13.7	N/A / N/A	695.4	660.0	2.05%	94.91%

Sources: District records

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

EXHIBIT J-18

NORTH CALDWELL BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District Building										
Grandview Elementary School										
Square Feet	52,430	52,430	52,430	52,430	52,430	52,430	52,430	52,430	52,430	52,430
Capacity (students)	385	385	385	385	385	385	385	385	385	385
Enrollment	391	410	397	400	407	389	406	411	411	413
Gould Elementary/Middle School										
Square Feet	34,175	34,175	34,175	34,175	34,175	34,175	34,175	34,175	34,175	34,175
Capacity (students)	327	327	327	327	327	327	327	327	327	327
Enrollment	282	278	288	278	294	305	294	297	297	277

Number of Schools at June 30, 2025
Elementary = 2

Source: District Records

NORTH CALDWELL BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
FOR THE LAST TEN FISCAL YEARS

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

	Project # (s)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
*School Facilities											
Building A - Gould School	N/A	$ 257,412	$ 206,767	$ 228,194	$ 231,648	$ 238,167	$ 227,087	$ 300,864	$ 295,483	$ 186,440	$ 234,298
Building B - Grandview School	N/A	222,062	205,498	182,974	212,703	218,689	208,515	276,259	295,623	186,528	234,392
Grand Total		$ 479,474	$ 412,265	$ 411,168	$ 444,351	$ 456,856	$ 435,602	$ 577,123	$ 591,106	$ 372,968	$ 468,690

Source: School District Records

NORTH CALDWELL BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2025
(Unaudited)

	Coverage	Deductible
School Commercial Package Policy - NJSIG		
Property - Real and Personal Property (per occurrence fund limit)	$ 350,000,000	$ 5,000
General Liability (per occurrence)	31,000,000	N/A
Electronic Data Processing (per occurrence)	350,000,000	1,000
Equipment Breakdown (per accident)	100,000,000	25,000
Crime - Employee Dishonesty	250,000	1,000
Auto Liability (per accident)	31,000,000	N/A
Auto Physical Damage	Actual Cash Value	1,000
School Board Legal Liability - NJSIG		
Errors and Omissions	$ 31,000,000	$ 5,000
Workers Compensation - MEIG		
Employers Liability	$ 1,000,000	N/A
Disease (each employee)	1,000,000	N/A
Disease (policy limit)	1,000,000	N/A
Public Official Bonds - CNA & NJSIG		
Treasurer of School Monies	$ 200,000	N/A
Business Administrator/Board Secretary	125,000	N/A
Student Accident Insurance - BMI Benefits		
Base Limit	$ 1,000,000	N/A
Catastrophic Limit	1,000,000	N/A
Voluntary Limit	500,000	N/A

Source: School District's Records

SINGLE AUDIT SECTION

LERCH, VINCI & BLISS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
North Caldwell Board of Education
132A Gould Avenue
North Caldwell, New Jersey 07006

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities and each major fund of the North Caldwell Board of Education as of and for the fiscal year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the North Caldwell Board of Education's basic financial statements and have issued our report thereon dated January 7, 2026.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the North Caldwell Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 7, 2026.

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 North Caldwell Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the North Caldwell Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Elizabeth A. Shick

Elizabeth A. Shick
Public School Accountant
PSA Number CS00203200

Fair Lawn, New Jersey
January 7, 2026

LERCH, VINCI & BLISS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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JOHN CUIFFO, CPA, PSA

REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
North Caldwell Board of Education
132A Gould Avenue
North Caldwell, New Jersey 07006

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the North Caldwell Board of Education's compliance with the types of compliance requirements identified as subject to audit in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the North Caldwell Board of Education's major state programs for the fiscal year ended June 30, 2025. The North Caldwell Board of Education's major 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 North Caldwell Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major State Program

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

We are required to be independent of the North Caldwell 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 state program. Our audit does not provide a legal determination of the North Caldwell Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities and each major fund of the North Caldwell Board of Education, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 7, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Elizabeth A. Shick

Elizabeth A. Shick
Public School Accountant
PSA Number CS00203200

Fair Lawn, New Jersey
January 7, 2026

NORTH CALDWELL BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal A.L. Number	FAIN Number	Grant Period	Award Amount	Balance July 1, 2024	A/R Carryover Amount	Def. Rev. Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	June 30, 2025 (Accounts Receivable)	June 30, 2025 Deferred Revenue	June 30, 2025 Due to Grantor	Memo GAAP Receivable
U.S. Department of Education														
Passed-through State Department of Education														
Special Revenue Fund														
I.D.E.A. Part B-Basic	84.027A	H027A240100	7/1/24-9/30/25	$ 161,783				$ 161,783	$ 161,783					
I.D.E.A. Part B-Preschool	84.173A	H173A240114	7/1/24-9/30/25	7,731	-	-	-	7,731	7,731	-	-	-	-	-
Total Special Education Cluster (IDEA)					-	-	-	169,514	169,514	-	-	-	-	-
ESEA Title I	84.010	S010A240030	7/1/24-9/30/25	30,659				30,659	30,659					
ESEA Title IIA	84.367A	S367A240029	7/1/24-9/30/25	7,143				7,143	7,143					
ESEA Title IV	84.424	S424A240031	7/1/24-9/30/25	10,000	-	-	-	10,000	10,000	-	-	-	-	-
Total U.S. Department of Education					-	-	-	217,316	217,316	-	-	-	-	-
Total					$ -	$ -	$ -	$ 217,316	$ 217,316	$ -	$ -	$ -	$ -	$ -

Note: This schedule was not subject to an audit in accordance with U.S. Uniform Guidance

The Notes to the Schedule of Expenditures of Federal Awards are an Integral Part of this Schedule.

NORTH CALDWELL BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024 (Accounts Receivable)	Balance at June 30, 2024 Deferred Revenue	Cash Received	Budgetary Expenditures	Cancelled	Balance at June 30, 2025 (Accounts Receivable)	Balance at June 30, 2025 Deferred Revenue	Balance at June 30, 2025 Due to Grantor	Memo GAAP Receivable	Memo Cumulative Total Expenditures
State Department of Education													
General Fund													
Special Education Categorical Aid	25-495-034-5120-089	7/1/24-6/30/25	$ 805,906			$ 726,171	$ 805,906		$ (79,735)				$ 805,906
Special Education Categorical Aid	24-495-034-5120-089	7/1/23-6/30/24	782,840	$ (76,467)		76,467			-				
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	66,827			60,215	66,827		(6,612)				66,827
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	65,210	(6,370)	-	6,370	-	-	-	-	-	-	-
Total State Aid Public Cluster				(82,837)	-	869,223	872,733	-	(86,347)	-	-	-	872,733
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	200,165			180,361	200,165		(19,804)				200,165
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	116,897	(11,418)		11,418			-				-
Extraordinary Sp. Ed. Aid	25-495-034-5120-044	7/1/24-6/30/25	760,000				760,000		(760,000)				760,000
Extraordinary Sp. Ed. Aid	24-495-034-5120-044	7/1/23-6/30/24	785,933	(785,933)		785,933			-				-
Additional Non-Public Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	19,614				19,614		(19,614)			$ (19,614)	19,614
Additional Non-Public Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	16,380	(16,380)		16,380			-				-
TPAF Social Security Tax	25-495-034-5094-003	7/1/24-6/30/25	467,801			467,801	467,801		-				467,801
TPAF Social Security Tax	24-495-034-5094-003	7/1/23-6/30/24	437,890	(21,556)		21,556			-				-
TPAF Pension On-Behalf Normal Costs	25-495-034-5094-002	7/1/24-6/30/25	2,169,473			2,169,473	2,169,473						2,169,473
TPAF Pension On-Behalf NCGI Premium	25-495-034-5094-004	7/1/24-6/30/25	26,874			26,874	26,874						26,874
TPAF Pension On-Behalf Long-Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	811			811	811						811
TPAF Pension On-Behalf PRM Contr.	25-495-034-5094-001	7/1/24-6/30/25	641,774	-	-	641,774	641,774	-	-	-	-	-	641,774
Subtotal				(835,287)	-	4,322,381	4,286,512	-	(799,418)	-	-	(19,614)	4,286,512
Total General Fund				(918,124)	-	5,191,604	5,159,245	-	(885,765)	-	-	(19,614)	5,159,245
Special Revenue Fund													
Funding for Optimal Comprehensive Universal Screeners (FOCUS)	NA	6/1/25-5/31/26	3,630						(3,630)	$ 3,630		-	-
Passed Through NJ Department of Community Affairs													
Local Recreation Improvement Grant	2025-04960-0702-00	7/1/23-6/30/24	82,000	-	-	-	82,000	-	(82,000)	-	-	-	82,000
Total Special Revenue Fund				-	-	-	82,000	-	(82,000)	-	-	-	82,000
Total State Financial Assistance Subject to Single Audit Determination				(918,124)	-	5,191,604	5,241,245	-	(967,765)	-	-	(19,614)	5,241,245
State Financial Assistance													
Not Subject to Single Audit Determination													
General Fund													
TPAF Pension On-Behalf Normal Costs	25-495-034-5094-002	7/1/24-6/30/25	2,169,473			(2,169,473)	(2,169,473)						(2,169,473)
TPAF Pension On-Behalf NCGI Premium	25-495-034-5094-004	7/1/24-6/30/25	26,874			(26,874)	(26,874)						(26,874)
TPAF Pension On-Behalf Long-Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	811			(811)	(811)						(811)
TPAF Pension On-Behalf PRM Contr.	25-495-034-5094-001	7/1/24-6/30/25	641,774	-	-	(641,774)	(641,774)	-	-	-	-	-	(641,774)
Total State Financial Assistance Utilized for Calculation to Determine Major Programs				$ (918,124)	$ -	$ 2,352,672	$ 2,402,313	$ -	$ (967,765)	$ -	$ -	$ (19,614)	$ 2,402,313

The Notes to the Schedule of Expenditures of State Financial Assistance are an Integral Part of this Schedule.

NORTH CALDWELL BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1 REPORTING ENTITY

The North Caldwell School District (the "Board" or the "District") received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board's Financial Statements.

NOTE 2 BASIS OF PRESENTATION

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

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedules are prepared and presented using the budgetary basis of accounting. This basis of accounting is described in the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board's summary of significant accounting policies are described in Note 1 to the Board's financial statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

NORTH CALDWELL BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of $14,037 for the general fund and a decrease of $205,093 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	Federal	State	Total
General Fund		$ 5,173,282	$ 5,173,282
Special Revenue Fund	$ 217,316	6,354	223,670
Total Financial Assistance	$ 217,316	$ 5,179,636	$ 5,396,952

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 OTHER INFORMATION

TPAF Social Security contributions in the amount of $467,801 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2025. The amount reported as TPAF Pension System Contributions in the amount of $2,196,347, TPAF Post-Retirement Medical Benefits Contributions in the amount of $641,774 and TPAF Long-Term Disability Insurance in the amount of $811 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2025.

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

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

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

NORTH CALDWELL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Financial Statement Section

A) Type of auditors' report issued:	Unmodified		
B) Internal control over financial reporting:			
1) Material weakness(es) identified?	____ yes	X no	
2) Were significant deficiencies identified that were not considered to be material weaknesses?	____ yes	X	none reported
C) Noncompliance material to the basic financial statements noted?	____ yes	X no	

Federal Awards Section

Not Applicable

State Awards Section

Internal Control over major programs: (1) Material weakness(es) identified?	____ yes	X no	
2) Significant deficiencies identified that are not considered to be material weakness(es)?	____ yes	X	none reported
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 NJ OMB Circular Letter 15-08?	____ yes	X no	

Identification of major state programs:

CFDA Number(s)	Name of State Program or Cluster
25-495-034-5094-003	TPAF Social Security Tax
25-495-034-5120-086	Special Education Aid
25-495-034-5120-084	Security Aid

Dollar threshold used to distinguish between Type A and Type B programs:		$ 750,000	
Auditee qualified as low-risk auditee?	X yes	____ no	

EXHIBIT K-6

NORTH CALDWELL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Part 2 – Schedule of Financial Statement Findings

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

There are none.

NORTH CALDWELL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

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

CURRENT YEAR FEDERAL AWARDS

Not applicable.

CURRENT YEAR STATE AWARDS

There are none.