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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Little Falls, New Jersey

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

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

Little Falls, New Jersey

For The Fiscal Year Ended June 30, 2025

Prepared by

Business Office

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BOARD OF EDUCATION
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INTRODUCTORY SECTION

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

January 6, 2026

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

Dear Board Members:

The comprehensive annual financial report of the Passaic Valley Regional High School District for the fiscal year ending June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation and disclosures rests with the management of the Board of Education of the Passaic Valley Regional High School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section includes this transmittal letter, the District's organizational chart, list of professional advisors and a list of principal officials.

- The Financial Section includes the basic financial statements and schedules, required supplementary information, management's discussion and analysis as well as the auditor's report thereon.

- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

- The Single Audit Section includes the Auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations. The District is required to undergo an annual single audit in conformity with the provisions of U.S. Uniform Guidance and New Jersey State Office of Management and Budget Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings, recommendations are included in the single audit section of this report

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

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

The District provides a full range of educational services appropriate to grade levels 9 through 12. These include regular, technical, as well as special education. The District completed the 2024-2025 fiscal year with an enrollment of 1,075 students. The following details the changes in the student enrollment of the district over the last ten years:

Enrollment

Fiscal Year		
2015-2016	1,338	
2016-2017	1,294	-0.04%
2017-2018	1,276	-0.02%
2018-2019	1,171	-0.09%
2019-2020	1,111	-0.06%
2020-2021	1,037	-0.08%
2021-2022	1,009	-0.03%
2022-2023	1,030	0.02%
2023-2024	1,059	0.02%
2024-2025	1,075	0.015%

2. **ECONOMIC CONDITION AND OUTLOOK:**

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

3. **MAJOR INITIATIVES:**

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

The graduating class of 2025 reported the following post-graduate plans:
Class of 2025

4 Year College	58%
2 Year College	17%
Career Education	10%
Employment	11%
Military	2%
Other	2%

SAT/ACT Scores

	Mean Score Distribution
SAT Scores	522
ERW	512
MATH	

Act Scores	Mean Score Distribution
Reading	24
English	24
Math	23
Science	23

4. **INTERNAL ACCOUNTING CONTROLS:**

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

and

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

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as, to determine that the District has complied with applicable laws and regulations.

5. **BUDGETARY CONTROLS:**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriate budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.
An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance on June 30, 2025.

6. **ACCOUNTING SYSTEM AND REPORTS:**

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

7. **DEBT ADMINISTRATION:**

At June 30, 2025, the District has no outstanding bonds payable. Additional information regarding the District's debt is contained in the "Notes to the Financial Statements", Note 3.

8. **FINANCIAL INFORMATION AT FISCAL YEAR-END:**

The Board developed its 2024-2025 budgets under the State's funding formula. An analysis of the expenditures in the financial section of this report will show that the Board was prudent in presenting the community with an accurate picture of educational needs.

9. **CASH MANAGEMENT:**

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

10. **RISK MANAGEMENT**:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/ collision, hazard and theft insurance on property and contents, and surety bonds.

11. **OTHER INFORMATION**:

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

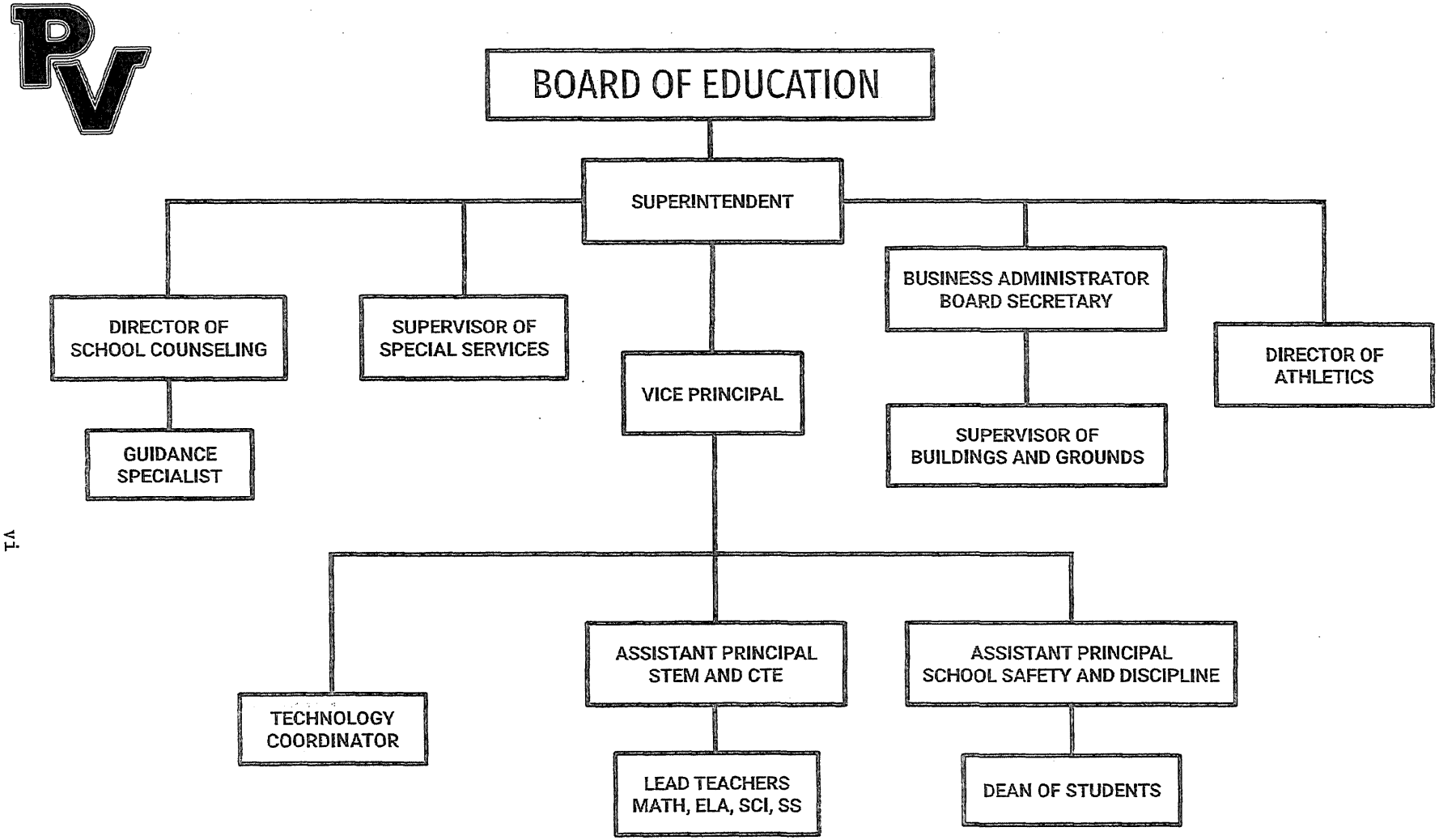
12. **ACKNOWLEDGMENTS:**

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

Respectfully submitted,

Dr. Bracken Healy
Superintendent of Schools

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


BOARD OF EDUCATION
SUPERINTENDENT
DIRECTOR OF SCHOOL COUNSELING
GUIDANCE SPECIALIST
SUPERVISOR OF SPECIAL SERVICES
VICE PRINCIPAL
BUSINESS ADMINISTRATOR BOARD SECRETARY
SUPERVISOR OF BUILDINGS AND GROUNDS
DIRECTOR OF ATHLETICS
TECHNOLOGY COORDINATOR
ASSISTANT PRINCIPAL STEM AND CTE
LEAD TEACHERS MATH, ELA, SCI, SS
ASSISTANT PRINCIPAL SCHOOL SAFETY AND DISCIPLINE
DEAN OF STUDENTS

V.1

PASSAIC VALLEY REGIONAL HIGH SCHOOL
LITTLE FALLS, NEW JERSEY 07424

ROSTER OF OFFICIALS
June 30, 2025

Members of the Board of Education	Term Expires
Mr. Giovanni D'Ambrosio - President	12/31/2026
Mr. Peter D'Angelo - Vice President	12/31/2025
Ms. Lori Brigati	12/31/2026
Mr. Daniel Casasnovas	12/31/2025
Dr. Charles Cathcart	12/31/2026
Mr. Raymond Luke Damaino	12/31/2027
Mr. Lou DeLuca	12/31/2025
Mr. Fredrick DeMarco	12/31/2027
Dr. Vincent Varcadipane	12/31/2027

Other Officials

Dr. Bracken Healy - Superintendent of Schools

Mr. Colin Monahan - Business Administrator/Board Secretary

Mr. Raymond Reddin, Esq. - Board Attorney

Passaic Valley Regional High School District #1

Board of Education

Consultants and Advisors

Audit Firm

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

Attorney

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

Official Depository

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

FINANCIAL SECTION

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

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

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, 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 Trustees
Passaic Valley Regional High School District No.1 Board of Education
Little Falls, New Jersey

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Passaic Valley Regional High School District No. 1 Board of Education, as of and for the fiscal year ended June 30, 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, the business-type activities and each major fund of the Passaic Valley Regional High School District No. 1 Board of Education as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Passaic Valley Regional High School District No. 1 Board of Education's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Passaic Valley Regional High School District No. 1 Board of Education's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 6, 2026 on our consideration of the Passaic Valley Regional High School District No. 1 Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Passaic Valley Regional High School District No. 1 Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Passaic Valley Regional High School District No. 1 Board of Education's internal control over financial reporting and compliance.

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

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 6, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Management's Discussion and Analysis

This section of Passaic Valley Regional High School District No. 1 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 Passaic Valley Regional High School District No. 1 Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $16,154,442 (net position).

- Overall District revenues were $39,166,824. General revenues accounted for $30,397,741 or 78% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for $8,769,083 of total revenues.

- The School District had $35,339,761 in expenses for governmental activities; only $8,188,940 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of $30,394,239 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 $12,365,202 an increase of $2,569,213 when compared to the ending fund balance at June 30, 2024 of $9,795,989.

- The General Fund unassigned budgetary fund balance at June 30, 2025 was $1,559,530 which represents an increase of $117,956 when compared to the ending unassigned fund balance at June 30, 2024 of $1,441,574.

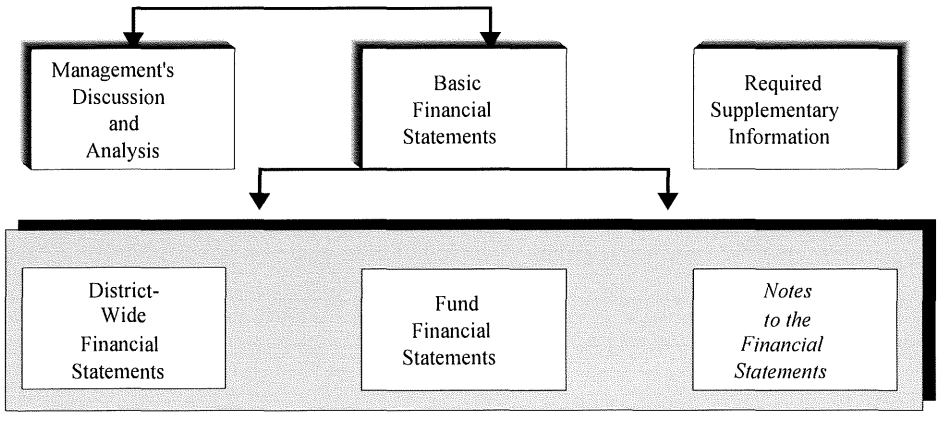
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The 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.



Management's Discussion and Analysis

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	Proprietary 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	Activities the district operates similar to private businesses: Enterprise funds
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability 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	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or Paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

Management's Discussion and Analysis

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 two categories:

- *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.

- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund is included here.

Fund Financial Statements

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

- Some funds are required by State law and 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).

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The District has two kinds of funds:

• *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial 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.

• *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's Enterprise Fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

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.

Management's Discussion and Analysis

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 $16,154,442 and $12,925,854 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		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and Other Assets	$ 12,524,245	$ 9,848,633	$ 121,651	$ 106,791	$ 12,645,896	$ 9,955,424
Capital Assets	9,718,289	10,106,955	57,059	66,641	9,775,348	10,173,596
Total Assets	22,242,534	19,955,588	178,710	173,432	22,421,244	20,129,020
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	164,521	237,097	-	-	164,521	237,097
Total Deferred Outflows	164,521	237,097	-	-	164,521	237,097
Total Assets and Deferred Outflows	22,407,055	20,192,685	178,710	173,432	22,585,765	20,366,117
Liabilities						
Long-Term Liabilities	5,912,896	7,064,381			5,912,896	7,064,381
Other Liabilities	167,933	64,533	58,019	37,911	225,952	102,444
Total Liabilities	6,080,829	7,128,914	58,019	37,911	6,138,848	7,166,825
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	292,475	273,438	-	-	292,475	273,438
Total Deferred Inflows	292,475	273,438	-	-	292,475	273,438
Total Liabilities and Deferred Inflows	6,373,304	7,402,352	58,019	37,911	6,431,323	7,440,263
Net Position						
Net Investment in Capital Assets	8,069,289	7,623,955	57,059	66,641	8,126,348	7,690,596
Restricted	5,329,470	3,116,756			5,329,470	3,116,756
Unrestricted	2,634,992	2,049,622	63,632	68,880	2,698,624	2,118,502
Total Net Position	$ 16,033,751	$ 12,790,333	$ 120,691	$ 135,521	$ 16,154,442	$ 12,925,854

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

Management's Discussion and Analysis

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

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues						
Charges for Services	$ 1,977,302	$ 1,375,019	$ 327,878	$ 378,537	$ 2,305,180	$ 1,753,556
Operating Grants and Contributions	6,196,237	6,483,864	252,265	216,725	6,448,502	6,700,589
Capital Grants and Contributions	15,401	125,087			15,401	125,087
General Revenues						
Property Taxes	29,416,373	28,872,179			29,416,373	28,872,179
State Aid	332,247	359,556			332,247	359,556
Investment Earnings	326,664	360,412	3,502	5,033	330,166	365,445
Miscellaneous	318,955	414,940	-	-	318,955	414,940
Total Revenues	38,583,179	37,991,057	583,645	600,295	39,166,824	38,591,352
Expenses						
Instruction						
Regular	14,530,319	15,611,370			14,530,319	15,611,370
Special Education	6,505,903	6,880,389			6,505,903	6,880,389
School Sponsored Activities and Athletics	1,966,259	1,985,100			1,966,259	1,985,100
Support Services						
Student and Instruction Related Services	3,319,494	3,569,037			3,319,494	3,569,037
General Administration Services	659,352	615,509			659,352	615,509
School Administration Services	1,376,307	1,367,143			1,376,307	1,367,143
Plant Operation and Maintenance	4,128,570	4,326,286			4,128,570	4,326,286
Pupil Transportation	2,272,091	2,109,110			2,272,091	2,109,110
Business Services	542,289	519,563			542,289	519,563
Interest and Other Chgs on Long-Term Debt	39,177	55,165			39,177	55,165
Food Service	-	-	598,475	604,911	598,475	604,911
Total Expenses	35,339,761	37,038,672	598,475	604,911	35,938,236	37,643,583
Change in Net Position	3,243,418	952,385	(14,830)	(4,616)	3,228,588	947,769
Net Position, Beginning of Year	12,790,333	11,837,948	135,521	140,137	12,925,854	11,978,085
Net Position, End of Year	$ 16,033,751	$ 12,790,333	$ 120,691	$ 135,521	$ 16,154,442	$ 12,925,854

Management's Discussion and Analysis

Governmental Activities

The financial position of the District improved significantly. However, maintaining existing programs with decreased enrollment, 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	$ 14,530,319	$ 15,611,370	$ 11,208,519	$ 12,097,535
Special Education	6,505,903	6,880,389	3,850,920	5,043,389
School Sponsored Activities and Athletics	1,966,259	1,985,100	1,453,150	1,424,841
Support Services				
Student and Instruction Related Services	3,319,494	3,569,037	2,885,884	2,823,480
General Administration	659,352	615,509	608,854	546,910
School Administration Services	1,376,307	1,367,143	1,254,286	1,211,593
Plant Operation and Maintenance	4,128,570	4,326,286	3,846,266	3,991,266
Pupil Transportation	2,272,091	2,109,110	1,476,690	1,343,056
Business Services	542,289	519,563	533,743	519,563
Interest and Other Charges on Long-Term Debt	39,177	55,165	32,509	53,069
Total	**$ 35,339,761**	**$ 37,038,672**	**$ 27,150,821**	**$ 29,054,702**

Management's Discussion and Analysis

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 $12,365,202, an increase of $2,569,213 from last year's fund balance of $9,795,989.

Revenues for the District's governmental funds were $41,885,328; total expenditures were $39,316,115.

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 of the General Fund were $40,226,679 for the fiscal year ended June 30, 2025. State sources amounted to $8,587,837, federal sources totaled $13,464 and local sources were $31,625,378.

Expenditures of the General Fund were $37,730,435. Instructional expenditures were $24,576,054 for support services were $12,742,306, capital expenditures totaled $158,917 and lease debt payments of $253,158 for the fiscal year ended June 30, 2025.

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

Revenues of the Special Revenue Fund were $1,032,907 for the fiscal year ended June 30, 2025. federal sources totaled $558,919 and local sources were $473,988.

Expenditures of the Special Revenue Fund were $962,662. Instructional expenditures were $798,567 for support services were $148,694 and capital expenditures totaled $15,401 for the fiscal year ended June 30, 2025.

Capital Projects - The Capital Projects Fund earned interest revenue of $2,724 that was transferred to the General Fund. Fund Balance as of June 30, 2025 was $0, which was decrease of $100,179 from last year's fund balance.

Proprietary Funds

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

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

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2024 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 $9,775,348 and $10,173,596 (net of accumulated depreciation), respectively. The capital assets consist of buildings and improvements, improvements other than building, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2024-2025 amounted to $530,009 for governmental activities and $12,128 for the Business-Type activities.

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

	Governmental Activities		Business- Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Buildings and Improvements	$ 4,973,015	$ 5,188,372			$ 4,973,015	$ 5,188,372
Improvments Other Than Buildings	3,677,149	3,704,716			3,677,149	3,704,716
Machinery and Equipment	1,068,125	1,213,867	$ 57,059	$ 66,641	1,125,184	1,280,508
Total	$ 9,718,289	$ 10,106,955	$ 57,059	$ 66,641	$ 9,775,348	$ 10,173,596

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 $378,824, capital financing agreements of $1,649,000 and net pension liability of $3,885,072 totaling $5,912,896. This is in comparison to long-term liabilities at June 30, 2024 of $7,064,381 or a decrease of $1,151,485.

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, and utilizes the required investment to repair 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, Passaic Valley Regional High School District No. 1 Board of Education, 100 East Main Street, Little Falls, NJ 07424.

BASIC FINANCIAL STATEMENTS

EXHIBIT A-1

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 11,351,363	$ 103,297	$ 11,454,660
Receivables, net			
Receivables from Other Governments	1,035,817	12,314	1,048,131
Other Receivables	109,229	21,992	131,221
Internal Balances	27,836	(27,836)	-
Inventory		11,884	11,884
Capital Assets			
Being Depreciated Net	9,718,289	57,059	9,775,348
Total Assets	22,242,534	178,710	22,421,244
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	164,521	-	164,521
Total Assets and Deferred Outflows of Resources	22,407,055	178,710	22,585,765
LIABILITIES			
Accounts Payable	2,688	52,249	54,937
Payroll Deductions & Witholdings Payable	145,824		145,824
Accrued Interest Payable	8,890		8,890
Unearned Revenue	10,531	5,770	16,301
Noncurrent Liabilities			
Due Within One Year	220,000		220,000
Due Beyond One Year	5,692,896	-	5,692,896
Total Liabilities	6,080,829	58,019	6,138,848
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	292,475	-	292,475
Total Liabilities and Deferred Inflows of Resources	6,373,304	58,019	6,431,323
NET POSITION			
Net Investment in Capital Assets	8,069,289	57,059	8,126,348
Restricted for:			
Capital Projects	4,513,216		4,513,216
Other Purposes	816,254		816,254
Unrestricted	2,634,992	63,632	2,698,624
Total Net Position	$ 16,033,751	$ 120,691	$ 16,154,442

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

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	$ 14,530,319	$ 1,977,302	$ 1,344,498		$ (11,208,519)		$ (11,208,519)
Special Education	6,505,903		2,654,983		(3,850,920)		(3,850,920)
School Sponsored Co-Curricular Activities	1,966,259		513,109		(1,453,150)		(1,453,150)
Support Services:					-		
Student & Instruction Related Services	3,319,494		433,610		(2,885,884)		(2,885,884)
General Administrative Services	659,352		50,498		(608,854)		(608,854)
School Administrative Services	1,376,307		122,021		(1,254,286)		(1,254,286)
Plant Operations and Maintenance	4,128,570		266,903	$ 15,401	(3,846,266)		(3,846,266)
Pupil Transportation	2,272,091		795,401		(1,476,690)		(1,476,690)
Business and Other Support Services	542,289		8,546		(533,743)		(533,743)
Interest on Long-Term Debt	39,177	-	6,668	-	(32,509)	-	(32,509)
Total Governmental Activities	35,339,761	1,977,302	6,196,237	15,401	(27,150,821)	-	(27,150,821)
Business-Type Activities:							
Food Service	598,475	327,878	252,265	-	-	$ (18,332)	(18,332)
Total Business-Type Activities	598,475	327,878	252,265	-	-	(18,332)	(18,332)
Total Primary Government	$ 35,938,236	$ 2,305,180	$ 6,448,502	$ 15,401	(27,150,821)	(18,332)	(27,169,153)

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

Continued

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	$ 29,005,181		$ 29,005,181
Taxes Levied for Debt Service	411,192		411,192
State Aid - Restricted for Debt Service	205,158		205,158
State Aid - Unrestricted	127,089		127,089
Miscellaneous Income	645,619	$ 3,502	649,121
Total General Revenues	30,394,239	3,502	30,397,741
Change in Net Position	3,243,418	(14,830)	3,228,588
Net Position—Beginning of Year	12,790,333	135,521	12,925,854
Net Position—End of Year	$ 16,033,751	$ 120,691	$ 16,154,442

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

Continued

FUND FINANCIAL STATEMENTS

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ 10,875,405	$ 475,958		$ 11,351,363
Accounts Receivable	109,229			109,229
Tax Levy Receivable	658,379			658,379
Receivables From Other Governments	283,974	93,464		377,438
Due from Other Funds	27,836	-	-	27,836
Total Assets	$ 11,954,823	$ 569,422	$ -	$ 12,524,245
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable and Other Liabilities	$ 2,688			$ 2,688
Payroll Deductions & Withholdings Payable	145,824			145,824
Unearned Revenue	-	$ 10,531	-	10,531
Total Liabilities	148,512	10,531	-	159,043
Fund Balances:				
Restricted:				
Capital Reserve	3,156,216			3,156,216
Capital Reserve - Designated for Subsequent Year's Expenditures	1,357,000			1,357,000
Excess Surplus	3,304,597			3,304,597
Excess Surplus - Designated for Subsequent Year's Expenditures	2,999,641			2,999,641
Unemployment Compensation	257,363			257,363
Student Activities		276,949		276,949
Athletics		105,952		105,952
Scholarships		175,990		175,990
Assigned:				
Designated for Subsequent Year's Expenditures	153,974			153,974
Year End Encumbrances	411,423			411,423
Unassigned	166,097	-	-	166,097
Total Fund Balances	11,806,311	558,891	-	12,365,202
Total Liabilities and Fund Balances	$ 11,954,823	$ 569,422	$ -	

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 $21,381,129 and the accumulated depreciation is 11,662,840.		9,718,289
The District has financed capital assets through the issuance of long-term debt. The interest accrual at year end is:		(8,890)
Deferred Inflows and Outflows related to the net pension liability are not reported in the funds.		(127,954)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Capital Financing Agreements	$ 1,649,000	
Net Pension Liability	3,885,072	
Compensated Absences	378,824	
		(5,912,896)
Net Position of Governmental Activities (Exhibit A-1)		$ 16,033,751

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Property Tax Levy	$ 29,005,181			$ 411,192	$ 29,416,373
Tuition	1,977,302				1,977,302
Interest Earnings	323,940		$ 2,724		326,664
Miscellaneous	318,955	$ 473,988	-	-	792,943
Total - Local Sources	31,625,378	473,988	2,724	411,192	32,513,282
State Sources	8,587,837			211,826	8,799,663
Federal Sources	13,464	558,919	-	-	572,383
Total Revenues	40,226,679	1,032,907	2,724	623,018	41,885,328
EXPENDITURES					
Instruction					
Regular	16,405,130	119,895			16,525,025
Special Education	6,662,651	279,608			6,942,259
School Sponsored Co-Curricular Activities	1,508,273	399,064			1,907,337
Support Services and Undistributed Costs					
Student & Instruction Related Services	3,531,451	148,694			3,680,145
General Administrative Services	747,145				747,145
School Administrative Services	1,588,146				1,588,146
Business & Other Support Services	556,743				556,743
Plant Operations and Maintenance	4,043,549				4,043,549
Pupil Transportation	2,275,272				2,275,272
Capital Outlay	158,917	15,401			174,318
Debt Service					
Principal	213,000			621,000	834,000
Interest and Other Charges	40,158	-	-	2,018	42,176
Total Expenditures	37,730,435	962,662	-	623,018	39,316,115
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,496,244	70,245	2,724	-	2,569,213
OTHER FINANCING SOURCES (USES)					
Transfers In	102,903				102,903
Transfers Out	-	-	(102,903)	-	(102,903)
Total Other Financing Sources (Uses)	102,903	-	(102,903)	-	-
Net Change in Fund Balances	2,599,147	70,245	(100,179)	-	2,569,213
Fund Balance, Beginning of Year	9,207,164	488,646	100,179	-	9,795,989
Fund Balance, End of Year	$ 11,806,311	$ 558,891	$ -	$ -	$ 12,365,202

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Total Net Change in Fund Balances - Governmental Funds (from B-2)		$ 2,569,213
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the period.		
Depreciation Expense	$ (530,009)	
Capital Outlays (Net)	141,343	
		(388,666)
Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
Bond Principal	621,000	
Capital Leases	213,000	
		834,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The details are as follows:		
Decrease in Accrued Interest	2,999	
Compensated Absences	(7,428)	
Net Pension Liability	233,300	
		228,871
Change in Net Position of Governmental Activities		$ 3,243,418

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

EXHIBIT B-4

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

	Business-Type Activities Enterprise Fund Food Services
ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 103,297
Intergovernmental Receivable	
State	756
Federal	11,558
Accounts Receivable	21,992
Inventories	11,884
Total Current Assets	149,487
Capital Assets	
Furniture, Machinery and Equipment	304,208
Less: Accumulated Depreciation	(247,149)
Total Capital Assets, Net	57,059
Total Assets	206,546
LIABILITIES	
Current Liabilities	
Accounts Payable	52,249
Due to Other Funds	27,836
Unearned Revenue	5,770
Total Current Liabilities	85,855
NET POSITION	
Net Investment in Capital Assets	57,059
Unrestricted	63,632
Total Net Position	$ 120,691

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

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities Enterprise Fund Food Services
OPERATING REVENUES	
Charges for Services	
Daily Sales - Reimbursable Programs	$ 146,362
Daily Sales - Nonreimbursable Programs	181,516
Total Operating Revenues	327,878
OPERATING EXPENSES	
Cost of Sales - Reimbursable Programs	157,093
Cost of Sales - Nonreimbursable Programs	80,926
Cost of Sales - USDA Commodities	36,633
Labor Cost	219,948
Management Fee	41,929
Supplies and Materials	27,990
Repairs and Maintenance	1,220
Insurance	20,348
Other Expenses	260
Depreciation	12,128
Total Operating Expenses	598,475
Operating Loss	(270,597)
NONOPERATING REVENUES	
State Sources	
State School Lunch Program	6,195
NJEIE	6,947
Federal Sources	
Food Distribution Program	36,633
National School Breakfast Program	51,426
National School Lunch Program	147,473
Local Food for Schools	3,269
Summer Benefit Program	322
Interest Income	3,502
Total Nonoperating Revenues	255,767
Change in Net Position	(14,830)
Total Net Position - Beginning of Year	135,521
Total Net Position - End of Year	$ 120,691

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

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities Enterprise Fund Food Services
Cash Flows from Operating Activities	
Cash Received from Customers	$ 327,878
Cash Payments for Employees' Salaries and Benefits	(219,948)
Cash Payments to Suppliers for Goods and Services	(316,716)
Net Cash Provided by (Used for) Operating Activities	(208,786)
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	203,318
Net Cash Provided by Noncapital Financing Activities	203,318
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	(2,547)
Net Cash (Used) for Capital and Related Financing Activities	(2,547)
Cash Flows from Investing Activities	
Interest Income	3,502
Net Cash Provided by Investing Activities	3,502
Net Decrease in Cash and Cash Equivalents	(4,513)
Cash and Cash Equivalents, Beginning of Year	107,810
Cash and Cash Equivalents, End of Year	$ 103,297
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	$ (270,597)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Non-Cash Federal Assistance - Food Distribution Program	36,633
Depreciation	12,128
Change in Assets and Liabilities	
(Increase)/Decrease in Accounts Receivable	(2,831)
(Increase)/Decrease in Inventory	(4,227)
Increase/(Decrease) in Accounts Payable	19,808
Increase/(Decrease) in Deferred Revenue	300
Total Adjustments	61,811
Net Cash Used for Operating Activities	$ (208,786)
Non-Cash Financing Activities:	
Fair Value of Food Distribution Program Commodities Received - National School Lunch Program	$ 36,633

The Notes to the Basic 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 Passaic Valley Regional High School District No. 1 Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a grade nine (9) through grade twelve (12) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent 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 Passaic Valley Regional High School District No. 1 Board of Education this includes general operations, food service and student related activities of the District.

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

B. New Accounting Standards

During fiscal year 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 either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no fiduciary funds.

District-Wide Financial Statements

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

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

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

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

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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.

3. Inventories

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Inventories (Continued)

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

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost, except for intangible right-to-use leased assets and intangible right-to-use IT subscription assets, the measurement of which is discussed in Note 1. E.10 and E.11, respectively. 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	40
Building Improvements	20
Heavy Equipment	10-20
Office Equipment and Furniture	7-10
Computer Equipment	5

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to 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 amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to ~~a~~ future periods(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has three types of items, one type which arises only under a modified accrual basis of accounting, and two types which arise only under the accrual basis of accounting that qualify for reporting in this category. Accordingly, one item, unavailable revenue, is reported only in the governmental funds balance sheet for taxes, tuition and state aid advance. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The other item that qualifies for reporting in this category is the deferred amounts which results from a debt refunding reported in the district-wide statement of net position. Deferred amount on refunding of debt results from the difference on the transaction when the carrying value of refunded debt is greater than its reacquisition price. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

6. Compensated Absences

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

7. Pensions

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

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

8. Financing Agreements

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Long-Term Obligations

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

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

10. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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.

Excess Surplus – Designated for Subsequent Year's Expenditures - 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.

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).

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the 2025/2026 original budget certified for taxes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Restricted Fund Balance (Continued)

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

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.

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

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the 2025/2026 original budget certified for taxes.

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

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

11. Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Fund Balance Policies (Continued)

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. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 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 include payments made by the State of New Jersey on-behalf of the District for social security, pension, long-term disability insurance and post-retirement medical benefit contributions for District employees enrolled in the Teacher Pension and Annuity Fund (TPAF) retirement system, 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 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

5. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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 $233,468 and the special revenue fund by $36,744. The increases were funded by the additional appropriation of capital reserve, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

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

B. Capital Reserve

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

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

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

Balance, July 1, 2024		$ 2,318,820
Increased by		
Deposits Approved by Board Resolution	$ 1,500,000	
Return of Unencumbered Budget Withdrawals	1,314,217	
Return of Unexpended Transfer to Capital Projects	100,179	
Total Increases		2,914,396
Decreased by:		
Withdrawals Approved in District Budget	720,000	
Total Decreases		720,000
Balance, June 30, 2025		$ 4,513,216

$1,357,000 of the capital reserve balance at June 30, 2025 was designated and appropriated for use in the 2025/2026 original budget certified for taxes.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Calculation of Excess Surplus (Continued)

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 $6,304,238. Of this amount, $2,999,641 was designated and appropriated in the 2025/2026 original budget certified for taxes and the remaining amount of $3,304,597 will be appropriated in the 2026/2027 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

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 $11,454,660 and bank and brokerage firm balances of the Board's deposits amounted to $13,155,319. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

Depository Account

Insured	$ 12,671,675
Uninsured and Collateralized	483,644
	$ 13,155,319

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 $483,644 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	$ 483,644
	$ 483,644

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments

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

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

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.

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	Special Revenue	Food Service	Total
Receivables:				
Property Taxes	$ 658,379			$ 658,379
Accounts	109,229		$ 21,992	131,221
Intergovernmental-				-
Federal		$ 93,464	11,558	105,022
State	106,305	-	756	107,061
Local	177,669	-	-	177,669
Gross Receivables	1,051,582	93,464	34,306	1,179,352
Less: Allowance for				-
Uncollectibles	-	-	-	-
Net Total Receivables	$ 1,051,582	$ 93,464	$ 34,306	$ 1,179,352

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

Special Revenue Fund	
Grant Draw Downs for Year-End Encumbrances	$ 10,531
Total Unearned Revenue for Governmental Funds	$ 10,531

D. Capital Assets

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

	Balance, July 1, 2024	Increases	Adjustments	Balance, June 30, 2025
Governmental Activities:				
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	$ 13,246,235			$ 13,246,235
Improvements Other Than Buildings	5,202,310	$ 100,018		5,302,328
Machinery and Equipment	2,790,726	74,300	$ (32,460)	2,832,566
Total Capital Assets Being Depreciated	21,239,271	174,318	(32,460)	21,381,129
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(8,057,863)	(215,357)		(8,273,220)
Improvements Other Than Buildings	(1,497,594)	(127,585)		(1,625,179)
Machinery and Equipment	(1,576,859)	(187,067)	(515)	(1,764,441)
Total Accumulated Depreciation	(11,132,316)	(530,009)	(515)	(11,662,840)
Total Capital Assets, Being Depreciated, Net	10,106,955	(355,691)	(32,975)	9,718,289
Governmental Activities Capital Assets, Net	$ 10,106,955	$ (355,691)	$ (32,975)	$ 9,718,289

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2024	Increases	Balance, June 30, 2025
Business-Type Activities:			
Capital Assets, Being Depreciated:			
Machinery and Equipment	$ 301,662	$ 2,546	$ 304,208
Total Capital Assets Being Depreciated	301,662	2,546	304,208
Less Accumulated Depreciation for:			
Machinery and Equipment	(235,021)	(12,128)	(247,149)
Total Accumulated Depreciation	(235,021)	(12,128)	(247,149)
Total Capital Assets, Being Depreciated, Net	66,641	(9,582)	57,059
Business-Type Activities Capital Assets, Net	$ 66,641	$ (9,582)	$ 57,059

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

Governmental Activities:	
Instruction	
Regular	$ 132,503
School-Sponsored/Activities and Athletics	132,502
Total Instruction	265,005
Support Services	
Student and Instruction Related Services	132,502
Plant Operations and Maintenance	132,502
Total Support Services	265,004
Total Depreciation Expense - Governmental Activities	$ 530,009
Business-Type Activities:	
Food Service Fund	$ 12,128
Total Depreciation Expense-Business-Type Activities	$ 12,128

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has no significant commitments as of June 30, 2025 and 2024:

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2025, is as follows:

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Food Service Fund	$ 27,836

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

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

Interfund Transfers

	Transfer In:	
	General	Total
Transfer Out:		
Capital Projects Fund	$ 102,903	$ 102,903
Total Transfers	$ 102,903	$ 102,903

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements

Capital Financing Agreements

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

Capital financing agreements at June 30, 2025 are comprised of the following:

$2,083,000, fiscal year 2022 Agreement for the Energy Savings Improvement Program for a term of 18 years due in annual principal installments of $5,000 to $220,000 through April 1, 2040 interest at 2.1567%	$ 1,649,000
Total	$ 1,649,000

Other Financing Agreements

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

Governmental Activities:

Fiscal Year Ending June 30,	Capital Agreements Principal	Interest	Total
2026	$ 220,000	$ 35,564	$ 255,564
2027	86,000	30,819	116,819
2028	91,000	28,964	119,964
2029	79,000	27,002	106,002
2030	83,000	25,298	108,298
2031-2035	481,000	97,828	578,828
2036-2040	609,000	40,588	649,588
Total	$ 1,649,000	$ 286,063	$ 1,935,063

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

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:

3.5% of Equalized Valuation Basis (Municipal)	$ 303,571,044
Less: Net Debt Issued and Authorized But Not Issued	1,649,000
Remaining Borrowing Power	$ 301,922,044

H. 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	Additions	Reductions	Balance, June 30, 2025	Due Within One Year
Governmental Activities:					
Bonds Payable	$ 621,000	$ -	$ 621,000	$ -	$ -
Total Bonds Payable	621,000	-	621,000	-	-
Capital Financing Agreements	1,862,000		213,000	1,649,000	220,000
Compensated Absences	371,396	7,428		378,824	
Net Pension Liability	4,209,985	-	324,913	3,885,072	-
Governmental Activity Long-Term Liabilities	$ 7,064,381	$ 7,428	$ 1,158,913	$ 5,912,896	$ 220,000

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

The relationship between the Board and the insurance fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the funds, 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 funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

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

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three 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,	District Contributions	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2025	$ -	$ 61,519	$ 6,446	$ 19,713	$ 257,363
2024	-	44,933	6,357	14,760	209,111
2023	-	45,500	4,605	59,597	172,581

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. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2025, the District had no estimated arbitrage earnings due to the IRS.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

D. Employee Retirement Systems and Pension Plans (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.

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.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 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 2024.

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	$ 389,059	$ 3,532,035	$ 14,624
2024	388,471	3,624,671	15,518
2023	365,414	3,431,372	1,829

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2025, 2024 and 2023 the State contributed $1,099, $944 and $804, 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 $772,841 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.

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 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 $3,885,072 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 0.02859 percent, which was a decrease of 0.00048 percent from its proportionate share measured as of June 30, 2023 of 0.02907 percent.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension expense of $155,755 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	$ 77,825	$ 10,343
Changes of Assumptions	4,826	44,203
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		180,140
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	81,870	57,789
Total	$ 164,521	$ 292,475

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/(benefit) as follows:

Year Ending June 30,	Total
2026	$ 50,259
2027	(184,761)
2028	(87,818)
2029	94,366
Thereafter	-
	$ (127,954)

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 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)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 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)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 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	$ 5,162,306	$ 3,885,072	$ 2,798,153

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.nj.gov/treasury/pensions.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 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 $151,629 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 $41,566,730. 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 0.08410 percent, which was an increase of 0.00131 percent from its proportionate share measured as of June 30, 2023 of 0.08279 percent.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 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)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 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)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

The following presents the 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%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	$ 49,407,943	$ 41,566,730	$ 34,962,946

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.nj.gov/treasury/pensions.

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans,* the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 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)

E. Post-Retirement Medical Benefits (Continued)

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

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.nj.gov/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 plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

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

Collective Net OPEB Liability

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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 $1,032,064, $986,503 and $901,413, 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.

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of $1,413,579. 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 $48,407,042. 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 0.08 percent, which was unchanged from its proportionate share measured as of June 30, 2023 of 0.08 percent.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

The OPEB liability for the June 30, 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.

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%.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Discount Rate

The discount rate for June 30, 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, 2032 Measurement Date	$ 43,336,191
Changes Recognized for the Fiscal Year:	
Service Cost	1,592,028
Interest on the Total OPEB Liability	1,593,445
Differences Between Expected and Actual Experience	(560,841)
Changes of Assumptions	3,621,490
Gross Benefit Payments	(1,216,940)
Contributions from the Member	41,669
Net Changes	$ 5,070,851
Balance, June 30, 2024 Measurement Date	$ 48,407,042

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)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District 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	$ 56,695,013	$ 48,407,042	$ 41,741,793

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	$ 40,323,418	$ 48,407,042	$ 58,936,495

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.

BUDGETARY COMPARISON SCHEDULES

REQUIRED SUPPLEMENTARY INFORMATION - PART II

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Transfers	Modified Budget	Actual	Variance Favorable (Unfavorable)
REVENUES					
Local Sources					
Local Tax Levy	$ 29,005,181		$ 29,005,181	$ 29,005,181	
Tuition from Other LEA's Within the State	1,190,868		1,190,868	1,977,302	$ 786,434
Investment Income				323,940	323,940
Interest Earned in Capital Reserve	10,000		10,000		(10,000)
Miscellaneous	104,132	-	104,132	318,955	214,823
Total Local Sources	30,310,181	-	30,310,181	31,625,378	1,315,197
State Sources					
Categorical Special Education Aid	1,063,236	-	1,063,236	1,063,236	-
Equalization Aid	110,306	-	110,306	110,306	-
Categorical Security Aid	220,287	-	220,287	220,287	-
Categorical Transportation Aid	729,435	-	729,435	729,435	-
Extraordinary Aid	350,000	-	350,000	1,194,434	844,434
Non Public Transportation Reimbursement				67,248	67,248
Stabilization Aid	13,764		13,764	13,764	-
Other State Aid				763	763
On-behalf TPAF Normal Costs (Non-budgeted)				3,488,818	3,488,818
On-behalf TPAF NCGI Premium (Non-budgeted)				43,217	43,217
On-behalf Post Retirement Medical Contribution (Non-budgeted)				1,032,064	1,032,064
On-behalf Long-Term Disability Insurance (Non-budgeted)				1,099	1,099
Reimbursed TPAF Social Security Contributions (Non-budgeted)	-	-	-	772,841	772,841
Total State Sources	2,487,028	-	2,487,028	8,737,512	6,250,484
Federal Sources					
Medicaid Reimbursement	20,390	-	20,390	13,464	(6,926)
Total Federal Sources	20,390	-	20,390	13,464	(6,926)
Total Revenues	32,817,599	-	32,817,599	40,376,354	7,558,755
EXPENDITURES					
CURRENT EXPENSE					
Instruction - Regular Programs					
Salaries of Teachers					
Grades 9-12	7,605,201	$ (92,465)	7,512,736	7,267,493	245,243
Regular Programs- Home Instruction					
Salaries of Teachers	14,000	(10,000)	4,000	997	3,003
Other Salaries for Instruction	230,000	(74,000)	156,000	122,585	33,415
Purchased Professional - Educational Services	30,000	104,000	134,000	118,274	15,726
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	22,300	-	22,300	1,557	20,743
Purchased Technical Services	26,000	(7,918)	18,082	9,202	8,880
Copier Lease	95,016	7,918	102,934	102,934	-
Other Purchased Services	240,888	-	240,888	205,123	35,765
General Supplies	408,183	(43,012)	365,171	172,537	192,634
Textbooks	107,772	-	107,772	85,101	22,671
Other Objects	20,010	-	20,010	400	19,610
Total Regular Programs	8,799,370	(115,477)	8,683,893	8,086,203	597,690

Continued

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Transfers	Modified Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES					
CURRENT EXPENSE					
Instruction - Special Education Programs					
Resource Room					
Salaries of Teachers	$ 932,772	$ 37,465	$ 970,237	$ 970,237	-
General Supplies	3,000	-	3,000	2,845	$ 155
Total Resource Room	935,772	37,465	973,237	973,082	155
Autism					
Other Salaries for Instruction	580,000	-	580,000	532,706	47,294
Purchased Professional-Educational Services	2,282,458	800	2,283,258	2,243,258	40,000
General Supplies	20,000	-	20,000	3,198	16,802
Total Autism	2,882,458	800	2,883,258	2,779,162	104,096
Home Instruction					
Salaries of Teachers	40,000	(20,000)	20,000	18,318	1,682
Purchased Professional-Educational Services	-	20,000	20,000	7,180	12,820
Total Home Instruction	40,000	-	40,000	25,498	14,502
Total Special Education	3,858,230	38,265	3,896,495	3,777,742	118,753
School Sponsored Co-Curricular Activities					
Salaries	188,751	(10,000)	178,751	173,598	5,153
Supplies and Materials	131,645	24,312	155,957	129,069	26,888
Other Objects	250	135	385	385	-
Total School Sponsored Co-Curricular Activities	320,646	14,447	335,093	303,052	32,041
Co-Curricular Athletics					
Salaries	642,266	-	642,266	600,024	42,242
Purchased Services	119,000	255	119,255	95,291	23,964
Travel	8,000	1,000	9,000	8,411	589
Supplies and Materials	166,300	(797)	165,503	116,748	48,755
Total Co-Curricular Athletics	935,566	458	936,024	820,474	115,550
Total - Instruction	13,913,812	(62,307)	13,851,505	12,987,471	864,034
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Special	412,542	-	412,542	313,580	98,962
Tuition to County Voc.School Dist. - Reg.	2,925,189	-	2,925,189	2,925,189	-
Tuition to County Voc.School Dist. - Special Ed.	137,373	-	137,373	67,467	69,906
Tuition to Priv. Sch. For the Disables within State	2,018,912	(8,489)	2,010,423	1,465,675	544,748
Tuition - Other	-	60,000	60,000	60,000	-
Total Undistributed Expenditures - Instruction	5,494,016	51,511	5,545,527	4,831,911	713,616

Continued

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Transfers	Modified Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES					
CURRENT EXPENSE					
Health Services					
Salaries	$ 172,099	$ -	$ 172,099	$ 147,866	$ 24,233
Purchased Professional and Technical Services	25,000	-	25,000	15,230	9,770
Supplies and Materials	9,000	-	9,000	4,625	4,375
Total Health Services	206,099	-	206,099	167,721	38,378
Speech, OT, PT & Related Services					
Salaries	316,725	(32,092)	284,633	284,633	-
Purchased Professional Educational Services	70,000	35,925	105,925	55,684	50,241
Other Objects	-	500	500	500	-
Total Speech, OT, PT & Related Services	386,725	4,333	391,058	340,817	50,241
Other Support Services - Students - Extra Services					
Purchased Professional Educational Services	60,000	9,150	69,150	36,348	32,802
Total Other Support Services- Student- Extra Serv.	60,000	9,150	69,150	36,348	32,802
Guidance					
Salaries of Other Professional Staff	643,646	-	643,646	602,657	40,989
Salaries of Sec. & Clerical Assts.	104,175	-	104,175	101,175	3,000
Purchased Professional-Educational Services	2,500	-	2,500		2,500
Other Purchased Professional and Technical Services	156,576	-	156,576	138,985	17,591
Travel		30	30	30	-
Supplies and Materials	35,000	(21,891)	13,109	3,290	9,819
Other Objects	1,815	20,069	21,884	21,884	-
Total Guidance	943,712	(1,792)	941,920	868,021	73,899
Child Study Teams					
Salaries of Other Professional Staff	409,121	57,239	466,360	466,360	-
Salaries of Sec. & Clerical Assts.	44,235	21,574	65,809	64,042	1,767
Other Purchased Professional and Technical Services	15,000	(8,530)	6,470		6,470
Miscellaneous Purchased Services	1,000	-	1,000	361	639
Supplies and Materials	4,000	1,456	5,456	4,686	770
Total Child Study Teams	473,356	71,739	545,095	535,449	9,646
Improvement of Instructional Services					
Salaries of Other Professional Staff	12,000	-	12,000	648	11,352
Other Purchased Services	15,400	-	15,400	4,251	11,149
Total Improvement of Instructional Services	27,400	-	27,400	4,899	22,501
Educational Media Services/School Library					
Salaries	174,004	-	174,004	174,004	-
Salaries of Technology Coordinators	122,003	-	122,003	122,003	-
Other Purchased Services	500	-	500		500
Supplies and Materials	20,000	-	20,000	10,824	9,176
Other Objects	350	-	350	-	350
Total Educational Media Services/School Library	316,857	-	316,857	306,831	10,026

Continued

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Transfers	Modified Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES					
CURRENT EXPENSE					
Support Services General Administration					
Salaries	$ 295,689	$ 21,287	$ 316,976	$ 304,776	$ 12,200
Legal Services	100,000	(21,287)	78,713	39,484	39,229
Audit Fees	42,000	-	42,000	35,037	6,963
Architectural/Engineering Services	30,000	30,000	60,000	1,050	58,950
Other Purchased Professional Services	9,000	-	9,000	6,215	2,785
Miscellaneous Purchased Services	1,200	-	1,200	1,000	200
Communications/Telephone	138,200	10,000	148,200	98,536	49,664
BOE Other Purchased Services	3,000	-	3,000		3,000
Other Purchased Services	31,400	(1,500)	29,900	8,568	21,332
General Supplies	6,000	969	6,969	4,212	2,757
BOE In-House Training/Meeting Supplies	5,000	1,500	6,500	5,458	1,042
Miscellaneous Expenditures	1,785	-	1,785		1,785
BOE Membership Dues and Fees	13,814	-	13,814	13,814	-
Total Support Services General Administration	677,088	40,969	718,057	518,150	199,907
Support Services School Administration					
Salaries of Principals/Asst. Principals	694,074	3,431	697,505	697,505	-
Salaries of Secretarial and Clerical Assistants	303,227	(17,931)	285,296	257,541	27,755
Other Purchased Services	18,000	7,575	25,575	19,367	6,208
Travel	7,000	-	7,000	3,074	3,926
Supplies and Materials	18,000	9,971	27,971	2,902	25,069
Other Objects	15,000	2,454	17,454	17,454	-
Total Support Services School Administration	1,055,301	5,500	1,060,801	997,843	62,958
Central Services					
Salaries	380,060	-	380,060	341,015	39,045
Purchased Technical Services	58,500	10,000	68,500	42,944	25,556
Travel	2,000	-	2,000	45	1,955
Miscellaneous Purchased Services	2,000	-	2,000	1,089	911
Supplies and Materials	19,500	10,000	29,500	18,817	10,683
Interest on Lease Purchase Agreement	1,580	-	1,580		1,580
Miscellaneous Expenditures	2,500	-	2,500	1,500	1,000
Total Central Services	466,140	20,000	486,140	405,410	80,730
Undist. Expend. - Required Maint. For School Facilities					
Salaries	388,692	-	388,692	381,892	6,800
Cleaning, Repair, and Maintenance	316,554	4,200	320,754	276,220	44,534
General Supplies	28,500	(825)	27,675	10,988	16,687
Other Objects	600	950	1,550	1,550	-
Total Undist. Expend - Required Maint. For School Facilities	734,346	4,325	738,671	670,650	68,021

Continued

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Transfers	Modified Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES					
CURRENT EXPENSE					
Custodial Services					
Salaries	$ 1,159,013	$ (128,576)	$ 1,030,437	$ 919,420	$ 111,017
Cleaning, Repair, and Maintenance Services	299,100	(72,622)	226,478	59,807	166,671
Other Purchased Property Services	46,767	-	46,767	40,138	6,629
Insurance	263,146	57,055	320,201	319,201	1,000
General Supplies	160,000	3,000	163,000	141,165	21,835
Energy (Natural Gas)	75,000	-	75,000	6,611	68,389
Energy (Electricity)	225,000	-	225,000	114,745	110,255
ESIP - Principal	40,158	-	40,158	40,158	-
ESIP - Interest	213,000	-	213,000	213,000	-
Total Custodial Services	2,481,184	(141,143)	2,340,041	1,854,245	485,796
Care and Upkeep of Grounds					
Salaries	261,949	98,576	360,525	343,683	16,842
Cleaning, Repair, and Maintenance Services	162,500	71,149	233,649	210,430	23,219
General Supplies	106,100	10,000	116,100	111,837	4,263
Total Care and Upkeep of Grounds	530,549	179,725	710,274	665,950	44,324
Security					
Salaries	300,000	(8,000)	292,000	253,246	38,754
Purchased Professional and Technical Services	8,000	8,130	16,130	16,130	-
General Supplies	7,000	(130)	6,870	-	6,870
Total Security	315,000	-	315,000	269,376	45,624
Student Transportation Services					
Sal. for Pupil Trans. (Btwn. Home & School) - Reg	134,805	(59,756)	75,049	75,049	-
Management Fee - ESC & CTSA		-			
Other Purchased Professional and Technical Services	9,000	-	9,000	5,600	3,400
Contracted Serv- Aid in Lieu Pymts- NonPub Sch	180,000	238,608	418,608	364,928	53,680
Contracted Services (Between Home and School) - Vendors	854,000	(78,835)	775,165	744,664	30,501
Contracted Services (Other Than Between Home and School) - Vendors	200,000	-	200,000	137,187	62,813
Contracted Services (Reg Students) - ESC's & CTSA's	604,000	(55,000)	549,000	515,248	33,752
Contracted Services (Sp Ed Students) - ESC's & CTSA's	520,000	(29,897)	490,103	396,134	93,969
Miscellaneous Purchased Services - Transportation	10,000	(255)	9,745	2,902	6,843
General Supplies		255	255	255	-
Other Objects	350	-	350	-	350
Total Student Transportation Services	2,512,155	15,120	2,527,275	2,241,967	285,308
Personal Services - Employee Benefits					
Social Security Contributions	375,000	-	375,000	340,255	34,745
Other Retirement Contributions	425,000	-	425,000	403,683	21,317
Workmen's Compensation	172,000	-	172,000	150,936	21,064
Health Benefits	3,427,289	(57,055)	3,370,234	3,294,393	75,841
Tuition Reimbursement	30,000	-	30,000	27,596	2,404
Other Employee Benefits	57,103	-	57,103	8,775	48,328
Total Unallocated Benefits - Employee Benefits	4,486,392	(57,055)	4,429,337	4,225,638	203,699
On-behalf TPAF Normal Costs (Non-budgeted)				3,488,818	(3,488,818)
On-behalf TPAF NCGI Premium (Non-budgeted)				43,217	(43,217)
On-behalf Post Retirement Medical Contribution (Non-budgeted)				1,032,064	(1,032,064)
On-behalf Long-Term Disability Insurance (Non-budgeted)				1,099	(1,099)
Reimbursed TPAF Social Security Contributions (Non-budgeted)	-	-	-	772,841	(772,841)
Total On-behalf Contributions	-	-	-	5,338,039	(5,338,039)
Total Undistributed Expenditures	21,166,320	202,382	21,368,702	24,279,265	(2,910,563)
Total Expenditures - Current Expense	35,080,132	140,075	35,220,207	37,266,736	(2,046,529)

Continued

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Transfers	Modified Budget	Actual	Variance Favorable (Unfavorable)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction					
Grades 9-12	$ 2,300	$ 124	$ 2,424	$ 2,424	
Co-Curricular Athletics	-	13,705	13,705	13,705	
Undistributed Expenditures					
School Buses - Regular	468,000	(28,312)	439,688		$ 439,688
Care and Upkeep of Grounds	27,644	14,607	42,251	42,207	44
Total Equipment	497,944	124	498,068	58,336	439,732
Facilities Acquisition and Construction Services					
Architectural/ Engineering Services	30,000	3,250	33,250	21,000	12,250
Construction Services	289,000	79,044	368,044	83,765	284,279
Transfer to Capital Project	660,000	-	660,000		660,000
Assessment for Debt Service on SDA Funding	34	-	34	34	-
Total Facilities Acquisition and Construction Services	979,034	82,294	1,061,328	104,799	956,529
Interest Deposit to Capital Reserve	10,000	-	10,000	-	10,000
Total Capital Outlay	1,486,978	82,418	1,569,396	163,135	1,406,261
Transfer of Funds to Charter Schools	312,866	10,975	323,841	300,564	23,277
Total Expenditures	36,879,976	233,468	37,113,444	37,730,435	(616,991)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(4,062,377)	(233,468)	(4,295,845)	2,645,919	6,941,764
Other Financing Sources					
Operating Transfers In	-	-	-	102,903	102,903
Total Other Financing Sources	-	-	-	102,903	102,903
Change in Fund Balance	(4,062,377)	(233,468)	(4,295,845)	2,748,822	7,044,667
Fund Balances, Beginning of Year	10,450,922	-	10,450,922	10,450,922	-
Fund Balances, End of Year	$ 6,388,545	$ (233,468)	$ 6,155,077	$ 13,199,744	$ 7,044,667

Recapitulation:

Restricted:	
Capital Reserve	$ 3,156,216
Capital Reserve - Designated for Subsequent Year's Expenditures	1,357,000
Excess Surplus	3,304,597
Excess Surplus - Designated for Subsequent Year's Expenditures	2,999,641
Unemployment Compensation	257,363
Assigned:	
Designated for Subsequent Year's Expenditures	153,974
Year - End Encumbrances	411,423
Unassigned Fund Balance	1,559,530
	13,199,744
Less: State Payments Not Recognized on GAAP	
Delayed State Aid	(1,393,433)
Fund Balance, GAAP Basis	$ 11,806,311

Continued

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Federal Sources	$ 577,038	$ 32,065	$ 609,103	$ 554,588	$ (54,515)
Local Sources	-	4,679	4,679	473,988	469,309
Total Revenues	577,038	36,744	613,782	1,028,576	414,794
EXPENDITURES					
Instruction					
Salaries of Teachers		96,780	96,780	73,252	23,528
Tuition	236,292	43,316	279,608	279,608	-
Student Activities (Non Budget)		-		163,164	(163,164)
Athletics (Non Budget)		-		209,933	(209,933)
Scholarships (Non Budget)		-		25,967	(25,967)
General Supplies	194,047	(134,668)	59,379	46,643	12,736
Total Instruction	430,339	5,428	435,767	798,567	(362,800)
Support Services					
Salaries	-	40,876	40,876	37,216	3,660
Employee Benefits		10,531	10,531	10,531	-
Purchased Professional and Technical Services	54,699	(4,559)	50,140	48,690	1,450
Other Purchased Services		41,918	41,918	28,777	13,141
Supplies and Materials	92,000	(72,851)	19,149	19,149	-
Total Support Services	146,699	15,915	162,614	144,363	18,251
Facilities Acquisition and Construction Services					
Building Improvements	-	15,401	15,401	15,401	-
Total Facilities Acquisition and Construction Services	-	15,401	15,401	15,401	-
Total Expenditures	577,038	36,744	613,782	958,331	(344,549)
Change in Fund Balance	-	-	-	70,245	70,245
Fund Balances, Beginning of Year	488,646	-	488,646	488,646	-
Fund Balances, End of Year	$ 488,646	$ -	$ 488,646	$ 558,891	$ 70,245

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
GENERAL AND SPECIAL REVENUE FUNDS
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 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 Funds are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule (Exhibits C-1 and C-2)	$ 40,376,354	$ 1,028,576
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2024		14,862
Encumbrances, June 30, 2025		(10,531)
Difference - Budget to GAAP		
Certain State Aid payments recognized for GAAP Statements, not recognized for budgetary purposes - Prior Year	1,243,758	
Certain State Aid payments recognized for budgetary purposes, not recognized for GAAP statements - Current Year	(1,393,433)	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ 40,226,679	$ 1,032,907
Uses/Outflows of Resources		
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule	$ 37,730,435	$ 958,331
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2024		14,862
Encumbrances, June 30, 2025	-	(10,531)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 37,730,435	$ 962,662

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION
AND
OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

Last Ten Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportion of the Net Position Liability (Asset)	0.02859%	0.02907%	0.02898%	0.02883%	0.02764%	0.02701%	0.02713%	0.02824%	0.02627%	0.02569%
District's Proportionate Share of the Net Pension Liability (Asset)	$ 3,885,072	$ 4,209,985	$ 4,373,030	$ 3,415,469	$ 4,507,008	$ 4,867,631	$ 5,342,517	$ 6,573,106	$ 7,781,123	$ 5,768,924
District's Covered Payroll	$ 2,258,506	$ 2,236,908	$ 2,127,167	$ 2,110,212	$ 2,070,099	$ 1,962,641	$ 1,876,778	$ 1,880,749	$ 1,816,776	$ 1,772,170
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	172%	188%	206%	162%	218%	248%	285%	349%	428%	326%
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%	47.92%

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

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

Public Employees Retirement System

Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 389,059	$ 388,471	$ 365,414	$ 337,645	$ 302,345	$ 262,775	$ 269,894	$ 261,585	$ 233,400	$ 220,943
Contributions in Relation to the Contractually Required Contribution	389,059	388,471	365,414	337,645	302,345	262,775	269,894	261,585	233,400	220,943
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 2,141,837	$ 2,258,506	$ 2,236,908	$ 2,127,167	$ 2,110,212	$ 2,070,099	$ 1,962,641	$ 1,876,778	$ 1,880,749	$ 1,816,776
Contributions as a Percentage of Covered Payroll	18.2%	17.2%	16.3%	15.9%	14.3%	12.7%	13.8%	13.9%	12.4%	12.2%

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

Teachers Pension and Annuity Fund

Last Ten Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	$ 41,566,730	$ 42,248,850	$ 45,527,626	$ 45,876,687	$ 62,950,030	$ 59,520,685	$ 61,401,113	$ 64,296,813	$ 77,301,786	$ 60,390,129
Total	$ 41,566,730	$ 42,248,850	$ 45,527,626	$ 45,876,687	$ 62,950,030	$ 59,520,685	$ 61,401,113	$ 64,296,813	$ 77,301,786	$ 60,390,129
District's Covered Payroll	$ 10,354,413	$ 9,991,772	$ 9,991,772	$ 9,596,099	$ 10,011,929	$ 10,400,631	$ 10,123,671	$ 10,055,660	$ 10,064,142	$ 9,946,970
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%	28.74%

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

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORAMTION
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	$ 1,592,028	$ 1,541,581	$ 2,024,731	$ 2,414,898	$ 1,412,113	$ 1,359,242	$ 1,463,836	$ 1,764,868
Interest on Total OPEB Liability	1,593,445	1,526,248	1,097,256	1,270,692	1,290,000	1,544,548	1,605,580	1,391,093
Changes of Benefit Terms				(52,137)				
Differences Between Expected and Actual Experience	(560,841)	(72,547)	1,457,439	(9,334,147)	7,773,815	(5,540,532)	(2,379,193)	
Changes of Assumptions	3,621,490	87,348	(11,107,044)	48,327	10,157,056	535,426	(4,484,777)	(5,797,814)
Gross Benefit Payments	(1,216,940)	(1,189,735)	(1,086,865)	(1,000,949)	(968,031)	(1,102,341)	(1,045,020)	(843,153)
Contribution from the Member	41,669	39,112	34,867	32,485	29,341	32,676	36,118	31,047
Net Change in Total OPEB Liability	5,070,851	1,932,007	(7,579,616)	(6,620,831)	19,694,294	(3,170,981)	(4,803,456)	(3,453,959)
Total OPEB Liability - Beginning	43,336,191	41,404,184	48,983,800	55,604,631	35,910,337	39,081,318	43,884,774	47,338,733
Total OPEB Liability - Ending	$ 48,407,042	$ 43,336,191	$ 41,404,184	$ 48,983,800	$ 55,604,631	$ 35,910,337	$ 39,081,318	$ 43,884,774
District's Proportionate Share of OPEB Liability	$0	$0	$0	$0	$0	$0	$0	$0
State's Proportionate Share of OPEB Liability	48,407,042	43,336,191	41,404,184	48,983,800	55,604,631	35,910,337	39,081,318	43,884,774
Total OPEB Liability - Ending	$ 48,407,042	$ 43,336,191	$ 41,404,184	$ 48,983,800	$ 55,604,631	$ 35,910,337	$ 39,081,318	$ 43,884,774
District's Covered Payroll	$ 12,612,919	$ 12,250,278	$ 12,228,680	$ 11,723,266	$ 12,122,141	$ 12,470,730	$ 12,086,312	$ 11,932,438
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.

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

SCHOOL LEVEL SCHEDULES

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

NOT APPLICABLE

SPECIAL REVENUE FUND

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ESEA Title I	ESEA Title II-A	ESEA Title IV	IDEA Part B Basic	SDA Grant	Accelerated Learning Coach	Evidence Based Summer	Other Local Programs	Student Activities	Athletics	Scholarships	Total
REVENUES												
Intergovernmental												
Federal	$ 176,241	$ 19,243	$ 14,975	$ 279,608	$ 15,401	$ 9,120	$ 40,000					$ 554,588
Other	-	-	-	-	-	-	-	$ 4,679	$ 220,615	$ 226,193	$ 22,501	473,988
Total Revenues	$ 176,241	$ 19,243	$ 14,975	$ 279,608	$ 15,401	$ 9,120	$ 40,000	$ 4,679	$ 220,615	$ 226,193	$ 22,501	$ 1,028,576
EXPENDITURES												
Instruction												
Salaries of Teachers	$ 73,252											$ 73,252
Tuition				$ 279,608								279,608
Student Activities									$ 163,164			163,164
Athletics										$ 209,933		209,933
Scholarships											$ 25,967	25,967
General Supplies	45,708	-	935	-	-	$ -	-	-	-	-	-	46,643
Total Instruction	118,960	-	935	279,608	-	-	-	-	163,164	209,933	25,967	798,567
Support Services												
Salaries	31,500	5,716										37,216
Employee Benefits	9,814	717										10,531
Purchased Professional and Technical Serv.			8,690				40,000					48,690
Other Purchased Services	15,967	12,810										28,777
Supplies and Materials	-	-	5,350	-	-	9,120	-	$ 4,679	-	-	-	19,149
Total Support Services	57,281	19,243	14,040	-	-	9,120	40,000	4,679	-	-	-	144,363
Facilities Acquisition and Construction												
Building Improvements	-	-	-	-	$ 15,401	-	-	-	-	-	-	15,401
Total Facilities Acquisition and Cons.	-	-	-	-	15,401	-	-	-	-	-	-	15,401
Total Expenditures	$ 176,241	$ 19,243	$ 14,975	$ 279,608	$ 15,401	$ 9,120	$ 40,000	$ 4,679	$ 163,164	$ 209,933	$ 25,967	$ 958,331
Excess (Deficiency) of Revenues Over (Under) Expenditures									57,451	16,260	(3,466)	70,245
Fund Balances, Beginning of Year									219,498	89,692	179,456	488,646
Fund Balances, End of Year									$ 276,949	$ 105,952	$ 175,990	$ 558,891

CAPITAL PROJECTS FUND

SCHEDULE F-1

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Issue/Project Title	Appropriations	Expenditures to Date Prior Year	Expenditures to Date Current Year	Cancelled	Unexpended Balance, June 30, 2025
ESIP Project	$ 2,083,000	$ 2,059,923		$ 23,077	$ -
Turf Field Project	1,200,000	1,122,898	-	77,102	-
	$ 3,283,000	$ 3,182,821	$ -	$ 100,179	$ -

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Revenues and Other Financing Sources	
Revenues	
Interest Earnings	$ 2,724
Total Revenues	2,724
Expenditures and Other Financing Uses	
Other Financing Uses	
Transfer to General Fund - Cancelled to Capital Reserve	100,179
Transfer to General Fund	2,724
Total Transfers	102,903
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,179)
Fund Balance - Beginning of Year	100,179
Fund Balance - End of Year	$ -
Recapitulation of Fund Balance:	
Undesignated Fund Balance - Capital Projects	$ -

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS
ESIP PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Cancelled/Current Year	Totals	Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
ESIP Proceeds	$ 2,083,000	$ -	$ 2,083,000	$ 2,083,000
Total Revenues	2,083,000	-	2,083,000	2,083,000
EXPENDITURES AND OTHER FINANCING SOURCES				
Professional and Technical Services	1,944,698	$ 23,077	1,967,775	1,967,775
Construction Services	115,225	-	115,225	115,225
Total Expenditures and other Financing Sources	2,059,923	23,077	2,083,000	2,083,000
Excess (deficiency) of Revenues over (under) Expenditures	$ 23,077	$ (23,077)	$ -	$ -

Additional Project Information:	
Project Number	N/A
Original Authorized Cost	2,083,000
Additional Authorized Cost	-
Revised Authorized Cost	2,083,000

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS
TURF FIELD PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Cancelled/Current Year	Totals	Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
Lease Purchase	$ 1,200,000	$ -	$ 1,200,000	$ 1,200,000
Transfer from Capital Reserve	-	-	-	-
Total Revenues	1,200,000	-	1,200,000	1,200,000
EXPENDITURES AND OTHER FINANCING SOURCES				
Professional and Technical Services	2,000	-	2,000	2,000
Equipment	454,437	-	454,437	454,437
Construction Services	666,461	77,102	743,563	743,563
Total Expenditures and other Financing Sources	1,122,898	77,102	1,200,000	1,200,000
Excess (deficiency) of Revenues over (under) Expenditures	$ 77,102	$ (77,102)	$ -	$ -

Additional Project Information:	
Project Number	N/A
Original Authorized Cost	1,200,000
Additional Authorized Cost	-
Revised Authorized Cost	1,200,000

ENTERPRISE FUNDS

EXHIBIT G-1

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4.

EXHIBIT G-2

COMBINING STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5.

EXHIBIT G-3

COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6.

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

EXHIBIT I-1

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
LONG TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance, June 30, 2024	Retired	Balance, June 30, 2025
2021 Refunding Bond	8/9/2021	$ 1,952,000	7/15/2024	$ 621,000	0.65%	$ 621,000	$ 621,000	$ -
						$ 621,000	$ 621,000	$ -
					Paid by Budget Appropriation:		$ -	

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
LONG-TERM DEBT
STATEMENT OF CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Purpose	Original Issue	Principal Payment Date	Principal Payment Amount	Interest Rate	Balance, June 30, 2024	Matured	Balance, June 30, 2025
ESIP Lease	$ 2,083,000	4/1/2026	$ 220,000	2.1567%			
		4/1/2027	86,000	2.1567%			
		4/1/2028	91,000	2.1567%			
		4/1/2029	79,000	2.1567%			
		4/1/2030	83,000	2.1567%			
		4/1/2031	87,000	2.1567%			
		4/1/2032	91,000	2.1567%			
		4/1/2033	96,000	2.1567%			
		4/1/2034	101,000	2.1567%			
		4/1/2035	106,000	2.1567%			
		4/1/2036	111,000	2.1567%			
		4/1/2037	116,000	2.1567%			
		4/1/2038	122,000	2.1567%			
		4/1/2039	127,000	2.1567%			
		4/1/2040	133,000	2.1567%	$ 1,862,000	$ 213,000	$ 1,649,000
Total Capital Financing Agreements					$ 1,862,000	$ 213,000	$ 1,649,000

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Transfers	Final Budget	Actual	Variance with Final Budget Favorable / (Unfavorable)
REVENUES					
Local Sources					
Local Tax Levy	$ 411,192		$ 411,192	$ 411,192	-
Intergovernmental					
Debt Service Aid Type II	211,826	-	211,826	211,826	-
Total Revenues	623,018	-	623,018	623,018	-
EXPENDITURES					
Regular Debt Service					
Interest	2,018		2,018	2,018	-
Principal	621,000	-	621,000	621,000	-
Total Expenditures	623,018	-	623,018	623,018	-
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	$ -	$ -	$ -	$ -	$ -

STATISTICAL SECTION

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

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

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

EXHIBIT J-1

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020 (Restated)	2021	2022 (Restated)	2023	2024	2025
Governmental Activities										
Net Investment in Capital Assets	$ 1,690,914	$ 2,136,503	$ 3,090,355	$ 3,911,693	$ 4,498,966	$ 5,113,920	$ 3,024,862	$ 5,738,543	$ 7,623,955	$ 8,069,289
Restricted	1	1,000,000	91,206	66,206	590,478	683,204	1,409,065	2,133,811	3,116,756	5,329,470
Unrestricted	(2,409,741)	(2,335,583)	(1,675,679)	(1,812,400)	(1,166,259)	(135,922)	3,755,741	3,965,594	2,049,622	2,634,992
Total Governmental Activities Net Position	$ (718,826)	$ 800,920	$ 1,505,882	$ 2,165,499	$ 3,923,185	$ 5,661,202	$ 8,189,668	$ 11,837,948	$ 12,790,333	$ 16,033,751
Business-Type Activities										
Net Investment in Capital Assets	$ 72,526	$ 86,829	$ 76,543	$ 66,255	$ 59,438	$ 49,555	$ 55,395	$ 44,795	$ 66,641	$ 57,059
Restricted										
Unrestricted	55,948	59,546	36,112	44,251	13,766	3,964	88,389	95,342	68,880	63,632
Total Business-Type Activities Net Position	$ 128,474	$ 146,375	$ 112,655	$ 110,506	$ 73,204	$ 53,519	$ 143,784	$ 140,137	$ 135,521	$ 120,691
District-Wide										
Net Investment in Capital Assets	$ 1,763,440	$ 2,223,332	$ 3,166,898	$ 3,977,948	$ 4,558,404	$ 5,163,475	$ 3,080,257	$ 5,783,338	$ 7,690,596	$ 8,126,348
Restricted	1	1,000,000	91,206	66,206	590,478	683,204	1,409,065	2,133,811	3,116,756	5,329,470
Unrestricted	(2,353,793)	(2,276,037)	(1,639,567)	(1,768,149)	(1,152,493)	(131,958)	3,844,130	4,060,936	2,118,502	2,698,624
Total District Net Position	$ (590,352)	$ 947,295	$ 1,618,537	$ 2,276,005	$ 3,996,389	$ 5,714,721	$ 8,333,452	$ 11,978,085	$ 12,925,854	$ 16,154,442

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, 2022 was restated by the Prior Year Auditor during 2023 Audit.

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023 (Note 1)	2024	2025
Expenses										
Governmental Activities										
Instruction										
Regular	$ 15,869,208	$ 17,115,620	$ 17,448,043	$ 17,293,503	$ 17,438,305	$ 18,779,558	$ 16,767,087	$ 8,540,875	$ 15,611,370	$ 14,530,319
Special Education	4,023,656	4,192,108	5,071,735	4,900,118	5,293,627	6,093,642	6,456,012	4,173,228	6,880,389	6,505,903
Other Instruction	48,408	24,225	2,841							
School Sponsored Activities And Athletics	1,256,982	1,348,228	1,515,902	1,641,462	1,186,077	1,707,771	1,638,049	1,136,574	1,985,100	1,966,259
Support Services:										
Student & Instruction Related Services	2,940,549	3,242,787	3,005,216	2,895,009	2,736,769	3,101,532	2,842,925	2,760,103	3,569,037	3,319,494
General Administration	581,694	691,713	693,538	713,751	728,430	784,035	660,878	483,127	615,509	659,352
School Administrative Services	1,312,940	1,634,234	1,478,788	1,437,475	1,293,180	1,331,933	1,253,799	1,037,093	1,367,143	1,376,307
Plant Operations And Maintenance	2,876,412	3,597,066	3,667,182	3,760,507	3,709,467	3,652,990	4,250,268	3,940,190	4,326,286	4,128,570
Pupil Transportation	1,760,112	1,614,067	1,944,707	1,929,198	1,756,797	1,365,998	1,837,177	2,460,484	2,109,110	2,272,091
Business and Other Support Services	687,827	578,274	549,621	529,285	496,083	590,376	501,646	468,170	519,563	542,289
Interest On Long-Term Debt	204,623	182,876	162,176	137,645	118,146	97,866	46,757	28,687	55,165	39,177
Other Governmental Expenses	-	-	-	-	-	-	-	11,129,923	-	-
Total Governmental Activities Expenses	31,562,411	34,221,198	35,539,749	35,237,953	34,756,881	37,505,701	36,254,598	36,158,454	37,038,672	35,339,761
Business-Type Activities:										
Food Service	907,928	748,414	688,443	644,858	546,923	162,004	676,424	615,968	604,911	598,475
Total Business-Type Activities Expense	907,928	748,414	688,443	644,858	546,923	162,004	676,424	615,968	604,911	598,475
Total District Expenses	$ 32,470,339	$ 34,969,612	$ 36,228,192	$ 35,882,811	$ 35,303,804	$ 37,667,705	$ 36,931,022	$ 36,774,422	$ 37,643,583	$ 35,938,236
Program Revenues										
Governmental Activities:										
Charges For Services:										
Tuition / Pupil Transportation	$ 125,330	$ 357,987	$ 445,106	$ 983,026	$ 1,136,782	$ 1,255,595	$ 1,258,028	$ 376,729	$ 1,375,019	$ 1,977,302
Operating Grants And Contributions	6,876,416	9,071,449	9,536,239	8,016,105	7,599,389	10,025,860	8,234,590	1,175,278	6,483,864	6,196,237
Capital Grants And Contributions	-	-	-	-	-	-	1,074,906	-	125,087	15,401
Total Governmental Activities Program Revenues	7,001,746	9,429,436	9,981,345	8,999,131	8,736,171	11,281,455	10,567,524	1,552,007	7,983,970	8,188,940
Business-Type Activities:										
Charges For Services										
Food Service	609,787	505,570	452,146	448,527	349,503	6,762	89,241	352,424	378,537	327,878
Operating Grants And Contributions	244,443	236,155	202,577	193,987	158,939	135,468	661,950	256,868	216,725	252,265
Total Business Type Activities Program Revenues	854,230	741,725	654,723	642,514	508,442	142,230	751,191	609,292	595,262	580,143
Total District Program Revenues	$ 7,855,976	$ 10,171,161	$ 10,636,068	$ 9,641,645	$ 9,244,613	$ 11,423,685	$ 11,318,715	$ 2,161,299	$ 8,579,232	$ 8,769,083
Net (Expense)/Revenue										
Governmental Activities	$ (24,560,665)	$ (24,791,762)	$ (25,558,404)	$ (26,238,822)	$ (26,020,710)	$ (26,224,246)	$ (25,687,074)	$ (34,606,447)	$ (29,054,702)	$ (27,150,821)
Business-Type Activities	(53,698)	(6,689)	(33,720)	(2,344)	(38,481)	(19,774)	74,767	(6,676)	(9,649)	(18,332)
Total District-Wide Net Expense	$ (24,614,363)	$ (24,798,451)	$ (25,592,124)	$ (26,241,166)	$ (26,059,191)	$ (26,244,020)	$ (25,612,307)	$ (34,613,123)	$ (29,064,351)	$ (27,169,153)

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023 (Note 1)	2024	2025
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	$ 24,047,391	$ 24,636,505	$ 25,250,755	$ 25,755,770	$ 26,270,885	$ 26,796,303	$ 27,332,229	$ 27,878,874	$ 28,436,452	$ 29,005,181
Taxes Levied For Debt Service	670,550	607,471	573,647	509,017	496,385	483,236	485,795	464,181	435,727	411,192
Grants And Contributions	257,105	277,655	350,175	350,456	354,625	354,083	869,498	8,221,453	359,556	332,247
Miscellaneous Income	93,999	811,707	88,789	283,196	148,961	328,641	292,195	593,431	775,352	645,619
Tuition								1,096,788		
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	25,069,045	26,333,338	26,263,366	26,898,439	27,270,856	27,962,263	28,979,717	38,254,727	30,007,087	30,394,239
Business-Type Activities:										
Miscellaneous Income	-	-	-	195	1,179	89	119	3,029	5,033	3,502
Total Business-Type Activities	-	-	-	195	1,179	89	119	3,029	5,033	3,502
Total District-Wide	$ 25,069,045	$ 26,333,338	$ 26,263,366	$ 26,898,634	$ 27,272,035	$ 27,962,352	$ 28,979,836	$ 38,257,756	$ 30,012,120	$ 30,397,741
Change in Net Position										
Governmental Activities	$ 508,380	$ 1,541,576	$ 704,962	$ 659,617	$ 1,250,146	$ 1,738,017	$ 3,292,643	$ 3,648,280	$ 952,385	$ 3,243,418
Business-Type Activities	(53,698)	(6,689)	(33,720)	(2,149)	(37,302)	(19,685)	74,886	(3,647)	(4,616)	(14,830)
Total District	$ 454,682	$ 1,534,887	$ 671,242	$ 657,468	$ 1,212,844	$ 1,718,332	$ 3,367,529	$ 3,644,633	$ 947,769	$ 3,228,588

Note 1: District had a different auditor in 2023. Prior Auditor did not allocate certain revenues and expenditures that have been allocated in the past and are allocated again going forward.

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020 (Restated)	2021	2022	2023	2024	2025
General Fund										
Restricted	$ 2,498,549	$ 4,211,561	$ 3,838,809	$ 3,650,737	$ 4,310,273	$ 4,858,311	$ 5,850,157	$ 6,459,921	$ 8,323,139	$ 11,074,817
Assigned	224,357	161,530	444,283	449,043	614,220	581,905	1,106,645	1,734,451	686,209	565,397
Unassigned	449,095	382,309	417,558	409,971	265,930	769,148	1,187,489	1,652,376	197,816	166,097
Total General Fund	$ 3,172,001	$ 4,755,400	$ 4,700,650	$ 4,509,751	$ 5,190,423	$ 6,209,364	$ 8,144,291	$ 9,846,748	$ 9,207,164	$ 11,806,311
All Other Governmental Funds										
Restricted	$ 13,621	$ (48,291)		$ 40,000	$ 471,694	$ 415,779	$ 543,917	$ 440,150	$ 588,825	$ 558,891
Committed										
Unassigned	(251)									
Assigned							1,832,372	274,551	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	$ 13,370	$ (48,291)	$ -	$ 40,000	$ 471,694	$ 415,779	$ 2,376,289	$ 714,701	$ 588,825	$ 558,891

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

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax Levy	$ 24,717,941	$ 25,243,976	$ 25,824,402	$ 26,264,787	$ 26,767,270	$ 27,279,539	$ 27,818,024	$ 28,343,055	$ 28,872,179	$ 29,416,373
Transportation/Tuition	125,330	1,057,712	445,106	983,026	1,136,782	1,255,595	1,258,028	1,096,788	1,375,019	1,977,302
Miscellaneous	93,999	115,947	98,577	285,196	153,961	606,252	700,330	992,792	1,300,223	1,119,607
State Sources	3,752,604	4,112,182	4,734,545	5,326,718	5,724,457	6,437,271	8,321,782	9,142,040	7,726,536	8,799,663
Federal Sources	480,306	497,443	535,811	519,078	630,808	779,025	1,288,074	2,288,313	1,325,270	572,383
Total Revenue	29,170,180	31,027,260	31,638,441	33,378,805	34,413,278	36,357,682	39,386,238	41,862,988	40,599,227	41,885,328
Expenditures										
Instruction										
Regular Instruction	13,659,011	13,598,149	14,289,910	15,549,752	16,253,678	16,990,184	17,601,753	7,844,788	17,136,117	16,525,025
Special Education Instruction	3,844,166	3,900,205	4,747,674	4,736,820	5,173,980	5,888,073	6,600,717	4,066,123	7,210,506	6,942,259
Other Instruction	45,601	21,384							-	-
School Sponsored Activities and Athletics	1,198,220	1,192,884	1,336,951	1,549,466	1,164,627	1,620,785	1,705,829	1,067,708	1,951,891	1,907,337
Support Services:									-	-
Student and Inst. Related Services	2,580,322	2,654,550	2,480,946	2,595,327	2,544,097	2,775,916	2,972,849	2,449,975	3,826,856	3,680,145
General Administration	529,979	600,912	597,306	664,631	692,465	722,128	693,431	458,516	680,362	747,145
School Administrative Services	1,146,777	1,304,858	1,211,102	1,297,211	1,215,849	1,190,968	1,345,526	949,195	1,546,899	1,588,146
Plant Operations And Maintenance	2,650,486	3,143,352	3,152,291	3,445,414	3,509,122	3,444,214	4,212,834	3,753,136	4,410,696	4,043,549
Pupil Transportation	1,756,603	1,602,492	1,930,968	1,924,479	1,756,825	1,365,252	1,839,456	2,457,891	2,113,665	2,275,272
Central Services	669,189	531,286	490,190	508,613	496,208	559,482	532,623	433,149	556,913	556,743
Operating Lease Payments	-	-	-	-	-	-				
Unallocated Expenses								14,233,589		
Capital Outlay	78,355	135,186	607,998	486,752	249,503	105,478	1,608,280	2,871,558	587,592	174,318
Debt Service:										
Cost of Issuance for Bond Sale										
Principal	650,000	630,000	630,000	625,000	625,000	625,000	650,000	676,000	1,832,903	834,000
Interest and Other Charges	211,877	190,264	169,564	146,239	127,098	107,176	85,409	10,491	60,287	42,176
Total Expenditures	29,020,586	29,505,522	31,644,900	33,529,704	33,808,452	35,394,656	39,848,707	41,272,119	41,914,687	39,316,115
Excess (Deficiency) of Revenues Over (Under) Expenditures	149,594	1,521,738	(6,459)	(150,899)	604,826	963,026	(462,469)	590,869	(1,315,460)	2,569,213
Other Financing Sources (Uses)										
Insurance Proceeds							1,074,906		-	-
Capital Lease							2,083,000		-	-
ESIP							1,200,000		-	-
Payments to Refunded Bond Escrow Agent							(1,952,000)		-	-
Refunding Bond Proceeds							1,952,000		-	-
Transfers In	1	286	66,083	40,114	845	112	40,104	25,883	3,170	102,903
Transfers Out	(1)	(286)	(66,083)	(40,114)	(845)	(112)	(40,104)	(25,883)	(3,170)	(102,903)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	4,357,906	-	-	-
Net Change in Fund Balances	$ 149,594	$ 1,521,738	$ (6,459)	$ (150,899)	$ 604,826	$ 963,026	$ 3,895,437	$ 590,869	$ (1,315,460)	$ 2,569,213
Debt Service as a Percentage of Noncapital Expenditures	2.98%	2.79%	2.58%	2.33%	2.24%	2.07%	1.92%	1.79%	4.58%	2.24%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	Rebates/ Refunds	Interest on Invest.	Tuition Refunds	Land Sale Proceeds	Tuition / Transportation Fees	Misc.	Total
2016	$ 33,361	$ 1,163			$ 125,330	$ 59,474	$ 219,328
2017		2,926		$ 699,725	357,987	109,020	1,169,658
2018		9,810			445,106	78,900	533,816
2019		13,461			983,026	269,621	1,266,108
2020		117,170			1,136,782	30,946	1,284,898
2021	15,796	14,917	$ 26,192		1,255,595	271,625	1,584,125
2022		17,230			1,258,028	274,861	1,550,119
2023	3,918	226,681			1,096,788	336,949	1,664,336
2024		357,242			1,375,019	414,940	2,147,201
2025		323,940	29,432		1,977,302	289,523	2,620,197

Source: District Records

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

Township of Little Falls

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate [a]
2016	$ 28,060,000	$ 1,051,777,300			$ 229,699,200	$ 52,554,000	$ 115,646,700	$ 1,477,737,200	$ 4,443,100	$ 1,482,180,300	1,612,426,996	0.494
2017	31,827,900	1,053,630,100			238,172,400	45,285,800	115,646,700	1,484,562,900	4,415,500	1,488,978,400	1,627,535,576	0.510
2018	29,477,900	1,063,941,800			247,834,300	44,985,800	106,501,600	1,492,741,400	4,515,700	1,497,257,100	1,625,631,202	0.490
2019	31,587,800	1,075,954,400			246,973,400	44,058,500	105,985,600	1,504,559,700	4,521,300	1,509,081,000	1,655,423,783	0.502
2020	26,087,900	1,092,644,600			233,815,500	45,395,300	105,985,600	1,503,928,900	4,522,700	1,508,451,600	1,671,623,578	0.507
2021	43,874,700	1,106,070,400			234,565,800	40,288,800	105,985,600	1,530,785,300	4,696,600	1,535,481,900	1,782,818,682	0.517
2022	44,139,100	1,124,793,300			271,228,700	40,510,500	110,354,000	1,591,025,600	4,609,700	1,595,635,300	1,799,127,024	0.582
2023	41,365,600	1,117,262,000			232,968,300	40,510,500	110,839,200	1,542,945,600	4,609,700	1,547,555,300	1,967,903,162	0.534
2024	32,301,900	1,119,730,100			231,414,600	40,510,500	110,839,200	1,534,796,300	4,609,700	1,539,406,000	2,185,132,521	0.521
2025	31,403,400	1,120,953,100			227,580,500	40,510,500	119,056,600	1,539,504,100	4,609,700	1,544,113,800	2,487,384,801	0.479

Source: County Abstract of Ratables

N/A Not Available

a Tax rates are per $100

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

Borough of Totowa

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate [a]
2016	$ 44,294,000	$ 1,357,290,700	$ 900,400	$ 2,800	$ 602,952,000	$ 288,411,200	N/A	$ 2,293,851,100	$ 2,246,233	$ 2,296,097,333	$ 2,216,310,167	0.418
2017	40,939,100	1,356,147,900	900,400	2,800	598,416,900	274,566,700	N/A	2,270,973,800	2,380,814	2,273,354,614	2,128,007,043	0.426
2018	41,158,100	1,360,295,200	900,400	2,800	546,783,500	325,748,700	$ 356,700	2,275,245,400	-	2,275,245,400	2,118,280,793	0.438
2019	39,230,900	1,367,903,100	900,400	2,800	563,532,600	339,352,600	2,398,200	2,313,320,600	-	2,313,320,600	2,174,893,916	0.458
2020	64,653,500	1,368,634,500	900,400	2,400	589,859,500	366,153,400	6,242,400	2,396,446,100	-	2,396,446,100	2,231,120,101	0.457
2021	60,321,800	1,369,405,200	900,400	4,100	615,337,900	377,154,700	8,642,400	2,431,766,500	-	2,431,766,500	2,264,003,817	0.707
2022	43,862,000	1,370,625,800	900,400	4,200	649,604,400	382,633,600	21,899,500	2,469,529,900	-	2,469,529,900	2,299,161,996	0.682
2023	45,335,600	1,378,184,500	900,400	4,300	658,580,400	382,704,600	22,399,500	2,488,109,300	-	2,488,109,300	2,316,459,641	0.691
2024	44,988,100	1,380,213,400	900,400	4,300	652,350,200	382,814,000	23,510,000	2,484,780,400	-	2,484,780,400	2,313,360,395	0.707
2025	44,030,600	1,383,671,300	900,400	4,300	486,712,000	546,853,600	23,710,000	2,485,882,200	-	2,485,882,200	2,314,386,184	0.612

Source: County Abstract of Ratables

a Tax rates are per $100

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

Borough of Woodland Park

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate [a]
2016	19,229,400	1,219,637,100		1,800	297,788,400	53,995,200	60,148,600	1,650,800,500	1,147,406	1,651,947,906	1,732,691,322	0.504
2017	17,355,200	1,245,548,400		1,800	296,629,900	53,295,700	60,148,600	1,672,979,600	1,100,480	1,674,080,080	1,802,509,345	0.510
2018	16,391,500	1,257,732,600		1,800	296,629,900	53,255,700	60,148,600	1,684,160,100	1,109,824	1,685,269,924	1,839,011,266	0.532
2019	14,786,500	1,259,332,400		1,800	298,199,600	54,477,400	63,923,600	1,690,721,300	939	1,690,722,239	1,808,328,203	0.508
2020	15,187,300	1,260,144,500		1,800	289,189,000	54,477,400	63,923,600	1,682,923,600	896	1,682,924,496	1,877,635,274	0.514
2021	15,056,500	1,261,321,400		2,100	286,201,100	54,477,400	63,923,600	1,680,982,100	891	1,680,982,991	2,029,682,248	0.548
2022	23,968,700	1,263,606,900		2,100	285,925,300	47,579,400	70,018,200	1,691,100,600	828	1,691,101,428	2,049,497,773	0.517
2023	14,053,200	1,265,877,200		2,100	278,407,000	75,448,300	70,018,200	1,703,806,000	744	1,703,806,744	2,209,279,362	0.483
2024	13,926,700	1,268,280,300		2,100	276,402,900	75,647,800	70,018,200	1,704,278,000	733	1,704,278,733	2,334,575,601	0.473
2025	32,071,000	1,269,491,200		2,100	249,769,500	75,647,800	70,018,200	1,696,999,800	664	1,697,000,464	2,566,509,022	0.441

Source: County Abstract of Ratables

a Tax rates are per $100

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

Township of Little Falls

Assessment Year	Passaic Valley Regional H.S. District No. 1	Little Falls School District	Township of Little Falls	Passaic County	Total
2016	0.494	0.955	0.837	0.835	3.121
2017	0.510	0.974	0.869	0.810	3.163
2018	0.490	0.985	0.887	0.798	3.160
2019	0.502	0.997	0.911	0.771	3.181
2020	0.507	1.017	0.909	0.750	3.183
2021	0.517	1.027	0.936	0.750	3.230
2022	0.582	1.017	0.910	0.721	3.230
2023	0.534	1.061	0.978	0.709	3.282
2024	0.521	1.110	0.981	0.720	3.332
2025	0.479	1.097	1.146	0.774	3.496

Source: Tax Duplicate, Township of Little Falls

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

Borough of Totowa

Assessment Year	Passaic Valley Regional H.S. District No. 1	Totowa School District	Borough of Totowa	Passaic County	Total
2016	0.418	0.665	0.543	0.723	2.349
2017	0.426	0.691	0.554	0.688	2.359
2018	0.438	0.710	0.553	0.682	2.383
2019	0.458	0.715	0.563	0.652	2.388
2020	0.457	0.703	0.584	0.678	2.422
2021	0.439	0.707	0.594	0.639	2.379
2022	0.430	0.682	0.593	0.733	2.438
2023	0.497	0.691	0.622	0.783	2.593
2024	0.537	0.707	0.639	0.828	2.711
2025	0.612	0.732	0.663	0.927	2.934

Source: Tax Duplicate, Borough of Totowa

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

Borough of Woodland Park

Assessment Year	Passaic Valley Regional H.S. District No. 1	Woodland Park School District	Borough of Woodland Park	Passaic County	Total
2016	0.504	0.951	0.775	0.800	3.030
2017	0.510	0.971	0.804	0.794	3.079
2018	0.532	0.998	0.822	0.809	3.161
2019	0.508	1.014	0.842	0.751	3.115
2020	0.514	1.050	0.865	0.757	3.186
2021	0.548	1.067	0.886	0.745	3.246
2022	0.517	1.082	0.927	0.762	3.288
2023	0.483	1.094	0.985	0.721	3.283
2024	0.473	1.126	1.050	0.698	3.347
2025	0.441	1.173	1.093	0.728	3.435

Source: Tax Duplicate, Borough of Woodland Park

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

Township of Little Falls

	2025		2016	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Inwood Owners Inc	$ 61,650,000	3.86%		
Theta Holding Co	38,615,000	2.42%		
PAR3 LLC	14,601,900	0.92%		
Park Falls Associates	13,000,000	0.81%		
Great Notch Village	9,771,900	0.61%		
Saturn Realty	9,656,300	0.61%		
Lennar Little Falls Townhomes LI	8,874,000	0.56%		
SL 101 East Main St LLC	8,500,000	0.53%		
Colf in 2019-4 IND owner-Link L	8,467,200	0.53%		
Sisco	8,433,500	0.53%		
	$ 181,569,800	11.38%		
Inwood Owners Inc			$ 68,500,000	4.62%
Theta Holding Co			50,055,000	3.38%
Park Falls Associates			13,285,000	0.90%
PAR3 LLC			12,432,200	0.84%
Great Notch Village			10,027,700	0.68%
Saturn Realty			9,656,300	0.65%
Sisco			8,965,100	0.60%
Andrew Realty			8,500,000	0.57%
Hilltop Manor Associates LLC			7,000,000	0.47%
Brownstone Inc			6,898,800	0.47%
			$ 195,320,100	13.18%

Source: Municipal Tax Assessor

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

Borough of Totowa

	2025		2016	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
1000 Cloud Drive	$ 82,373,100	3.31%		
701 - 703 Union Blvd.	64,573,900	2.60%		
545 Route #46	47,000,000	1.89%		
465 Route 46	44,739,400	1.80%		
700-710 Union Blvd.	41,377,100	1.66%		
50 Route 46	23,271,900	0.94%		
970 North Riverview Dr.	18,928,400	0.76%		
195-235 Route 46 West	18,500,000	0.74%		
100 Shepherds Lane	17,310,000	0.70%		
930 North Riverview Dr.	15,600,000	0.63%		
	$ 373,673,800	11.71%		
Totowa VF LLC C/O Vornado Realty Trust			$ 56,501,300	2.46%
Fidelity Syn. C/O Slater Companies			46,000,000	2.00%
Totowa Property Assoc. LLC			24,521,900	1.07%
930 N. Riverview Assoc. LLC C/O ATCO			24,424,700	1.06%
Abill Realty Corp.			22,365,000	0.97%
50 Madison Road LLC			18,928,400	0.82%
Norwell Land Company C/O Tax Dept			18,500,000	0.81%
Totowa Plaza Rte 46 LLC			18,355,800	0.80%
Totowa Plaza Rte 46 LLC			17,711,500	0.77%
Digital Totowa LLC			16,504,800	0.72%
			$ 263,813,400	11.49%

Source: Municipal Tax Assessor

EXHIBIT J-8C

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

Borough of Woodland Park

	2025		2016	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Rose Manor Estates	$ 58,294,100	3.45%		
Levco Route 46 Associates	35,091,000	2.08%		
1150M Woodland Park, LLC	27,868,900	1.65%		
1225 Realty, LLC	22,417,100	1.33%		
Bank of New York	21,623,100	1.28%		
DDRM West Falls Plaza, LLC	19,847,800	1.17%		
G.O.P. 1, LLC	13,250,000	0.78%		
Squirrel Wood, LLC	11,556,600	0.68%		
Lenox Plaza, LLC	10,250,000	0.61%		
Notchwood Commons, LLC	9,869,600	0.58%		
	$ 230,068,200	13.60%		
Rose Manor Estates			$ 58,294,100	3.53%
Levco Route 46 Assoc, c/o NY Urban			43,091,000	2.61%
The Bank of New York			26,591,200	1.61%
1225 Realty LLC			19,689,600	1.19%
G.O.P. 1, LLC			17,900,000	1.08%
DDRM West Falls Plaza, LLC			17,182,200	1.04%
Lenox Plaza, LLC			14,453,600	0.87%
G.O.P. 3, LLC			13,550,000	0.82%
G.O.P. 5, LLC			11,649,000	0.71%
The Leeward Corporation			11,556,600	0.70%
			$ 233,957,300	14.16%

Source: Municipal Tax Assessor

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	$ 24,717,941	$ 24,717,941	100.00%	-
2017	25,243,976	24,567,344	97.32%	$ 676,632
2018	25,824,402	25,824,402	100.00%	-
2019	26,264,787	26,264,787	100.00%	-
2020	26,767,270	25,458,665	95.11%	1,308,605
2021	27,279,539	25,947,222	95.12%	1,332,317
2022	27,818,024	27,818,024	100.00%	-
2023	28,343,055	28,343,055	100.00%	-
2024	28,872,179	26,160,165	90.61%	2,712,014
2025	29,416,373	28,757,994	97.76%	658,379

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

Fiscal Year Ended June 30,	Governmental Activities: General Obligation Bonds	Governmental Activities: Capital Financing Agreements	Governmental Activities: Inter-governmental Loans	Business-Type Activities: Leases Payable	Total District	Population	Per Capita
2016	$ 5,723,000				$ 5,723,000	38,024	$ 151
2017	5,093,000				5,093,000	37,972	134
2018	4,463,000				4,463,000	37,981	118
2019	3,838,000				3,838,000	37,847	101
2020	3,213,000				3,213,000	37,864	85
2021	2,588,000				2,588,000	37,572	69
2022	1,952,000	$ 3,283,000			5,235,000	38,057	138
2023	1,276,000	3,039,903			4,315,903	38,322	113
2024	-	1,862,000			1,862,000	39,640	47
2025	-	1,649,000			1,649,000	39,640 *	42

Source: District records

*** Estimated**

EXHIBIT J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2016	$ 5,723,000		$ 5,723,000	0.11%	$ 151
2017	5,093,000		5,093,000	0.09%	134
2018	4,463,000		4,463,000	0.08%	118
2019	3,838,000		3,838,000	0.07%	101
2020	3,213,000		3,213,000	0.06%	85
2021	2,588,000		2,588,000	0.05%	69
2022	1,952,000		1,952,000	0.03%	51
2023	1,276,000		1,276,000	0.02%	33
2024	621,000		621,000	0.01%	16
2025	-		-	0.00%	-

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2024
(Unaudited)

Direct Debt of School District as of December 31, 2024		$ 1,649,000
Net Overlapping Debt of School District (1)		
Township of Little Falls	$ 36,183,224	
Borough of Totowa	386,492	
Borough of Woodland Park	23,061,198	
		59,630,914
		61,279,914
Overlapping Debt Apportioned to the Municipality:		
Passaic County:		
County of Passaic (A)	57,053,477	
Passaic County Utilities Authority (B)	3,867,014	
Passaic Valley Sewer Commission (C)	13,520,751	
		74,441,242
Total Direct and Overlapping Debt		$ 135,721,156

Source:
(1) Municipalities' 2024 Annual Debt Statement

(A) The debt for this entity was apportioned to Passaic Valley High School by dividing the municipality's 2024 equalized value by the total 2024 equalized value for Passaic County.
(B) The debt was computed based upon dividing each municipalities 2024 equalized value to the County total

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	$ 167,142,418	$ 165,907,941	$ 166,489,363	$ 166,244,103	$ 170,329,077	$ 173,903,561	$ 184,672,232	$ 125,450,333	$ 228,064,157	$ 260,203,752
Total Net Debt Applicable to Limit	5,723,000	5,093,000	4,463,000	3,838,000	3,213,000	2,588,000	1,952,000	1,276,000	621,000	1,649,000
Legal Debt Margin	$ 161,419,418	$ 160,814,941	$ 162,026,363	$ 162,406,103	$ 167,116,077	$ 171,315,561	$ 182,720,232	$ 124,174,333	$ 227,443,157	$ 258,554,752
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	3.42%	3.07%	2.68%	2.31%	1.89%	1.49%	1.06%	1.02%	0.27%	0.63%

Legal Debt Margin Calculation, December 31, 2023

2022	7,615,726,542
2023	8,561,156,238
2024	9,843,492,427
	$ 26,020,375,207
Average equalized valuation of taxable property	$ 8,673,458,402
3% of Equalized Valuation Basis	$ 260,203,752
Less Net Debt	1,649,000
Remaining Borrowing Power	$ 258,554,752

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

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

Township of Little Falls

Year Ended December 31,	Unemployment Rate	Per Capita Income*	School District Population
2016	4.4	47,547	14,423
2017	4.1	48,152	14,502
2018	3.8	50,570	14,563
2019	3.2	52,129	14,474
2020	8.6	55,775	14,412
2021	5.6	59,559	13,357
2022	3.6	57,067	14,044
2023	4.2	60,002	14,399
2024	3.8	Not Available	15,099
2025	Not Available	Not Available	Not Available

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

* Passaic County Information

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

Borough of Totowa

Year Ended December 31,	Unemployment Rate	Per Capita Income*	School District Population
2016	5.3	47,547	10,904
2017	5.2	48,152	10,817
2018	5.0	50,570	10,804
2019	3.8	52,129	10,792
2020	12	55,775	10,797
2021	7.7	59,559	10917
2022	4.5	57,067	10,822
2023	4.9	60,002	10,785
2024	4.6	Not Available	11,064
2025	Not Available	Not Available	Not Available

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

Notes: * Passaic County Information

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

Borough of Woodland Park

Year Ended December 31,	Unemployment Rate	Per Capita Income*	School District Population
2016	5.7	47,547	12,645
2017	5.4	48,152	12,834
2018	4.5	50,570	12,614
2019	3.8	52,129	12,581
2020	13.1	55,775	12,655
2021	7.6	59,559	13,298
2022	4.2	57,067	13,191
2023	5.0	60,002	13,138
2024	4.9	Not Available	13,477
2025	Not Available	Not Available	Not Available

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

* Passaic County Information

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

	2025		2015	
Employer	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

NOT AVAILABLE

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

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Instruction										
Regular	96	90	91	89	89	90	101	103	100	100
Special Education	12	10	10	9	8	9	9	10	9	8
Other Special Education										
Vocational										
Other Instruction										
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student and Instruction Related Services	28	30	23	25	30	40	32	32	27	23
General Administration		1	1	1	1	2	2	2	2	2
School Administrative Services	16	9	9	9	10	11	14	14	8	8
Other Administrative Services										
Central Services	8	5	5	5	5	5	3	3	5	5
Administrative Information Technology	1	1	1	1	1	1	1	1	1	1
Plant Operations And Maintenance	20	21	22	22	22	25	24	23	23	23
Pupil Transportation	1	1	1	1	1	1	1	1	1	1
Other Support Services			11	11	11	11	10	10	8	8
Special Schools										
Food Service										
Child Care	-	-	-	-	-	-	-	-	-	-
Total	182	168	174	173	178	195	197	199	184	179

Source: District Personnel Records

EXHIBIT J-17

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

Fiscal Year	Enrollment [a]	Operating Expenditures [b]	Cost Per Pupil [c]	Percentage Change	Teaching Staff	Pupil/Teacher Ratio Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	1,338	28,080,354	20,987	3.80%	108	1:13	1,256	1,194	-4.85%	95.06%
2017	1,294	28,550,072	22,063	5.13%	108	1:13	1,252	1,181	-0.32%	94.33%
2018	1,276	30,237,338	23,697	7.40%	113	1:12	1,281	1,210	2.32%	94.46%
2019	1,189	32,271,713	27,142	14.54%	113	1:12	1,183	1,117	-7.65%	94.42%
2020	1,179	32,806,851	27,826	2.52%	99	1:12	1,174	1,126	-0.76%	95.91%
2021	1,045	34,557,002	33,069	18.84%	98	1:11	1,040	1,009	-11.41%	97.02%
2022	1,021	37,505,018	36,734	11.08%	98	1:11	1,016	958	-2.31%	94.29%
2023	1,033	37,714,070	36,509	-0.61%	101	1:11	1,031	972	1.48%	94.28%
2024	1,059	39,433,905	37,237	1.99%	100	1:11	1,054	989	2.23%	93.83%
2025	1,075	38,265,621	35,596	-4.41%	108	1:10	1,080	1,015	2.47%	93.98%

Sources: District records

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District Building										
Elementary										
High School										
Square Feet	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000
Capacity (students)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Enrollment	1,075	1,059	1,033	1,009	1,043	1,043	1,099	1,171	1,276	1,338
Number of Schools at June 30, 2025										
Elementary =	0	0	0	0	0	0	0	0	0	0
Middle School =	0	0	0	0	0	0	0	0	0	0
Senior High School =	1	1	1	1	1	1	1	1	1	1
Other =	0	0	0	0	0	0	0	0	0	0

Source: District Records

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

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES

School Facilities	Project #	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
High School	N/A	$ 670,650	$ 643,611	$ 1,145,376	$ 547,831	$ 570,237	$ 566,377	$ 563,654	$ 508,439	$ 412,809	$ 426,474
Total Required Maintenance for School Facilities		$ 670,650	$ 643,611	$ 1,145,376	$ 547,831	$ 570,237	$ 566,377	$ 563,654	$ 508,439	$ 412,809	$ 426,474

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
INSURANCE SCHEDULE
AS OF JUNE 30, 2025

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

SINGLE AUDIT SECTION

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

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Passaic Valley Regional High School District No.1 Board of Education as of and for the fiscal year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Passaic Valley Regional High School District No.1 Board of Education's basic financial statements and have issued our report thereon dated January 6, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Passaic Valley Regional High School District No.1 Board of Education's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Passaic Valley Regional High School District No.1 Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Passaic Valley Regional High School District No.1 Board of Education's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Passaic Valley Regional High School District No.1 Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Passaic Valley Regional High School District No.1 Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 6, 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 Passaic Valley Regional High School District No.1 Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Passaic Valley Regional High School District No.1 Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lerch Vinci & Bliss LLP

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

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 6, 2026

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

EXHIBIT K-2

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Passaic Valley Regional High School District No. 1 Board of Education's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Passaic Valley Regional High School District No. 1 Board of Education's major federal and state programs for the fiscal year ended June 30, 2025. The Passaic Valley Regional High School District No. 1 Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Passaic Valley Regional High School District No. 1 Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Passaic Valley Regional High School District No. 1 Board of Education, as of and for the fiscal year ended June 30, 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 6, 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 federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 6, 2026

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2024 Accounts Receivable	Balance, July 1, 2024 Unearned Revenue	Balance, July 1, 2024 Due to Grantor	Accounts Receivable Carryover Amount	Unearned Revenue Carryover Amount	Cash Receipts	Budgetary Expenditures	Adjustment	Balance, June 30, 2025 (Account Receivable)	Balance, June 30, 2025 Unearned Revenue	Balance, June 30, 2025 Due to Grantor	MEMO GAAP Receivable
U.S. Department of Agriculture Passed-Through State Department of Education																
Enterprise Fund																
National School Breakfast Program	10.553	251NJ304N1099	7/1/24-6/30/25	$ 51,426						$ 47,421	$ 51,426		$ (4,005)			$ (4,005)
National School Breakfast Program	10.553	241NJ304N1099	7/1/23-6/30/24	38,325	$ (2,884)					2,884						-
National School Lunch Program																-
Non-Cash Assistance	10.555	N/A	7/1/24-6/30/25	36,633						36,633	36,633		-			-
Cash Assistance	10.555	251NJ304N1099	7/1/24-6/30/25	147,473						139,920	147,473		(7,553)			(7,553)
Cash Assistance	10.555	241NJ304N1099	7/1/23-6/30/24	106,759	(5,562)					5,562						-
Local Food for Schools	10.185	251NJ304N1099	7/1/24-6/30/25	3,269						3,269	3,269					-
Summer Benefit Program	10.646		7/1/24-6/30/25	322	-	-	-	-	-	322	322	-	-	-	-	-
Total Enterprise Fund					(8,446)	-	-	-	-	236,011	239,123	-	(11,558)	-	-	(11,558)
U.S. Department of Education Passed-Through State Department of Education																
Special Revenue																
ESEA - Title I-A	84.010	S010A240030	7/1/24-9/30/25	185,256				$ (25,036)	$ 25,036	140,503	176,241		(69,789)	$ 34,051		(35,738)
ESEA - Title I-A	84.010	S010A230030	7/1/23-9/30/24	202,349	(115,471)	$ 25,036		25,036	(25,036)	90,435						-
ESEA - Title II-A	84.367A	S367A240029	7/1/24-9/30/25	24,973				(12,521)	12,521	17,341	19,243		(20,153)	18,251		(1,902)
ESEA - Title II-A	84.367A	S367A230029	7/1/23-9/30/24	28,609	(33,981)	12,521		12,521	(12,521)	21,460						-
ESEA - Title IV	84.424A	S424A240031	7/1/24-9/30/25	14,715				(2,473)	2,473	9,624	14,975		(7,564)	2,213		(5,351)
ESEA - Title IV	84.424A	S424A230031	7/1/23-9/30/24	15,772	(16,375)	2,473	-	2,473	(2,473)	13,902	-	-	-	-	-	-
Total ESEA Cluster					(165,827)	40,030	-	-	-	293,265	210,459	-	(97,506)	54,515	-	(42,991)
ARP ESSER III	84.425U	S427U210027	3/13/20-9/30/24	1,221,051	(554,235)					554,235			-	-		-
Accelerated Learning Coach	84.425U	S427U210027	3/13/20-9/30/24	85,949	(60,249)				9,120	60,249	9,120		-	-		-
Evidence Based Summer	84.425U	S427U210027	3/13/20-9/30/24	40,000	(40,000)				40,000	40,000	40,000		-	-		-
Evidence Based Comprehensive	84.425U	S427U210027	3/13/20-9/30/24	40,000	(7,150)					7,150			-	-		-
NJTSS Mental Health	84.425U	S427U210027	3/13/20-9/30/24	88,501	(46,334)	-	-	-	-	46,334	-	-	-	-	-	-
Total ESSER Cluster					(707,968)	-	-	-	49,120	707,968	49,120	-	-	-	-	-
ACSERS			7/1/23-9/30/24	159,802	(79,901)	-	-	-	-	79,901	-	-	-	-	-	-
Total ACERS Cluster:					(79,901)	-	-	-	-	79,901	-	-	-	-	-	-
I.D.E.A. Part B, Basic	84.027A	H027A240100	7/1/24-9/30/25	279,608						229,135	279,608		(50,473)	-		(50,473)
I.D.E.A. Part B, Basic	84.027A	H027A230100	7/1/23-9/30/24	277,990	(123,962)					123,962			-			-
SDA Emergent Grant			7/1/23-6/30/24	28,001	(28,001)	15,401	-	-	-	28,001	15,401	-	-	-	-	-
Total Special Revenue					(1,105,659)	55,431	-	-	49,120	1,462,232	554,588	-	(147,979)	54,515	-	(93,464)
U.S. Department of Education																
General Fund																
Medicaid Assistance Program (Semi)	93.778	2005NJ5MAP	7/1/24-6/30/25	13,464	-	-	-	-	-	13,464	13,464	-	-	-	-	-
Total General Fund					-	-	-	-	-	13,464	13,464	-	-	-	-	-
Total Federal Financial Awards					$ (1,114,105)	$ 55,431	$ -	$ -	$ 49,120	$ 1,711,707	$ 807,175	$ -	$ (159,537)	$ 54,515	$ -	$ (105,022)

The Notes to the Schedules of Federal Awards and State Financial Assistance are an Integral Part of this Statement

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2024	Cash Received	Budgetary Expenditures	Balance, June 30, 2025 (Accounts Receivable)	Balance, June 30, 2025 Deferred Revenue	Balance, June 30, 2025 Due to Grantor	Memo Only GAAP Accounts Receivable	Memo Only Total Cumulative Expenditures
State Department of Education											
General Fund											
Special Education Aid	25-495-034-5120-089	7/1/24-6/30/25	$ 1,063,236		$ 963,586	$ 1,063,236	$ (99,650)				$ 1,063,236
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	1,063,236	$ (95,039)	95,039						
Equalization Aid	25-495-034-5120-078	7/1/24-6/30/25	110,306		99,968	110,306	(10,338)				110,306
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	140,892	(12,594)	12,594						
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	220,287		199,641	220,287	(20,646)				220,287
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	220,287	(19,691)	19,691		-	-	-	-	-
Stabilization Aid	25-495-034-5120-078	7/1/24-6/30/25	13,764	-	13,764	13,764	-	-	-	-	13,764
Menstrual Products School Aid		7/1/24-6/30/25	763	-	-	763	(763)	-	-	$ (763)	763
State Aid Public Cluster Total				(127,324)	1,404,283	1,408,356	(131,397)	-	-	(763)	1,408,356
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	729,435		661,070	729,435	(68,365)				729,435
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	729,435	(65,201)	65,201						
Non Public Transportation Reimbursement	25-495-034-5120-014	7/1/24-6/30/25	67,248			67,248	(67,248)			(67,248)	67,248
Non Public Transportation Reimbursement	24-495-034-5120-014	7/1/23-6/30/24	61,535	(61,535)	61,535	-	-	-	-	-	-
Transportation Aid Cluster Total				(126,736)	787,806	796,683	(135,613)	-	-	(67,248)	796,683
Extraordinary Aid	25-495-034-5120-044	7/1/24-6/30/25	1,194,434			1,194,434	(1,194,434)				1,194,434
Extraordinary Aid	24-495-034-5120-044	7/1/23-6/30/24	1,051,233	(1,051,233)	1,051,233						
On-Behalf TPAF Pension System Contributions (Normal Costs)	25-100-034-5094-006	7/1/24-6/30/25	3,488,818		3,488,818	3,488,818					3,488,818
On-Behalf TPAF Pension System Contributions (NCGI Premium)	25-100-034-5094-006	7/1/24-6/30/25	43,217		43,217	43,217					43,217
On-Behalf TPAF Pension System Contrb. (Post Retirement Medical)	25-100-034-5094-001	7/1/24-6/30/25	1,032,064		1,032,064	1,032,064					1,032,064
On-Behalf TPAF Pension System Contrb. (Long Term Disability Insurance)	25-100-034-5094-006	7/1/24-6/30/25	1,099		1,099	1,099					1,099
Reimbursed TPAF Social Security Contributions	25-100-034-5094-003	7/1/24-6/30/25	772,841		734,547	772,841	(38,294)			(38,294)	772,841
Reimbursed TPAF Social Security Contributions	24-100-034-5094-003	7/1/23-6/30/24	744,501	(36,157)	36,157	-	-	-	-	-	-
Total General Fund				(1,341,450)	8,579,224	8,737,512	(1,499,738)	-	-	(106,305)	8,737,512
Debt Service Fund											
Debt Service Aid	25-495-034-5120-125	7/1/24-6/30/25	211,826	-	211,826	211,826	-	-	-	-	211,826
Total Debt Service Fund				-	211,826	211,826	-	-	-	-	211,826
State Department of Agriculture											
Enterprise Fund											
NJEIE Lunch and Breakfast		7/1/24-6/30/25	6,947		6,542	6,947	(405)			(405)	6,947
NJEIE Lunch and Breakfast		7/1/23-6/30/24	6,368	(445)	445					-	-
National School Lunch Program (State Share)	25-100-010-3360-037	7/1/24-6/30/25	6,195		5,844	6,195	(351)			(351)	6,195
National School Lunch Program (State Share)	24-100-010-3360-037	7/1/23-6/30/24	6,120	(320)	320	-	-	-	-	-	-
Total Enterprise Fund				(765)	13,151	13,142	(756)	-	-	(756)	13,142
Total State Financial Assistance Subject to Single Audit Determination				$ (1,342,215)	$ 8,804,201	$ 8,962,480	$ (1,500,494)	$ -	$ -	$ (107,061)	$ 8,962,480
State Financial Assistance Not Subject to Major Program Determination											
General Fund											
On-Behalf TPAF Pension System Contributions (Normal Costs)	25-100-034-5094-006	7/1/24-6/30/25	3,488,818		(3,488,818)	(3,488,818)					(3,488,818)
On-Behalf TPAF Pension System Contributions (NCGI Premium)	25-100-034-5094-006	7/1/24-6/30/25	43,217		(43,217)	(43,217)					(43,217)
On-Behalf TPAF Pension System Contrb. (Post Retirement Medical)	25-100-034-5094-001	7/1/24-6/30/25	1,032,064		(1,032,064)	(1,032,064)					(1,032,064)
On-Behalf TPAF Pension System Contrb. (Long Term Disability Insurance)	25-100-034-5094-006	7/1/24-6/30/25	1,099	-	(1,099)	(1,099)	-	-	-	-	(1,099)
Total State Financial Assistance Subject to Major Program Determination				$ (1,342,215)	$ 4,239,003	$ 4,397,282	$ (1,500,494)	$ -	$ -	$ (107,061)	$ 4,397,282

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

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1 REPORTING ENTITY

The Passaic Valley Regional High School District No. 1 Board of Education (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 with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board's summary of significant accounting policies are described in Note 1 to the Board's financial statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of $149,675 for the general fund and an increase of $4,331 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	Federal	State	Total
General Fund	$ 13,464	$ 8,587,837	$ 8,601,301
Special Revenue Fund	558,919		558,919
Debt Service Fund		211,826	211,826
Food Service Fund	239,123	13,142	252,265
Total Awards and Financial Assistance	$ 811,506	$ 8,812,805	$ 9,624,311

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of $772,841 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 $3,532,035, TPAF Post-Retirement Medical Benefits Contributions in the amount of $1,032,064 and TPAF Long-Term Disability Insurance in the amount of $1,099 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.

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Part 1 – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued:	Unmodified			
Internal control over financial reporting:				
1) Material weakness(es) identified?		Yes	X	No
2) Significant deficiencies identified that are not considered to be material weaknesses?		Yes	X	No
Noncompliance material to basic financial statements noted?		Yes	X	No

Federal Awards Section

Type of auditor's report issued on compliance for major programs:	Unmodified			
Internal Control over major programs:				
1) Material weakness(es) identified?		yes	X	no
2) Significant deficiencies identified that are not considered to be material weaknesses?		yes	X	no
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04?		yes	X	no

Identification of major federal programs:

I.D.E.A. Part B, Basic	84.027A

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

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Part I – Summary of Auditor's Results

State Awards

Type of auditor's report issued on compliance for major programs:	Unmodified	
Internal Control over major programs:		
1) Material weakness(es) identified?	____ yes	X no
2) Significant deficiencies identified that are not considered to be material weaknesses?	____ yes	X no
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08?	____ yes	X no

Identification of major state programs:

GMIS Number(s)	Name of State Program
25-495-034-5120-044	Extraordinary 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

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 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, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There are none.

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 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 federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

There are none.