WEST ESSEX REGIONAL SCHOOL DISTRICT

West Essex Regional School District
North Caldwell, New Jersey

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025

Annual Comprehensive Financial Report

of the

West Essex Regional School District

North Caldwell, New Jersey

For the Fiscal Year Ended June 30, 2025

Prepared by

West Essex Regional School District

WEST ESSEX REGIONAL SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2025

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal 1
Organizational Chart 4
Roster of Officials 5
Consultants and Advisors 6

FINANCIAL SECTION 7

Independent Auditors' Report 8

Required Supplementary Information 11
Management's Discussion and Analysis 12

Basic Financial Statements (Sections A and B) 20

A. District-Wide Financial Statements 21
A-1 Statement of Net Position 22
A-2 Statement of Activities 23

B. Fund Financial Statements 25
B-1 Balance Sheet – Governmental Funds 26
B-2 Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds 28
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 29
B-4 Statement of Net Position – Proprietary Funds 30
B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds 31
B-6 Statement of Cash Flows – Proprietary Funds 32

Notes to the Basic Financial Statements 33

Required Supplementary Information 71

L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits Other than Pensions 72
L-1 Schedule of District's Proportionate Share of the Net Pension Liability – Public Employees Retirement System 72
L-2 Schedule of District Contributions – Public Employees Retirement System 73
L-3 Schedule of State Proportionate Share of the Net Pension Liability Associated with the District – Teachers' Pension and Annuity Fund 74
L-4 Schedule of State Contributions – Teachers' Pension and Annuity Fund 75
L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios 76
Notes to Required Supplementary Information 77

WEST ESSEX REGIONAL SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

FINANCIAL SECTION (Cont'd)

Required Supplementary Information (Cont'd)

C. Budgetary Comparison Schedules 78
C-1 Budgetary Comparison Schedule – General Fund 79
C-2 Budgetary Comparison Schedule - Special Revenue Fund 89
C-3 Required Supplementary Information - Budgetary Comparison Schedule – Note to RSI 90

Other Supplementary Schedules (D.-I.)

D. School Level Schedules (Not Applicable)

E. Special Revenue Fund 92
E-1 Combining Schedule of Program Revenue and Expenditures - Special Revenue Fund – Budgetary Basis 93
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)

F. Capital Projects Fund (Not Applicable)

G. Proprietary Funds (Enterprise Fund) 94
G-1 Statement of Net Position 95
G-2 Statement of Revenue, Expenses and Changes in Fund Net Position 96
G-3 Statement of Cash Flows 97

H. Fiduciary Activities (Not Applicable)

I. Long-Term Liabilities 98
I-1 Schedule of Serial Bonds 99
I-2 Schedule of Obligations Under Financed Purchases 100
I-3 Debt Service Fund Budgetary Comparison Schedule 101
I-4 Schedule of Obligations Under Leases (Not Applicable)
I-5 Schedule of Obligations Under Subscription-Based Information Technology Arrangement (Not Applicable)

STATISTICAL SECTION

J. Statistical Section (Unaudited) 102
J-1 Net Position by Component 103
J-2 Changes in Net Position 104
J-3 Fund Balances - Governmental Funds 106
J-4 Changes in Fund Balances - Governmental Funds 107
J-5 General Fund Other Local Revenue by Source 109
J-6 Assessed Value and Actual Value of Taxable Property 110
J-7 Direct and Overlapping Property Tax Rates 112
J-8 Principal Property Taxpayers, Current Year and Nine Years Ago 114
J-9 Property Tax Levies and Collections 118

WEST ESSEX REGIONAL SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

STATISTICAL SECTION (Cont'd)

J. Statistical Section (Unaudited) (Cont'd)
- J-10 Ratios of Outstanding Debt by Type 119
- J-11 Ratios of Net General Bonded Debt Outstanding 120
- J-12 Ratios of Overlapping Governmental Activities Debt 121
- J-13 Legal Debt Margin Information 122
- J-14 Demographic and Economic Statistics 123
- J-15 Principal Employers, Current Year and Nine Years Ago 126
- J-16 Full-time Equivalent District Employees by Function/Program 127
- J-17 Operating Statistics 128
- J-18 School Building Information 129
- J-19 Schedule of Required Maintenance 130
- J-20 Insurance Schedule 131

K. SINGLE AUDIT SECTION 133
- K-1 Independent Auditors' 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* 134
- K-2 Independent Auditors' Report on Compliance for Each Major State Program and Report on Internal Control over Compliance Required by NJOMB 15-08 136
- K-3 Schedule of Expenditures of Federal Awards 139
- K-4 Schedule of Expenditures of State Awards 140
- K-5 Notes to the Schedules of Expenditures of Federal and State Awards 141
- K-6 Schedule of Findings and Questioned Costs 143
- K-7 Summary Schedule of Prior Audit Findings 145

INTRODUCTORY SECTION
(UNAUDITED)

WEST ESSEX REGIONAL SCHOOL DISTRICT

Board of Education

West Greenbrook Road
North Caldwell, New Jersey 07006
(973) 228-1200 Fax (973) 228-0559
www.westex.org

November 21, 2025

The Honorable President and Members of
the Board of Education
West Essex Regional School District
West Greenbrook Road
North Caldwell, New Jersey 07006

Dear Board Members:

The annual comprehensive financial report of the West Essex Regional School District (the "District") for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). 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 basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and the New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The West Essex Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The West Essex Regional School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 7 through 12. These include regular, vocational, as well as special education services for handicapped youngsters.

2) ECONOMIC CONDITION AND OUTLOOK: The West Essex Regional School District is comprised of four suburban municipalities: Essex Fells, Fairfield, North Caldwell, and Roseland. Covering an area of 18 square miles, with a combined population of approximately 22,850, these four highly desirable communities are located just 25 miles west of the cultural center of New York City and one hour from the New Jersey shore.

The West Essex area is convenient to Newark Liberty Airport, the New Jersey Turnpike, the Garden State Parkway, and train and bus service to New York City.

High economic standards are characteristic of the West Essex Community, as the District factor grouping rating, assigned by the New Jersey Department of Education is an "I" and about 75% of the wage earners are employed in professional, managerial, technical, or skilled occupations.

3) MAJOR INITIATIVES: The mission of the West Essex Regional School system is to provide a superior education to all students.

During the 2024-25 school year, we focused on installing new HVAC units in the Middle School to continue our initiative to ensure all classrooms have fully functioning air conditioning units. We also remodeled five classrooms in the high school which included new sheetrock, paint, flooring, ceilings and lighting. We've also continued with various interior LED lighting upgrades to help cut down energy expenses. We've continued to upgrade our district cameras and camera system. Our focus on security upgrades is ongoing.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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 appropriated budget approved by a vote of the Board of Education. 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2025.

6) ACCOUNTING SYSTEM AND REPORTS**:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

7) 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", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Board is a member of the School Alliance Insurance Fund ("SAIF"). The SAIF is a risk-sharing public entity risk management fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to their members. The School Alliance Insurance Fund oversees risk management for the District. The District is also a member of the Morris Essex Insurance Group (the "Group"). This public entity risk management pool provides workers' compensation for its members. A schedule of insurance coverage is found on Exhibit J-20.

9) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards,* and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The Auditors' Report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The Auditors' Reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

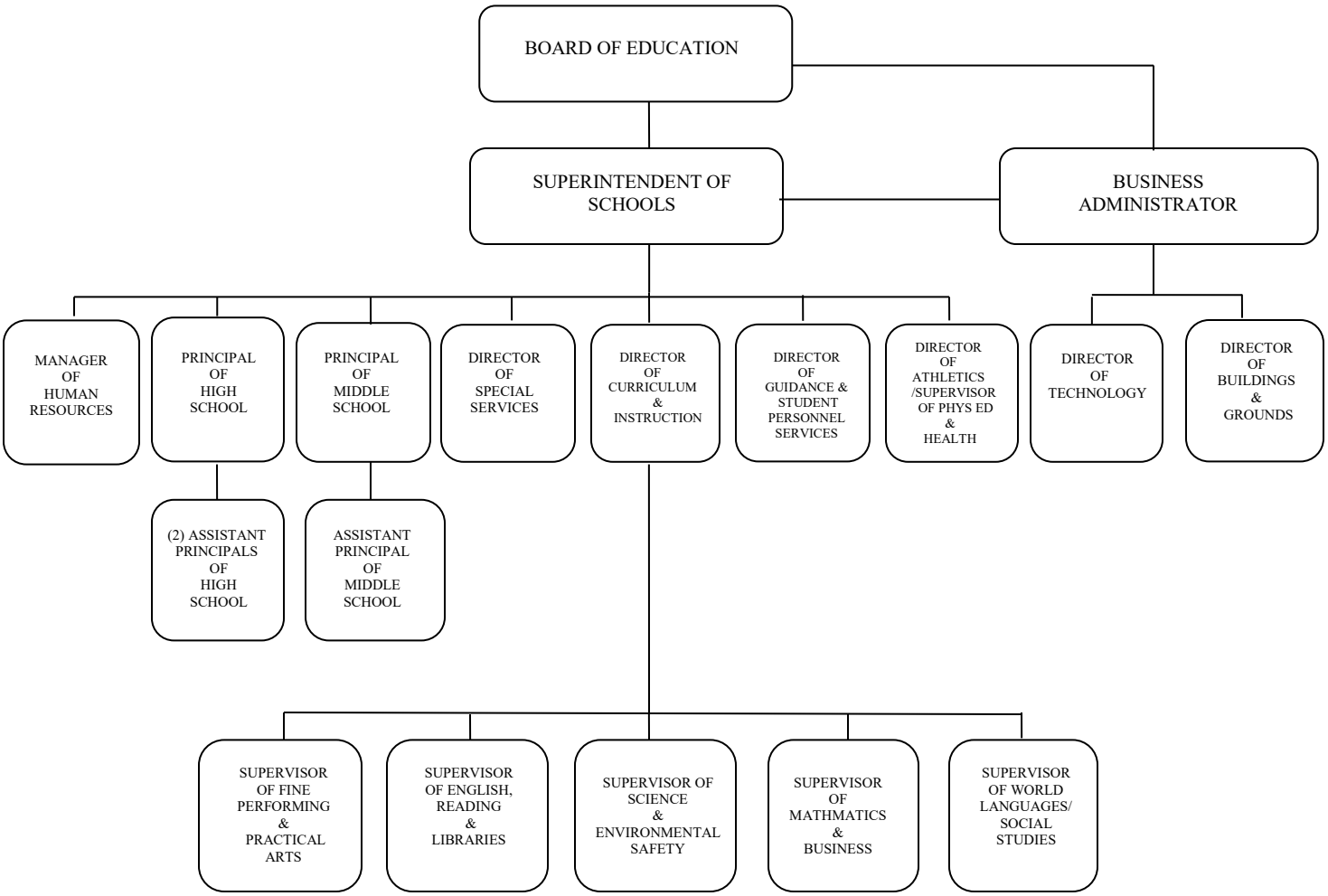
10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the West Essex Regional School District Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,

Damion Macioci
Superintendent of Schools

Melissa Kida
Business Administrator/Board Secretary

1110 ORGANIZATIONAL CHART



Adopted: 6 April 2009
Modified: 26 September 2011
Modified: 10 September 2012
Modified: 20 October 2021
Modified: 11 April 2022

WEST ESSEX REGIONAL SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2025

Members of the Board of Education	Term Expires
Deborah Sacco-Calderone, President	2025
Maryadele Wojtowicz, Vice President	2027
Alicia Amil	2025
Laila Cristobal	2026
Debbie Holinstat	2025
Ruth DiGiovanni	2026
Jonathan Schaer	2026
Raphael Stampone	2028
John Toth	2028

Other Officers	Title
Damion Macioci	Superintendent of Schools
Melissa Kida	Business Administrator/Board Secretary
Michael Halik	Treasurer of School Monies

WEST ESSEX REGIONAL SCHOOL DISTRICT

Consultants and Advisors

Audit Firm

Nisivoccia LLP, CPAs
Mount Arlington Corporate Center
200 Valley Road Suite 300
Mount Arlington, NJ 07856-1320
and
Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860
and
1140 Route 22 East, Suite 203
Bridgewater, New Jersey 08807

Attorney

Fogarty & Hara
16-00 Route 208 S.
Fair Lawn, NJ 07410

Special Counsel for Litigation

Methfessel & Werbel
2025 Lincoln Highway, Suite 200
PO Box 3012
Edison, NJ 08818

Official Depository

Provident Bank
100 Wood Ave. S,
Iselin, NJ 08830

FINANCIAL SECTION

NISIVOCCIA
ASSURANCE · TAX · ADVISORY

Mount Arlington, NJ
Newton, NJ
Bridgewater, NJ

973.298.8500
nisivoccia.com

Independent Member
BKR International

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
West Essex Regional School District
County of Essex, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Board of Education of the West Essex Regional School District (the "District"), in the County of Essex, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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 District, 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 (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District 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 misstatement, 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 District'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 the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

- exercise professional judgment 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 District'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 District'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, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 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, are 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 District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state 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*; and New Jersey's 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. 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 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 accompanying supplementary information schedules and the schedules of expenditures of federal and state awards 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 and statistical sections 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 basic 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 November 21, 2025 on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

Nisivoccia LLP
NISIVOCCIA LLP

November 21, 2025
Mount Arlington, New Jersey

Man C Lee
Man C. Lee
Licensed Public School Accountant #2527
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

This section of West Essex Regional School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2025. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary 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 such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services.
- *Notes to Basic Financial Statements*: Provide additional information essential to a full understanding of the district-wide and fund financial statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1
Organization of the District's Financial Report

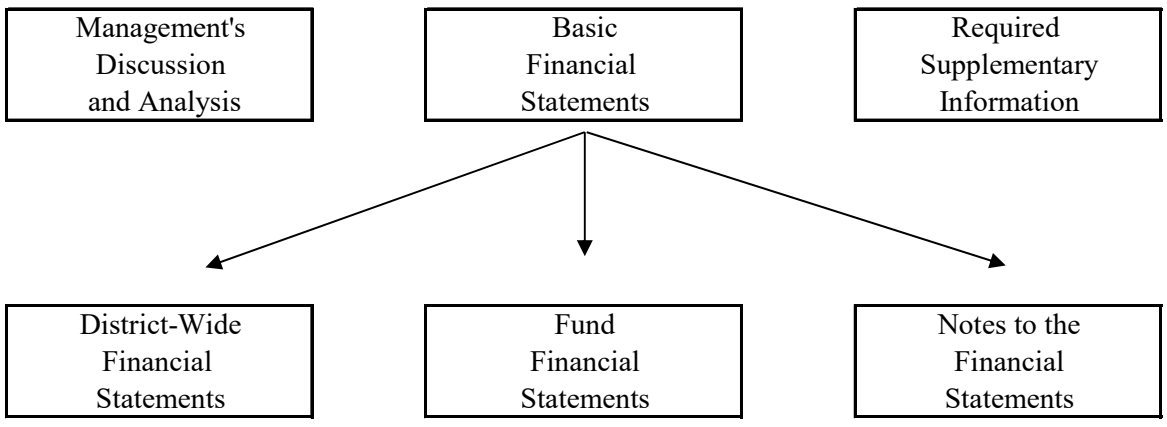


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

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, such as special education and building maintenance	Activities the District operates similar to private businesses: food services
Required Financial Statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures, and changes in fund balances	• Statement of net position • Statement of revenue, 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 resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets or long-term liabilities are included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue 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 revenue and expenses during the year, regardless of when cash is received or paid

District-wide 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 inflows and outflows and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – 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 District's overall health, you need to consider additional nonfinancial 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 divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, tuition and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service is included here.

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term liabilities) or to show that is it properly using certain revenue (such as federal grants).

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 you 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, additional information at the bottom of the governmental funds statements explains the relationship (or difference) 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 funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.

Notes to Basic Financial Statements: Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased by $541,785. Net position from governmental activities increased by $345,794 and net position from business-type activities increased by $195,991. Net investment in capital assets increased by $1,928,002, restricted net position increased by $1,794,932 and unrestricted net position decreased by $3,181,149.

Figure A-3

Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Percentage
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	Change
Current and Other Assets	$ 25,181,593	$ 26,031,499	$ 806,129	$ 745,979	$ 25,987,722	$ 26,777,478	
Capital Assets, Net	38,217,818	36,769,984	165,677	60,907	38,383,495	36,830,891	
Total Assets	63,399,411	62,801,483	971,806	806,886	64,371,217	63,608,369	1.20%
Deferred Outflows of Resources	1,134,795	1,193,986			1,134,795	1,193,986	-4.96%
Other Liabilities	2,817,747	1,875,570	37,214	68,285	2,854,961	1,943,855	
Long-Term Liabilities	9,691,130	10,326,230			9,691,130	10,326,230	
Total Liabilities	12,508,877	12,201,800	37,214	68,285	12,546,091	12,270,085	2.20%
Deferred Inflows of Resources	513,950	628,084			513,950	628,084	-18.17%
Net Position:							
Net Investment in Capital Assets	36,033,081	34,209,849	165,677	60,907	36,198,758	34,270,756	
Restricted	20,830,426	19,035,494			20,830,426	19,035,494	
Unrestricted/(Deficit)	(5,352,128)	(2,079,758)	768,915	677,694	(4,583,213)	(1,402,064)	
Total Net Position	$ 51,511,379	$ 51,165,585	$ 934,592	$ 738,601	$ 52,445,971	$ 51,904,186	1.04%

Changes in Net Position. The District's combined net position was $52,445,971 on June 30, 2025, $541,785 or 1.04% more than the previous year (See Figure A-3). Net investment in capital assets increased mainly due to capital assets additions, paydown of principal for bonds payable and financed purchases and amortization of bond premium; offset by capital assets depreciation. Restricted net position increased primarily due to increases in the capital and maintenance reserves. Unrestricted net position decreased primarily due to the liquidation of prior year encumbrances (including a $3.4 million capital outlay project), net of the changes in net pension liability and related deferred outflows and inflows of resources.

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities 2024/25	Business-Type Activities 2024/25	Governmental Activities 2023/24	Business-Type Activities 2023/24	Total School District 2024/25	Total School District 2023/24	Percentage Change
Revenue:							
Program Revenue:							
Charges for Services	$ 919,309	$ 1,374,074	$ 766,485	$ 1,336,246	$ 2,293,383	$ 2,102,731	
Operating Grants and Contributions	7,862,374		9,557,088		7,862,374	9,557,088	
General Revenue:							
Property Taxes	42,597,614		41,285,270		42,597,614	41,285,270	
Unrestricted State and Federal Aid	168,107		150,560		168,107	150,560	
Other	1,448,825		1,412,431		1,448,825	1,412,431	
Total Revenue	52,996,229	1,374,074	53,171,834	1,336,246	54,370,303	54,508,080	-0.25%
Expenses:							
Instruction	27,381,313		27,820,395		27,381,313	27,820,395	
Pupil and Instruction Services	10,359,775		9,209,803		10,359,775	9,209,803	
Administrative and Business	4,336,955		4,703,618		4,336,955	4,703,618	
Maintenance and Operations	5,676,167		5,639,696		5,676,167	5,639,696	
Transportation	4,720,360		4,343,226		4,720,360	4,343,226	
Capital Outlay			83,370			83,370	
Transfer to Charter School	62,402				62,402		
Other	69,804	1,221,742	85,330	1,152,020	1,291,546	1,237,350	
Total Expenses	52,606,776	1,221,742	51,885,438	1,152,020	53,828,518	53,037,458	1.49%
Transfers	(43,659)	43,659	(37,380)	37,380			
Change in Net Position	$ 345,794	$ 195,991	$ 1,249,016	$ 221,606	$ 541,785	$ 1,470,622	-63.16%

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Figure A-5 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

As discussed elsewhere in this commentary, the financial position of the District improved. However, maintaining existing programs with a slight increase in enrollment and the provision of special programs and services for disabled pupils, combined with rising salary and benefit costs, school security, out of district tuitions, state mandates on testing and energy costs place great demands on the District's resources.

Figure A-5 presents the cost of seven major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, capital outlay and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

Figure A-5

Net Cost of Governmental Activities

	Total Cost of Services 2024/25	Net Cost of Services 2024/25	Total Cost of Services 2023/24	Net Cost of Services 2023/24
Instruction	$ 27,381,313	$ 21,678,968	$ 27,820,395	$ 21,136,412
Pupil and Instruction Services	10,359,775	8,953,314	9,209,803	7,272,789
Administrative and Business	4,336,955	3,946,369	4,703,618	4,144,743
Maintenance and Operations	5,676,167	5,350,892	5,639,696	5,219,896
Transportation	4,720,360	3,763,344	4,343,226	3,619,325
Capital Outlay			83,370	83,370
Transfer to Charter School	62,402	62,402		
Other	69,804	69,804	85,330	85,330
	$ 52,606,776	$ 43,825,093	$ 51,885,438	$ 41,561,865

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student. Also included are extracurricular activities expenses related to student activities provided by the school district which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Pupil and instructional services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development. Curriculum and staff development expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public is also included in this figure.

General administration, school administration and central services include expenses associated with administrative and financial supervision of the District including, but not limited to, legal and communication costs.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school as provided by state law, as well as to and from all other school activities.

Other expenses include the interest on debt for the school district.

Business-Type Activities

Net position from the District's business-type activity increased by $195,991 as a result of the increase in lunch sales over the increase in operating expenses. (Refer to Figure A-4)

Financial Analysis of the District's Funds

The District's financial position declined during the year. As the demographics of our geographic area change, additional student needs and expenditures arise. Difficult economic times and recent legislation have had a direct impact upon the District's revenue sources.

All of these factors are likely to continue for the next several years. To maintain a stable financial position, the District must continue to practice sound fiscal management, including efficiency/cost containment practices, evaluation of services and programs, energy conservation, and seeking additional sources of revenues.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments are due to changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

Capital Assets and Long-Term Liabilities

Figure A-6

Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	
Sites	$ 288,849	$ 288,849			$ 288,849	$ 288,849	
Construction in Progress	3,282,894	263,016			3,282,894	263,016	
Site Improvements	1,214,691	1,057,600			1,214,691	1,057,600	
Buildings & Building Improvements	32,879,251	34,454,207			32,879,251	34,454,207	
Machinery and Equipment	552,133	706,312	$ 165,677	$ 60,907	717,810	767,219	
Total	$ 38,217,818	$ 36,769,984	$ 165,677	$ 60,907	$ 38,383,495	$ 36,830,891	4.22%

Long-term Liabilities

More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.

Figure A-7

Long-Term Liabilities

	Total School District		Percentage Change
	2024/25	2023/24	
Bonds Payable	$ 2,090,000	$ 2,480,000	
Unamortized Bond Issuance Premium	198,457	238,149	
Net Pension Liability	6,416,772	6,762,054	
Financed Purchases Payable	47,701	23,691	
Compensated Absences Payable	938,200	822,336	
	$ 9,691,130	$ 10,326,230	-6.15%

- The District continued to pay down its debt, retiring $390,000 of outstanding bonds and $33,573 of financed purchases.
- The District entered into a new financed purchase agreement for computer equipment for $57,583.
- The District's liability for net pension liability decreased $345,282.
- The District amortized $39,692 of unamortized bond issuance premium.
- The District's liability for compensated absences increased by $115,864.

Factors Bearing on the District's Future

While many factors influence the District's future, the availability of funding for special education needs, changes in student population and the economy will have the most impact on educational and fiscal decisions in the future.

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 salary and related benefit costs. Transportation costs increased significantly which caused the District to cut after school late buses.

These indicators were considered when adopting the budget for fiscal year 2025-2026. Budgeted expenditures in the General Fund increased to $48,881,174 for fiscal year 2025-2026.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the School Business Administrator/Board Secretary at West Essex Regional School District, West Greenbrook Road, North Caldwell, New Jersey 07006.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

WEST ESSEX REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 2,875,158	$ 758,503	$ 3,633,661
Internal Balances	(26,933)	26,933	
Tax Levy Receivable	1,828,892		1,828,892
Receivables from State Government	839,430		839,430
Receivables from Federal Government	150,233		150,233
Receivables from Other Governments	8,670		8,670
Other Receivables		5,270	5,270
Inventories		15,423	15,423
Restricted Cash and Cash Equivalents	19,506,143		19,506,143
Capital Assets, Net:			
Sites (Land) and Construction in Progress	3,571,743		3,571,743
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	34,646,075	165,677	34,811,752
Total Assets	63,399,411	971,806	64,371,217
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	151,421		151,421
Deferred Outflows Related to Pension	983,374		983,374
Total Deferred Outflows of Resources	1,134,795		151,421
LIABILITIES			
Current Liabilities:			
Accounts Payable	2,714,802	7,714	2,722,516
Accrued Interest Payable	28,973		28,973
Unearned Revenue	73,972	29,500	103,472
Noncurrent Liabilities:			
Due Within One Year	507,486		507,486
Due Beyond One Year	9,183,644		9,183,644
Total Liabilities	12,508,877	37,214	12,546,091
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows Related to Pension	513,950		513,950
Total Deferred Inflows of Resources	513,950		513,950
NET POSITION			
Net Investment in Capital Assets	36,033,081	165,677	36,198,758
Restricted for:			
Capital Projects	16,091,700		16,091,700
Debt Service	1		1
Maintenance	1,781,429		1,781,429
Excess Surplus	1,400,000		1,400,000
Unemployment Compensation	500,595		500,595
Scholarships	492,888		492,888
Student Activities	563,813		563,813
Unrestricted/(Deficit)	(5,352,128)	768,915	(4,583,213)
Total Net Position	$ 51,511,379	$ 934,592	$ 52,445,971

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

WEST ESSEX REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	$ 21,031,984		$ 2,087,361	$ (18,944,623)		$ (18,944,623)
Special Education	3,860,826	$ 39,334	3,384,970	(436,522)		(436,522)
School Sponsored/Other Instruction	2,488,503		190,680	(2,297,823)		(2,297,823)
Support Services:						
Tuition	3,933,809			(3,933,809)		(3,933,809)
Student and Instruction Related Services	6,425,966	879,975	526,486	(5,019,505)		(5,019,505)
General Administrative Services	1,003,118		65,752	(937,366)		(937,366)
School Administrative Services	2,555,921		251,024	(2,304,897)		(2,304,897)
Central Services	777,916		73,810	(704,106)		(704,106)
Plant Operations and Maintenance	5,676,167		325,275	(5,350,892)		(5,350,892)
Pupil Transportation	4,720,360		957,016	(3,763,344)		(3,763,344)
Transfer of Funds to Charter School	62,402			(62,402)		(62,402)
Interest on Long-Term Debt	69,804			(69,804)		(69,804)
Total Governmental Activities	52,606,776	919,309	7,862,374	(43,825,093)		(43,825,093)
Business-Type Activities:						
Food Service	1,221,742	1,374,074			$ 152,332	152,332
Total Business-Type Activities	1,221,742	1,374,074			152,332	152,332
Total Primary Government	$ 53,828,518	$ 1,374,074	$ 7,862,374	(43,825,093)	152,332	(43,672,761)

WEST ESSEX REGIONAL SCHOOL DISTRICT
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 and Transfers:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	$ 42,122,551		$ 42,122,551
Taxes Levied for Debt Service	475,063		475,063
Federal, State and Local Aid not Restricted	168,107		168,107
Interest Earnings	781,699		781,699
Miscellaneous Income	667,126		667,126
Transfers	(43,659)	$ 43,659	
Total General Revenues and Transfers	44,170,887	43,659	44,214,546
Change in Net Position	345,794	195,991	541,785
Net Position - Beginning	51,165,585	738,601	51,904,186
Net Position - Ending	$ 51,511,379	$ 934,592	$ 52,445,971

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

WEST ESSEX REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ 2,875,157		$ 1	$ 2,875,158
Interfund Receivable	144,343			144,343
Tax Levy Receivable	1,828,892			1,828,892
Receivables From State Government	839,430			839,430
Receivables From Federal Government		$ 150,233		150,233
Receivables From Other Governments	8,670			8,670
Restricted Cash and Cash Equivalents	18,373,724	1,132,419		19,506,143
Total Assets	$ 24,070,216	$ 1,282,652	$ 1	$ 25,352,869
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Payable	$ 26,933	$ 144,343		$ 171,276
Accounts Payable	2,079,666	7,636		2,087,302
Unearned Revenue		73,972		73,972
Total Liabilities	2,106,599	225,951		2,332,550
Fund Balances:				
Restricted:				
Capital Reserve	16,091,700			16,091,700
Maintenance Reserve	1,781,429			1,781,429
Excess Surplus - 2026-2027	650,000			650,000
Excess Surplus - 2025-2026	750,000			750,000
Debt Service			$ 1	1
Student Activities		563,813		563,813
Scholarships		492,888		492,888
Unemployment Compensation	500,595			500,595
Assigned:				
Year End Encumbrances	571,812			571,812
Designated for Subsequent Year's Expenditures	150,000			150,000
Unassigned	1,468,081			1,468,081
Total Fund Balances	21,963,617	1,056,701	1	23,020,319
Total Liabilities and Fund Balances	$ 24,070,216	$ 1,282,652	$ 1	$ 25,352,869

WEST ESSEX REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	Total Governmental Funds
Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:	
Total Fund Balances - Governmental Funds (Previous Page)	$ 23,020,319
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds.	38,217,818
The Deferred Amount on the Refunding is not Reported as an Expenditure in the Governmental Funds in the Year of the Expenditure.	151,421
Interest on Long-Term Debt is not Accrued in Governmental Funds, but Rather is Recognized as an Expenditure When Due.	(28,973)
Long-Term Liabilities, Including Bonds Payable, Net Pension Liability for PERS and Bond Issuance Premiums, are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds.	(9,691,130)
District contributions subsequent to the measurment date are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the Statement of Net Position.	(627,500)
Certain Amounts Related to the Net Pension Liability are deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	983,374
Deferred Inflows	(513,950)
Net Position of Governmental Activities	$ 51,511,379

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL
STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

WEST ESSEX REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES:				
Local Sources:				
Local Tax Levy	$ 42,122,551		$ 475,063	$ 42,597,614
Tuition from Other LEAs	39,334			39,334
Interest Earned on Capital Reserve Funds	525,894			525,894
Interest Earned on Maintenance Reserve Funds	27,355			27,355
Restricted Miscellaneous Revenue	22,490	$ 899,051		921,541
Unrestricted Miscellaneous Revenue	873,086			873,086
Total - Local Sources	43,610,710	899,051	475,063	44,984,824
State Sources	12,916,115			12,916,115
Federal Sources		417,031		417,031
Total Revenues	56,526,825	1,316,082	475,063	58,317,970
EXPENDITURES:				
Current:				
Regular Instruction	14,735,052	51,023		14,786,075
Special Education Instruction	2,373,512	349,689		2,723,201
School-Sponsored/Other Instruction	1,879,805			1,879,805
Support Services and Undistributed Costs:				
Tuition	3,933,809			3,933,809
Student and Other Instruction Related Services	3,963,976	874,702		4,838,678
General Administrative Services	766,416			766,416
School Administrative Services	1,759,478			1,759,478
Central Services	536,504			536,504
Plant Operations and Maintenance	4,376,610			4,376,610
Student Transportation	4,597,298			4,597,298
Unallocated Benefits	15,918,095			15,918,095
Debt Service:				
Principal			390,000	390,000
Interest and Other Charges			85,062	85,062
Capital Outlay	3,468,894			3,468,894
Transfer of Funds to Charter School	62,402			62,402
Total Expenditures	58,371,851	1,275,414	475,062	60,122,327
Excess/(Deficit) of Revenue Over/(Under) Expenditures	(1,845,026)	40,668	1	(1,804,357)
Other Financing Sources/(Uses):				
Transfer to Food Service Fund	(43,659)			(43,659)
Financed Purchases (Non-budgeted)	57,583			57,583
Total Other Financing Sources/(Uses)	13,924			13,924
Net Change in Fund Balances	(1,831,102)	40,668	1	(1,790,433)
Fund Balance - July 1	23,794,719	1,016,033	-0-	24,810,752
Fund Balance - June 30	$ 21,963,617	$ 1,056,701	$ 1	$ 23,020,319

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

WEST ESSEX REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, 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)		$ (1,790,433)
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differ from depreciation during the period.		
Depreciation Expense	$ (1,880,107)	
Capital Outlays	3,327,941	
		1,447,834
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).		5,850
Financed purchases agreements entered into by the District are an other financing source in the governmental funds, but the acquisition increases long-term liabilities in the statement of net position and is not reported in the statement of activities.		(57,583)
Repayment of financed purchases 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.		33,573
Repayment of serial bonds 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.		390,000
The governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		39,692
The governmental funds report the effect of the deferred amount on refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		(30,284)
In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(115,864)
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Change in Net Pension Liability		345,282
Change in Deferred Outflows		(36,407)
Change in Deferred Inflows		114,134
Change in Net Position of Governmental Activities		$ 345,794

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

WEST ESSEX REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-Type Activities Enterprise Fund Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	$ 758,503
Other Accounts Receivable	5,270
Interfund Receivable - General Fund	26,933
Inventories	15,423
Total Current Assets	806,129
Non-Current Assets:	
Capital Assets	421,974
Less: Accumulated Depreciation	(256,297)
Total Non-Current Assets	165,677
Total Assets	971,806
LIABILITIES:	
Current Liabilities:	
Accounts Payable - Vendors	7,714
Unearned Revenue	29,500
Total Current Liabilities	37,214
NET POSITION:	
Investment in Capital Assets	165,677
Unrestricted	768,915
Total Net Position	$ 934,592

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-5

WEST ESSEX REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities Enterprise Fund Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Non-reimbursable Program	$ 1,366,253
Other Income	7,821
Total Operating Revenue	1,374,074
Operating Expenses:	
Cost of Sales - Non-reimbursable Program	551,997
Salaries, Benefits & Payroll Taxes	451,102
Other Purchased Services	47,554
Supplies, Insurance and Other Costs	65,613
Management Fee	91,474
Depreciation Expense	14,002
Total Operating Expenses	1,221,742
Operating Income	152,332
Transfers:	
Board Contribution - General Fund	43,659
Change in Net Position	195,991
Net Position - Beginning of Year	738,601
Net Position - End of Year	$ 934,592

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

WEST ESSEX REGIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities Enterprise Fund Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	$ 1,361,185
Payments to Food Service Vendor	(1,187,885)
Payments to Suppliers	(35,067)
Net Cash Provided by Operating Activities	138,233
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	(118,772)
Net Cash Used for Capital and Related Financing Activities	(118,772)
Cash Flows from Noncapital Financing Activities:	
Interfund Returned - General Fund	1,090
Board Contribution - General Fund	43,659
Net Cash Provided by Noncapital Financing Activities	44,749
Net Change in Cash and Cash Equivalents	64,210
Cash and Cash Equivalents, July 1	694,293
Cash and Cash Equivalents, June 30	$ 758,503
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	$ 152,332
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	14,002
Changes in Assets and Liabilities:	
(Decrease) in Unearned Revenue	(12,889)
(Decrease) in Accounts Payable	(18,182)
Decrease in Inventory	2,970
Net Cash Provided by Operating Activities	$ 138,233

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of West Essex Regional School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other on exchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements (Cont'd):

Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

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

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund. These resources can be transferred from and to current expenses by board resolution.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, lease assets or subscription assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The District reports the following proprietary fund:

Enterprise Funds: The Enterprise Funds account for all revenue and expenses pertaining to the Board's cafeteria operations. The Food Service Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting:

The district-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset, lease asset or subscription acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2025 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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 generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The general fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	$ 56,563,285	$ 1,316,082
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not:		
Cancellation of Prior Year Encumbrances		(1,015)
Prior Year Encumbrances		1,015
Prior Year State Aid Payments Recognized for GAAP Statements	257,293	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(293,753)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ 56,526,825	$ 1,316,082

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	$ 58,371,851	$ 1,275,414
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Cancellation of Prior Year Encumbrances		(1,015)
Prior Year Encumbrances		1,015
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 58,371,851	$ 1,275,414

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to the type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, 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.

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

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

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2025.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment. The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is $2,000. The depreciation method is straight-line.

The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	Estimated Useful Life
Buildings and Building Improvements	50 years
Site Improvements	20 years
Machinery and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and the related depreciation is not reported in the fund financial statements.

L. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Long Term Liabilities:

In the district-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premium and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

O. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2025.

P. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's various employee contracts/agreements. Upon termination, employees are paid for accrued vacation. The District's various employee contracts/agreements permit employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee contracts/agreements.

In the district-wide *Statement of Net Position*, the liabilities, whose average maturities are greater than one year, should be reported in two components – the amount due within one year and the amount due in more than one year.

Q. Unearned Revenue:

Unearned revenue in the special revenue and the enterprise funds represent cash which has been received but not yet earned.

R. Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Lease Payable

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

T. Fund Balance Appropriated:

General Fund: Of the $21,963,617 General Fund fund balance at June 30, 2025, $571,812 is assigned for encumbrances; $150,000 is assigned fund balance designated for subsequent year's expenditures; $16,091,700 is restricted in the capital reserve account; $1,781,429 is restricted in the maintenance reserve account; $650,000 is restricted for current year excess surplus in accordance with N.J.S.A. 18A:7F-7 (S1701) and will be appropriated and included as anticipated revenue for the year ending June 30, 2027; $750,000 is restricted for prior year excess surplus in accordance with N.J.S.A. 18A:7F-7 (S1701) and has been appropriated and included as anticipated revenue for the year ending June 30, 2026; $500,595 is restricted for unemployment compensation; and $1,468,081 is unassigned on the GAAP basis, which is $293,753 less than the budgetary unassigned fund balance due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2026.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Fund Balance Appropriated: (Cont'd)

Special Revenue Fund: Of the $1,056,701 Special Revenue Fund fund balance at June 30, 2025, $563,813 is restricted for student activities and $492,888 is restricted for scholarships.

Debt Service Fund: The $1 fund balance in the Debt Service Fund at June 30, 2025, is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (s1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus at June 30, 2025 as detailed above.

P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the last state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments noted above.

U. Deficit Net Position:

The District has a deficit in unrestricted net position of $5,352,128 in governmental activities, which is primarily due to the net pension liability and related deferred outflows and inflows of resources. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Net Position:

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2025 for the deferred amount on the refunding of debt related to the District's 2016 refunding bonds and pensions.

A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred inflows of resources at June 30, 2025 for pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated amortization, and subscription assets, net of accumulated amortization reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

V. Net Position: (Cont'd)

Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

W. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed or assigned.

Fund balance restrictions have been established for capital reserve, maintenance reserve, unemployment compensation, scholarships, student activities, debt service and excess surplus.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2025.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for encumbrances and funds designated for subsequent year's expenditures in the General Fund at June 30, 2025.

X. Revenue - Exchange and Nonexchange Transactions:

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

X. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Y. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the respective Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

Z. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

AA. Pensions:

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 State of New Jersey Public Employees' Retirement System (PERS), the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to deductions from the PERS's, the TPAF's and the Plan's net position have been determined on the same basis as they are reported by the PERS, the TPAF and the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the section of this note on investments.

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

> The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit, and
>
> In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

(2) Government money market mutual funds;

(3) 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 obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) 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.

(5) Bonds or other obligations, having a maturity date 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", P.L. 1983, c.313 (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 local units;

(6) Local government investment pools;

(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c281 (C.52:18A-90.4); or

(8) Agreements for the repurchase of fully collateralized securities if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are 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 requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.).;

(b) the custody of collateral is transferred to a third party;

(c) the maturity of the agreement is not more than 30 days;

(d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c236 (C.17:9-41); and

(e) a master repurchase agreement providing for the custody and security of collateral is executed; or

(9) Deposit of funds in accordance with the following conditions:

(a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;

(b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

(c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;

(d) The designated public depository acts as custodian for the school district with respect to these deposits; and

(e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2025, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents		
	Restricted	Unrestricted	Total
Checking Accounts	$ 19,506,143	$ 3,633,661	$ 23,139,804
	$ 19,506,143	$ 3,633,661	$ 23,139,804

During the period ended June 30, 2025, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2025, was $23,139,804 and the bank balance was $24,523,074.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District on September 25, 2002 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, 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-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning Balance, July 1, 2024	$ 15,387,282
Add: Deposit as per Board Resolution - June 2025	486,588
Interest Earned	525,894
Unexpended Funds Returned from Capital Outlay	582,042
Less: Withdrawal per Board Resolution	(890,106)
Ending Balance, June 30, 2025	$ 16,091,700

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The balance in the capital reserve account at June 30, 2025 does not exceed the LRFP balance of local support costs of uncompleted capital projects. The withdrawal from the Capital Reserve Account was for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by Board resolution on June 20, 2011. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current fiscal year in the advertised recapitulation of balances of the subsequent fiscal year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the fiscal year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any fiscal year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at fiscal year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current fiscal year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent fiscal year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024		$ 904,074
Add:	Interest Earned	27,355
	Deposit as per Board Resolution - June 2025	1,000,000
Less:	Budgeted Withdrawal	(150,000)
Ending Balance, June 30, 2025		$ 1,781,429

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2025 were as follows

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	$ 288,849			$ 288,849
Construction in Progress	263,016	$ 3,019,878		3,282,894
Total Capital Assets Not Being Depreciated	551,865	3,019,878		3,571,743
Capital Assets Being Depreciated:				
Site Improvements	3,690,002	308,063		3,998,065
Buildings and Building Improvements	59,732,843			59,732,843
Machinery and Equipment	3,526,233			3,526,233
Total Capital Assets Being Depreciated	66,949,078	308,063		67,257,141
Governmental Activities Capital Assets	67,500,943	3,327,941		70,828,884
Less Accumulated Depreciation for:				
Site Improvements	(2,632,402)	(150,972)		(2,783,374)
Buildings and Building Improvements	(25,278,636)	(1,574,956)		(26,853,592)
Machinery and Equipment	(2,819,921)	(154,179)		(2,974,100)
	(30,730,959)	(1,880,107)		(32,611,066)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	$ 36,769,984	$ 1,447,834	$ -0-	$ 38,217,818
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	$ 303,202	$ 118,772		$ 421,974
Less: Accumulated Depreciation	(242,295)	(14,002)		(256,297)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	$ 60,907	$ 104,770	$ -0-	$ 165,677

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	$ 799,948
Special Education	165,372
Other Instruction	96,420
Student and Instruction Related Services	222,537
General Administrative Services	47,359
School Administrative Services	120,227
Central Services/Adminstrative Technology	39,818
Transportation	123,062
Operation and Maintenance of Plant	265,364
	$ 1,880,107

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2025, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2024	Accrued	Retired	Balance 6/30/2025	Due Within One Year
Serial Bonds Payable	$ 2,480,000		$ 390,000	$ 2,090,000	$ 400,000
Unamortized Bond Issuance Premium	238,149		39,692	198,457	39,692
Net Pension Liability	6,762,054		345,282	6,416,772	
Financed Purchases Payable	23,691	$ 57,583	33,573	47,701	28,641
Compensated Absences Payable	822,336	306,937	191,073	938,200	39,153
	$ 10,326,230	$ 364,520	$ 999,620	$ 9,691,130	$ 507,486

A. Bonds Payable:

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

On July 11, 2016, the District issued refunding bonds in the amount of $3,965,000. The bonds were issued with interest rates ranging from 2.00% to 4.00%. The bonds mature on August 15, 2016 through 2029.

The District had bonds outstanding as of June 30, 2025 as follows:

	Serial Bonds		
Purpose	Final Maturity Date	Interest Rate	Amount
Refunding Bonds	8/15/29	3.25-4.00%	$ 2,090,000

Principal and interest due on serial bonds outstanding are as follows:

	Bonds		
Year Ending June 30,	Principal	Interest	Total
2026	$ 400,000	$ 69,262	$ 469,262
2027	415,000	52,963	467,963
2028	430,000	36,063	466,063
2029	425,000	20,556	445,556
2030	420,000	6,825	426,825
	$ 2,090,000	$ 185,669	$ 2,275,669

The bond payments will be paid from the Debt Service Fund.

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

B. Bonds Authorized But Not Issued:

As of June 30, 2025, the Board had no bonds authorized but not issued.

C. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. The current portion of the compensated absences balance of the governmental funds is $39,153 and is separated from the long-term portion of $899,047.

D. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2025 is $0 and the long-term portion is $6,416,772. See Note 8 for further information on the PERS.

E. Unamortized Bond Premium:

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is $39,692 and is separated from the long-term portion of $158,765.

F. Financed Purchases Payable:

The District entered into a financed purchases agreements in 2023 to fund the purchase of Apple computer equipment for $47,450 and in 2025 to fund the purchase of Dell computer equipment for $57,583. As of June 30, 2025, $57,332 has been liquidated. The following is a schedule of the future minimum financed purchases payments, and the present value of the net minimum financed purchases payments at June 30, 2025.

Year Ending	Amount
2026	$ 34,876
2027	22,045
Total Minimum Financed Purchases Payments	56,921
Less: Amount Representing Interest	(9,220)
Present Value of Net Minimum Financed Purchases Payments	$ 47,701

The current portion of the financed purchases payable at June 30, 2025 in the governmental activities is $28,641 and the long-term portion is $19,060. The General Fund will be used to liquidate the financed purchases payable in the governmental activities.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/ annual-reports.shtml.

Benefits Provided

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. The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members 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 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. 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. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries have determined the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

This unfunded liability is being paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and is adjusted by the rate of return on the actuarial value of assets.

District contributions to PERS amounted to $642,588 for 2025. During the fiscal year ended June 30, 2024, the State of New Jersey contributed $20,688 to the PERS for normal pension benefits on behalf of the District.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

Under N.J.SA. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

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

At June 30, 2025, the District reported a liability of $6,416,772 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2024, the District's proportion was 0.0472%, which was an increase of 0.0005% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2024, the District recognized pension expense of $219,574. Additionally, for the fiscal year ended June 30, 2024, the State recognized pension expense on behalf of the District in the amount of $20,688 and the District recognized pension expense and revenue for the same amount in the fiscal year ended June 30, 2025 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2024.

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

At June 30, 2025, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2020	5.16		$ 46,631
	2021	5.13	$ 7,972	
	2022	5.04		26,377
			7,972	73,008
Difference Between Expected and Actual Experience	2020	5.16	2,598	
	2021	5.13		6,339
	2022	5.04		10,744
	2023	5.08	33,008	
	2024	5.08	92,934	
			128,540	17,083
Net Difference Between Projected and Actual	2021	5.00		440,470
Investment Earnings on Pension Plan Investments	2022	5.00		(698,737)
	2023	5.00		181,195
	2024	5.00		374,600
				297,528
Changes in Proportion	2020	5.16	3,983	
	2021	5.13		41,561
	2022	5.04	149,704	
	2023	5.08		84,770
	2024	5.08	65,675	
			219,362	126,331
District Contribution Subsequent to the Measurement Date	2024	1.00	627,500	
			$ 983,374	$ 513,950

Amounts reported as deferred outflows and inflows of resources (excluding the District contribution subsequent to the measurement date) related to pensions will be recognized in the pension expense as follows:

Fiscal Year Ending June 30,	Total
2025	$ (243,276)
2026	267,987
2027	(129,777)
2028	(56,123)
2029	3,113
	$ (158,076)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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:

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%

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 a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement 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.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' 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
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate

The discount rate used to measure the total pension liability 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 upon 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 pension 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 pension plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2024 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30, 2024	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	$ 8,526,312	$ 6,416,772	$ 4,621,565

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service. 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 represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. 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 included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

During the fiscal year ended June 30, 2025, the State of New Jersey contributed $6,015,856 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required benefit of $262,661.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2025, the State's proportionate share of the net pension liability associated with the District was $72,004,447. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2024, the District's proportion was 0.1457%, which was a decrease of 0.00004% from its proportion measured as of June 30, 2024.

District's Proportionate Share of the Net Pension Liability	$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		72,004,447
Total	$	72,004,447

For the fiscal year ended June 30, 2024, the State recognized a pension benefit on behalf of the District in the amount of $262,661 and the District recognized pension benefit and revenue for that same amount in the fiscal year ended June 30, 2025 financial statements.

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

The State reported collective deferred outflows and inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	8.30		$ 480,199,664
	2018	8.29		1,060,765,245
	2019	8.04		1,016,333,107
	2020	7.99	$ 603,633,698	
	2021	7.93		7,317,559,989
	2022	7.93	67,989,902	
			671,623,600	9,874,858,005
Difference Between Expected and Actual Experience	2017	8.30	8,543,764	
	2018	8.29	186,086,527	
	2019	8.04		39,486,140
	2020	7.99		3,217,090
	2021	7.93	97,106,767	
	2022	7.83		12,735,529
	2023	7.93	144,751,819	
	2024	7.84		211,440,707
			436,488,877	266,879,466
Net Difference Between Projected and Actual Actual Investment Earnings on Pension Plan Investments	2021	5.00		888,658,452
	2022	5.00		(1,659,667,329)
	2023	5.00		357,972,332
	2024	5.00		816,400,864
				403,364,319
			$ 1,108,112,477	$ 10,545,101,790

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

Amounts reported by the State as collective deferred outflows and inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

Fiscal Year Ending June 30,	Total
2025	$ (3,681,028,670)
2026	(1,839,302,001)
2027	(1,977,654,443)
2028	(1,907,819,552)
2029	2,992,761
Thereafter	(34,177,408)
	$ (9,436,989,313)

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%

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 a 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 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table.

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability 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 made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension 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 pension plan investments was applied to projected all benefit payments in determining the total pension liability.

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF): (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2024 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30, 2024	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	$ 85,587,479	$ 72,004,447	$ 60,564,967

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of $4,181 for the fiscal year ended June 30, 2025. Employee contributions to DCRP amounted to $5,632 for the fiscal year ended June 30, 2025.

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a "special funding situation", as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). 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 years or more 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 total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, is the responsibility of the individual local education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's annual financial statements which can be found at https://www.nj.gov/ treasury/pensions/gasb-notices-opeb.shtml.

Employees Covered by Benefit Terms

At June 30, 2023, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	153,556
Active Plan Members	219,185
Total	372,741

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 5.65% based on years of service	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service

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

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

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees were based on the Pub-2010 "Safety" (PFRS), "General" (PERS) and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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 rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. This represents the municipal bond return rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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.

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2023	$ 60,583,251
Changes for Year:	
Service Cost	2,635,565
Interest on the Total OPEB Liability	2,296,650
Changes of Assumptions	5,219,693
Differences between Expected and Actual Experiences	728,359
Gross Benefit Payments by the State	(1,753,988)
Contributions from Members	60,058
Net Changes	9,186,337
Balance at June 30, 2024	$ 69,769,588

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2024, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30, 2024			
	At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
Total OPEB Liability Attributable to the District	$ 81,715,130	$ 69,769,588	$ 60,057,626

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2024, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30, 2024			
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	$ 58,118,575	$ 69,769,588	$ 84,945,802

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of $2,736,389 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation. In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is $-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources.

At June 30, 2024 the State had deferred outflows and inflows of resources related to OPEB associated with the District from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		$ 1,338,016
	2018	9.51		1,633,499
	2019	9.29	$ 257,721	
	2020	9.24	6,648,067	
	2021	9.24	39,269	
	2022	9.13		10,669,503
	2023	9.30	96,896	
	2024	9.33	4,660,240	
			11,702,193	13,641,018
Differences Between Expected and Actual Experience	2018	9.51		1,544,165
	2019	9.29		3,033,393
	2020	9.24	6,196,259	
	2021	9.24		7,551,726
	2022	9.13	1,098,806	
	2023	9.30		900,130
	2024	9.33	165,971	
			7,461,036	13,029,414
Changes in Proportion	N/A	N/A	2,413,127	313,201
			$ 21,576,356	$ 26,983,633

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB (Cont'd)

Amounts reported as deferred outflows and inflows of resources excluding changes in proportion related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2025	$ (2,474,808)
2026	(2,075,142)
2027	(985,626)
2028	259,040
2029	(1,798,581)
Thereafter	(432,086)
	$ (7,507,203)

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtains their health benefit coverage through the State of New Jersey Health Benefits Plan.

Property and Liability Insurance

The West Essex Regional School District is a member of the School Alliance Insurance Fund (the "Fund") This public entity risk management pool provides general liability and property and automobile coverage. The District is also a member of the Morris Essex Insurance Group (the "Group"). This public entity risk management pool provides workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. The Fund and the Group are risk-sharing public entity risk pools that are insured and self-administered groups of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum.

Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund and the Group are elected.

As a member of the Fund and the Group, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund or the Group were to be exhausted, members would become responsible for their respective shares of the Fund or the Group's liabilities. The Fund or the Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

NOTE 10. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

The June 30, 2025 audit report for the Fund and Group are not available as of the date of this report. Selected, summarized financial information for the Fund and Group as of June 30, 2024 are as follows:

	School Alliance Insurance Fund	Morris Essex Insurance Group
Total Assets	$ 58,120,778	$ 12,155,134
Net Position	$ 19,408,763	$ 7,171,024
Total Revenue	$ 60,984,350	$ 4,993,509
Total Expenses	$ 61,472,363	$ 4,260,396
Change in Net Position	$ (488,013)	$ (173,894)
Members Dividends	$ -0-	$ 907,007

Financial statements for the Fund and Group are available at their respective Executive Director's Office:

School Alliance Insurance Fund
Public Entity Group Administrative Services
51 Everett Drive, Suite B-40
West Windsor, NJ 08550

Morris Essex Insurance Group
The Burton Agency, Executive Director
44 Bergen St
Westwood, NJ 07675

New Jersey Unemployment Compensation Insurance

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

Fiscal Year	District Contributions	Interest Earned	Employee Contributions	Amount Reimbursed	Ending Balance
2025	$ -0-	$ 16,072	$ 120,882	$ 114,464	$ 500,595
2024	-0-	17,332	89,862	66,035	478,105
2023	-0-	7,592	72,535	87,705	436,946

NOTE 11. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 144,343	$ 26,933
Special Revenue Fund		144,343
Food Service Fund	26,933	
	$ 171,276	$ 171,276

The interfund between the General Fund and the Special Revenue Fund is due to the timing between expenditure and reimbursement of grants from the State of New Jersey. The interfund between General Fund and Food Service Fund is due to a prior year receivable collected in the General Fund and prior year's board contributions not returned over to Food Service.

NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed in this note, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan administrators are as follows:

AXA
Met Life
Oppenheimer Funds
Lincoln Financial Advisors
VALIC

NOTE 14. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of $10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10. Taxes are collected by the constituent municipalities and are remitted to the regional school district on a predetermined mutually agreed-upon schedule.

NOTE 15. ACCOUNTS PAYABLE

The following accounts payable existed as of June 30, 2025:

	Governmental Funds			District Contribution Susequent to the Measurement Date	Total Governmental Activities	Business-Type Activities
	General Fund	Special Revenue Fund	Total			Proprietary Funds
Vendors	$ 1,377,143		$ 1,377,143		$ 1,377,143	$ 7,714
Payroll Deductions and Withholdings	663,370		663,370		663,370	
Accrued Salaries and Wages	39,153	$ 7,636	46,789		46,789	
State of New Jersey				$ 627,500	627,500	
	$ 2,079,666	$ 7,636	$ 2,087,302	$ 627,500	$ 2,714,802	$ 7,714

NOTE 16. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Litigation

The District is periodically involved in claims or lawsuits arising in the normal course of business. There are a number of pending lawsuits regarding a certain former employee of the District. The cases are still in the discovery phase of litigation and it cannot be determined at this point what the ultimate outcome of these lawsuits may be. After the District's investigation of whether insurance coverage is available to offset possible exposure, it was concluded that there is some form of insurance coverage for all pending lawsuits.

Encumbrances

At June 30, 2025, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Total Governmental Funds
$ 571,812	$ -0-	$ 571,812

NOTE 17. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2025, the District transferred $890,106 to the capital outlay accounts, which was a board approved transfer from capital reserve and did not require County superintendent approval.

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

WEST ESSEX REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District's proportion of the net pension liability	0.0425589699%	0.0415399521%	0.0424283127%	0.0426248957%	0.0458742167%	0.0464446458%	0.0455795069%	0.0475240427%	0.0466851683%	0.0472236594%
District's proportionate share of the net pension liability	$ 9,553,636	$ 12,302,942	$ 9,876,633	$ 8,392,630	$ 8,265,838	$ 7,573,907	$ 5,399,576	$ 7,172,032	$ 6,762,054	$ 6,416,772
District's covered employee payroll	$ 2,772,137	$ 2,903,955	$ 2,918,396	$ 3,098,361	$ 3,259,500	$ 3,323,087	$ 3,483,634	$ 3,543,058	$ 3,656,434	$ 3,742,695
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	344.63%	423.66%	338.43%	270.87%	253.59%	227.92%	155.00%	202.42%	184.94%	171.45%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%	68.22%

WEST ESSEX REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	$ 365,893	$ 375,724	$ 428,245	$ 439,081	$ 449,144	$ 508,081	$ 533,789	$ 599,301	$ 623,961	$ 642,588
Contributions in relation to the contractually required contribution	(365,893)	(375,724)	(428,245)	(439,081)	(449,144)	(508,081)	(533,789)	(599,301)	(623,961)	(642,588)
Contribution deficiency/(excess)	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
District's covered employee payroll	$2,903,955	$2,918,396	$3,098,361	$3,259,500	$3,323,087	$3,483,634	$3,543,058	$3,656,434	$3,742,695	$3,877,128
Contributions as a percentage of covered employee payroll	12.60%	12.87%	13.82%	13.47%	13.52%	14.58%	15.07%	16.39%	16.67%	16.57%

WEST ESSEX REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State's proportion of the net pension liability attributable to the District	0.1359611981%	0.1429083894%	0.1336923813%	0.1410554387%	0.1420197177%	0.1407817258%	0.1434949838%	0.1431368687%	0.1457263413%	0.1456839498%
State's proportionate share of the net pension liability attributable to the District	$ 85,933,283	$ 112,420,836	$ 90,140,224	$ 89,736,440	$ 87,158,841	$ 92,703,072	$ 68,985,484	$ 73,850,631	$ 74,368,042	$ 72,004,447
District's covered employee payroll	$ 14,003,957	$ 14,604,419	$ 14,687,078	$ 15,127,956	$ 15,516,262	$ 15,807,716	$ 16,192,162	$ 16,854,585	$ 17,269,431	$ 17,879,510
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	613.64%	769.77%	613.74%	593.18%	561.73%	586.44%	426.04%	438.16%	430.63%	402.72%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%	37.99%

WEST ESSEX REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	$ 5,247,001	$ 8,446,862	$ 6,244,457	$ 5,231,321	$ 5,140,861	$ 5,764,672	$ 1,623,259	$ 1,987,527	$ 1,827,006	$ (262,661)
Contributions in relation to the contractually required contribution	(1,144,180)	(1,451,196)	(2,077,248)	(2,793,184)	(3,087,882)	(4,171,225)	(5,892,453)	(5,957,381)	(6,208,079)	(6,015,856)
Contribution deficiency/(excess)	$ 4,102,821	$ 6,995,666	$ 4,167,209	$ 2,438,137	$ 2,052,979	$ 1,593,447	$ (4,269,194)	$ (3,969,854)	$ (4,381,073)	$ (6,278,517)
District's covered employee payroll	$14,604,419	$14,687,078	$15,127,956	$15,516,262	$15,807,716	$16,192,162	$16,854,585	$17,269,431	$17,879,510	$18,136,006
Contributions as a percentage of covered employee payroll	7.83%	9.88%	13.73%	18.00%	19.53%	25.76%	34.96%	34.50%	34.72%	33.17%

WEST ESSEX REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2017	2018	2019	2020	2021	2022	2023	2024
Service Cost	$ 2,679,518	$ 2,217,562	$ 2,015,133	$ 2,072,594	$ 3,781,038	$ 3,285,236	$ 2,599,912	$ 2,635,565
Interest Cost	1,920,885	2,222,332	2,050,164	1,675,179	1,786,744	1,546,301	2,133,668	2,296,650
Changes of Benefit Terms					(73,311)			
Changes in Assumptions	(8,121,040)	(5,926,581)	692,169	13,822,133	67,952	(15,652,523)	122,111	5,219,693
Differences between Expected and Actual Experience		(6,054,068)	(8,597,296)	12,953,660	(10,992,599)	1,774,975	(1,012,441)	728,359
Member Contributions	51,616	47,729	42,242	39,928	45,678	49,136	54,678	60,058
Gross Benefit Payments	(1,401,760)	(1,380,983)	(1,425,044)	(1,317,336)	(1,407,454)	(1,531,657)	(1,663,229)	(1,753,988)
Net Change in Total OPEB Liability	(4,870,781)	(8,874,009)	(5,222,632)	29,246,158	(6,791,952)	(10,528,532)	2,234,699	9,186,337
Total OPEB Liability - Beginning	65,390,300	60,519,519	51,645,510	46,422,878	75,669,036	68,877,084	58,348,552	60,583,251
Total OPEB Liability - Ending	$ 60,519,519	$ 51,645,510	$ 46,422,878	$ 75,669,036	$ 68,877,084	$ 58,348,552	$ 60,583,251	$ 69,769,588
District's Covered Employee Payroll *	$ 14,687,078	$ 15,127,956	$ 15,516,262	$ 15,807,716	$ 16,192,162	$ 16,854,585	$ 17,269,431	$ 17,879,510
Total OPEB Liability as a Percentage of Covered Employee Payroll	412%	341%	299%	479%	425%	346%	351%	390%

* - Covered payroll for the fiscal years ending June 30, 2017 through 2024 are based on the payroll on the June 30, 2016 through 2023 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

WEST ESSEX REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2023 actuarial valuation the salary increases were 2.75 – 5.65% based on years of service while in the July 1, 2022 actuarial valuation the salary increases were 2.75% – 4.25% based on years of service.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2024 was 3.93%. The discount rate for June 30, 2023 was 3.65%, a change of .28%.

The health care trend rates in the valuation as of June 30, 2024 were based on the following:

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 rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

BUDGETARY COMPARISON SCHEDULES

WEST ESSEX REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	$ 42,122,551		$ 42,122,551	$ 42,122,551	
Tuition From Other LEAs Within the State	138,011		138,011	39,334	$ (98,677)
Unrestricted Miscellaneous Revenues	900,000		900,000	873,086	(26,914)
Interest Earned on Maintenance Reserve				27,355	27,355
Interest Earned on Capital Reserve Funds				525,894	525,894
Other Restricted Miscellaneous Revenues				22,490	22,490
Total Revenues from Local Sources	43,160,562		43,160,562	43,610,710	450,148
Revenues from State Sources:					
Categorical Transportation Aid	887,876		887,876	887,876	
Extraordinary Aid				687,767	687,767
Categorical Special Education Aid	1,999,840		1,999,840	1,999,840	
Categorical Security Aid	169,492		169,492	169,492	
Nonpublic Transportation Aid				90,131	90,131
TPAF Post Retirement Contributions (Non-Budgeted)				1,779,613	1,779,613
TPAF Pension Contributions (Non-Budgeted)				6,015,856	6,015,856
TPAF Non-Contributory Insurance (Non-Budgeted)				74,520	74,520
TPAF Long-Term Disability Insurance (Non-Budgeted)				2,764	2,764
Reimbursed TPAF Social Security Contributions				1,244,716	1,244,716
Total Revenues from State Sources	3,057,208		3,057,208	12,952,575	9,895,367
TOTAL REVENUE	46,217,770		46,217,770	56,563,285	10,345,515

WEST ESSEX REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Grades 6-8 - Salaries of Teachers	$ 4,653,160	$ 282,890	$ 4,936,050	$ 4,916,039	$ 20,011
Grades 9-12 - Salaries of Teachers	8,708,226	(371,990)	8,336,236	8,293,124	43,112
Regular Programs - Home Instruction:					
Salaries of Teachers	35,000	(1,320)	33,680	29,783	3,897
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	11,658	(8,982)	2,676	2,675	1
Other Purchased Services (400-500 series)	479,000	444,416	923,416	923,415	1
General Supplies	373,951	31,602	405,553	402,063	3,490
Textbooks	83,500	4,617	88,117	86,569	1,548
Other Objects	60,000	25,868	85,868	81,384	4,484
Total Regular Programs - Instruction	14,404,495	407,101	14,811,596	14,735,052	76,544
Learning and/or Language Disabilities:					
Salaries of Teachers	190,047		190,047	190,047	
General Supplies	1,500		1,500	1,000	500
Total Learning and/or Language Disabilities	191,547		191,547	191,047	500
Resource Room/Resource Center:					
Salaries of Teachers	1,869,780	(82,667)	1,787,113	1,786,781	332
Other Salaries for Instruction	417,012	3,574	420,586	394,088	26,498
Purchased Technical Services	7,500	(4,285)	3,215		3,215
General Supplies	7,500		7,500	1,596	5,904
Total Resource Room/Resource Center	2,301,792	(83,378)	2,218,414	2,182,465	35,949
TOTAL SPECIAL EDUCATION - INSTRUCTION	2,493,339	(83,378)	2,409,961	2,373,512	36,449

WEST ESSEX REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	$ 255,000	$ 47,190	$ 302,190	$ 302,190	
Purchased Services (300-500 series)	23,000	(9,650)	13,350	13,175	$ 175
Supplies and Materials	40,300	185	40,485	30,948	9,537
Other Objects	74,166	(43,659)	30,507	10,767	19,740
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	392,466	(5,934)	386,532	357,080	29,452
School-Sponsored Athletics - Instruction:					
Salaries	935,781	11,802	947,583	947,510	73
Purchased Services (300-500 series)	326,922	29,795	356,717	338,014	18,703
Supplies and Materials	243,631		243,631	236,151	7,480
Other Objects	1,500		1,500	1,050	450
Total School-Sponsored Athletics - Instruction	1,507,834	41,597	1,549,431	1,522,725	26,706
TOTAL INSTRUCTION	18,798,134	359,386	19,157,520	18,988,369	169,151
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	148,152	(75,598)	72,554	36,652	35,902
Tuition to County Voc. School Dist.-Regular	25,000	10,466	35,466	35,466	
Tuition to County Voc. School Dist.-Special	45,000	63,728	108,728	63,728	45,000
Tuition to Priv. Sch. for the Handicap. W/I State	4,231,528	(89,007)	4,142,521	3,797,963	344,558
Tuition to Priv Sch Handicap & Oth LEAs-Spl,O/S St	117,500	(117,500)			
Total Undistributed Expenditures - Instruction	4,567,180	(207,911)	4,359,269	3,933,809	425,460
Undistributed Expend. - Attend. & Social Work:					
Salaries	197,343	(10,506)	186,837	184,619	2,218
Supplies and Materials	1,000		1,000	451	549
Total Undist. Expend. - Attendance and Social Work	198,343	(10,506)	187,837	185,070	2,767

WEST ESSEX REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Health Services:					
Salaries	$ 170,245	$ 11,755	$ 182,000	$ 182,000	
Purchased Professional and Technical Services	26,500	(1,249)	25,251	21,037	$ 4,214
Supplies and Materials	12,500		12,500	11,936	564
Total Undist. Expenditures - Health Services	209,245	10,506	219,751	214,973	4,778
Undist.Expend.- Guidance:					
Salaries of Other Professional Staff	883,292	3,702	886,994	856,433	30,561
Salaries of Secretarial and Clerical Assistants	187,476	2,128	189,604	189,568	36
Other Salaries	30,000	(12,978)	17,022	17,021	1
Other Purchased Prof. and Tech. Services	30,000	2,596	32,596	24,735	7,861
Supplies and Materials	6,500		6,500	5,895	605
Other Objects	6,500	(2,596)	3,904	2,981	923
Total Undist Expend. - Guidance	1,143,768	(7,148)	1,136,620	1,096,633	39,987
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	625,549	(16,758)	608,791	555,499	53,292
Salaries of Secretarial and Clerical Assistants	131,562	23,907	155,469	155,469	
Purchased Professional - Educational Services	525,000		525,000	461,936	63,064
Other Purchased Prof. and Tech. Services	8,000		8,000	4,140	3,860
Supplies and Materials	5,500		5,500	4,718	782
Total Undist Expend. - Child Study Team	1,295,611	7,149	1,302,760	1,181,762	120,998
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	663,000	1,264	664,264	652,168	12,096
Supplies and Materials	32,000	(1,264)	30,736	30,496	240
Total Undist. Expend.-Edu. Media Serv./Sch. Library	695,000		695,000	682,664	12,336

WEST ESSEX REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist.Expend.-Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	$ 522,078	$ 2,756	$ 524,834	$ 524,834	
Salaries of Other Professional Staff	5,000	2,887	7,887	7,887	
Salaries of Secretarial and Clerical Assistants	80,756	(6,318)	74,438	47,108	$ 27,330
Purchased Professional - Educational Service	10,000	1,770	11,770	11,770	
Other Purchased Services (400-500 series)	20,000	(1,095)	18,905	11,275	7,630
Total Undist.Expend.-Instructional Staff Training Services	637,834		637,834	602,874	34,960
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	396,653	34,279	430,932	430,932	
Legal Services	114,560	(5,000)	109,560	75,088	34,472
Audit Fees	40,000	3,155	43,155	43,155	
Architectural/Engineering Services	11,566	(11,438)	128		128
Other Purchased Professional Services	65,000	11,000	76,000	68,822	7,178
Communications / Telephone	137,500	(9,865)	127,635	99,622	28,013
BOE Other Purchased Services	10,000	(9,745)	255	247	8
Other Purch. Serv. (400-500 series other than 530 & 585)	25,000	(11,159)	13,841	7,102	6,739
General Supplies	15,000	(11,227)	3,773	2,949	824
Miscellaneous Expenditures	10,000		10,000	5,114	4,886
BOE Membership Dues and Fees	35,888		35,888	33,385	2,503
Total Undist. Expend.-Support Serv.-Gen. Admin.	861,167	(10,000)	851,167	766,416	84,751
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	809,002		809,002	760,122	48,880
Salaries of Other Professional Staff	615,657	9,500	625,157	613,565	11,592
Salaries of Secretarial and Clerical Assistants	281,347	(9,500)	271,847	271,491	356
Purchased Professional and Technical Services	30,000	(4,600)	25,400	20,537	4,863

WEST ESSEX REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-School Admin.: (Cont'd)					
Supplies and Materials	$ 41,000	$ 4,600	$ 45,600	$ 43,246	$ 2,354
Other Objects	45,000	10,000	55,000	50,517	4,483
Total Undist. Expend.-Support Serv.-School Adm.	1,822,006	10,000	1,832,006	1,759,478	72,528
Undist. Expend. - Central Services:					
Salaries	492,756		492,756	483,741	9,015
Purchased Professional Services	10,000		10,000	8,741	1,259
Purchased Technical Services	5,000		5,000	2,800	2,200
Miscellaneous Purchased Services (400-500 series other than 594)	40,500		40,500	25,998	14,502
Supplies and Materials	20,000		20,000	8,858	11,142
Other Objects	7,500		7,500	6,366	1,134
Total Undist. Expend. - Central Services	575,756		575,756	536,504	39,252
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	819,171	(25,000)	794,171	788,761	5,410
Cleaning, Repair, and Maintenance Services	312,308		312,308	262,925	49,383
General Supplies	234,135		234,135	176,118	58,017
Other Objects	2,000		2,000	1,859	141
Total Undist. Expend.- Required Maint. for School Facilities	1,367,614	(25,000)	1,342,614	1,229,663	112,951
Undist. Expend.-Custodial Services:					
Salaries	1,053,342	(17,058)	1,036,284	1,000,264	36,020
Purchased Professional and Technical Services	12,000	(11,316)	684		684
Cleaning, Repair, and Maintenance Services	70,000	(7,641)	62,359	27,521	34,838
Other Purchased Property Services	65,000	(6,362)	58,638	45,031	13,607
Insurance	650,000	50,563	700,563	700,563	
Miscellaneous Purchased Services	65,000	(33,835)	31,165	14,269	16,896

WEST ESSEX REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services: (Cont'd)					
General Supplies	$ 180,000	$ (19,237)	$ 160,763	$ 127,835	$ 32,928
Energy (Natural Gas)	100,000	141,402	241,402	241,402	
Energy (Electricity)	700,000	(90,968)	609,032	397,296	211,736
Total Undist. Expend.-Custodial Services	2,895,342	5,548	2,900,890	2,554,181	346,709
Care and Upkeep of Grounds:					
Salaries	288,739		288,739	262,747	25,992
Purchased Professional and Technical Services	2,500		2,500	1,400	1,100
Cleaning, Repair, and Maintenance Services	45,835		45,835	24,128	21,707
General Supplies	97,050	(3,106)	93,944	67,692	26,252
Total Care And Upkeep Of Grounds	434,124	(3,106)	431,018	355,967	75,051
Security:					
Salaries	73,558	6,480	80,038	80,038	
Purchased Professional and Technical Services	155,000	(3,375)	151,625	141,963	9,662
General Supplies	7,744	1	7,745	7,445	300
Other Objects	5,000	10,451	15,451	7,353	8,098
Total Security	241,302	13,557	254,859	236,799	18,060
Total Undist. Expend.-Oper. And Maint. Of Plant Serv.	4,938,382	(9,001)	4,929,381	4,376,610	552,771
Undist. Expend.-Student Transportation Serv.:					
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	170,000	63,000	233,000	229,510	3,490
Contract. Serv.(Bet. Home & Sch.)-Vendors	1,700,000	343,415	2,043,415	2,043,415	
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	392,390	140,105	532,495	527,076	5,419
Contract. Serv.(Spl. Ed. Students)-Vendors	1,500,000	333,464	1,833,464	1,797,297	36,167
Total Undist. Expend.-Student Trans. Serv.	3,762,390	879,984	4,642,374	4,597,298	45,076

WEST ESSEX REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Social Security Contributions	$ 505,000	$ (23,322)	$ 481,678	$ 476,873	$ 4,805
Other Retirement Contributions - PERS	620,000	22,588	642,588	642,588	
Other Retirement Contributions - ERIP	5,000	(5,000)			
Other Retirement Contributions - Regular		25,000	25,000	7,957	17,043
Unemployment Compensation	25,000	(25,000)			
Workers Compensation	170,792		170,792	170,792	
Health Benefits	6,261,501	(1,043,035)	5,218,466	5,218,465	1
Tuition Reimbursement	55,000		55,000	50,585	4,415
Other Employee Benefits	325,193	(31,605)	293,588	233,366	60,222
TOTAL UNALLOCATED BENEFITS	7,967,486	(1,080,374)	6,887,112	6,800,626	86,486
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				1,779,613	(1,779,613)
TPAF Pension Contributions (Non-Budgeted)				6,015,856	(6,015,856)
TPAF Non-Contributory Insurance (Non-Budgeted)				74,520	(74,520)
TPAF Long-Term Disability Insurance (Non-Budgeted)				2,764	(2,764)
Reimbursed TPAF Social Security Contributions				1,244,716	(1,244,716)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				9,117,469	(9,117,469)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	7,967,486	(1,080,374)	6,887,112	15,918,095	(9,030,983)
TOTAL UNDISTRIBUTED EXPENDITURES	28,674,168	(417,301)	28,256,867	35,852,186	(7,595,319)
TOTAL GENERAL CURRENT EXPENSE	47,472,302	(57,915)	47,414,387	54,840,555	(7,426,168)

WEST ESSEX REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services	$ 43,984		$ 43,984	$ 22,567	$ 21,417
Construction Services	3,471,106	$ 890,106	4,361,212	3,305,374	1,055,838
Assessment for Debt Service on SDA Funding	83,370		83,370	83,370	
Total Facilities Acquisition and Const. Serv.	3,598,460	890,106	4,488,566	3,411,311	1,077,255
Assets Acquired Under Financed Purchases (Non-Budgeted):					
Regular Programs - Equipment				57,583	(57,583)
Total Assets Acquired Under Financed Purchases (Non-Budgeted)				57,583	(57,583)
TOTAL CAPITAL OUTLAY	3,598,460	890,106	4,488,566	3,468,894	1,019,672
Transfer of Funds to Charter Schools	48,146	14,256	62,402	62,402	
TOTAL EXPENDITURES	51,118,908	846,447	51,965,355	58,371,851	(6,406,496)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(4,901,138)	(846,447)	(5,747,585)	(1,808,566)	3,939,019
Other Financing Sources/(Uses):					
Financed Purchases (Non-budgeted)				57,583	(57,583)
Transfer to Food Service Fund		(43,659)	(43,659)	(43,659)	
Total Other Financing Sources/(Uses)		(43,659)	(43,659)	13,924	(57,583)
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(4,901,138)	(890,106)	(5,791,244)	(1,794,642)	3,996,602

WEST ESSEX REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Fund Balance, July 1	$ 24,052,012		$ 24,052,012	$ 24,052,012	
Fund Balance, June 30	$ 19,150,874	$ (890,106)	$ 18,260,768	$ 22,257,370	$ 3,996,602
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2026-2027				$ 650,000	
Excess Surplus - Restricted For 2025-2026				750,000	
Capital Reserve				16,091,700	
Maintenance Reserve				1,781,429	
Unemployment Compensation				500,595	
Assigned Fund Balance:					
Year End Encumbrances				571,812	
Designated for Subsequent Year's Expenditures				150,000	
Unassigned Fund Balance				1,761,834	
				22,257,370	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(293,753)	
Fund Balance per Governmental Funds (GAAP)				$ 21,963,617	

WEST ESSEX REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		$ 927,779	$ 927,779	$ 899,051	$ (28,728)
State Sources		129,539	129,539		(129,539)
Federal Sources	$ 332,000	136,335	468,335	417,031	(51,304)
Total Revenues	332,000	1,193,653	1,525,653	1,316,082	(209,571)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	30,000	33,964	63,964	51,023	12,941
Tuition	290,000	59,689	349,689	349,689	
General Supplies		28,728	28,728		28,728
Total Instruction	320,000	122,381	442,381	400,712	41,669
Support Services:					
Salaries of Supervisors of Instruction		2,500	2,500	2,500	
Other Purchased Services	12,000	40,182	52,182	13,819	38,363
Student Activites		879,975	879,975	842,034	37,941
Scholarships Awarded		19,076	19,076	16,349	2,727
Total Support Services	12,000	941,733	953,733	874,702	79,031
Facilities Acquisition & Construction Services:					
Construction Services		129,539	129,539		129,539
Total Facilities Acquisition & Construction Services		129,539	129,539		129,539
Total Expenditures	$ 332,000	$ 1,193,653	$ 1,525,653	$ 1,275,414	$ 250,239
Excess of Revenue over Expenditures	$ -0-	$ -0-	$ -0-	$ 40,668	$ 40,668

WEST ESSEX REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	$ 56,563,285	$ 1,316,082
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the		
Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue,		
Whereas the GAAP Basis does not:		
Cancellation of Prior Year Encumbrances		(1,015)
Prior Year Encumbrances		1,015
Prior Year State Aid Payments Recognized for GAAP Purposes, not		
Recognized for Budgetary Statements	257,293	
Current Year State Aid Payments Recognized for Budgetary Purposes, not		
Recognized for GAAP Statements	(293,753)	
Total Revenues as Reported on the Statement of Revenues, Expenditures		
and Changes in Fund Balances - Governmental Funds	$ 56,526,825	$ 1,316,082
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the		
Budgetary Comparison Schedule	$ 58,371,851	$ 1,275,414
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but		
Not Received are Reported in the Year the Order is Placed for		
Budgetary Purposes, but in the Year the Supplies are Received		
for Financial Reporting Purposes:		
Cancellation of Prior Year Encumbrances		(1,015)
Prior Year Encumbrances		1,015
Total Expenditures as Reported on the Statement of Revenues,		
Expenditures, and Changes in Fund Balances - Governmental Funds	$ 58,371,851	$ 1,275,414

WEST ESSEX REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2025 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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 generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The general fund budgetary revenue differs from the GAAP revenue due to a difference in the recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SPECIAL REVENUE FUND

WEST ESSEX REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Student Activities	Scholarship	Elementary and Secondary Education Act Title I	Elementary and Secondary Education Act Title IIA	IDEA Part B Basic	Totals
REVENUE:						
Local Sources	$ 879,975	$ 19,076				$ 899,051
Federal Sources			$ 53,523	$ 13,819	$ 349,689	417,031
Total Revenue	879,975	19,076	53,523	13,819	349,689	1,316,082
EXPENDITURES:						
Instruction:						
Salaries of Teachers			51,023			51,023
Tuition					349,689	349,689
Total Instruction			51,023		349,689	400,712
Support Services:						
Salaries of Supervisors of Instruction			2,500			2,500
Other Purchased Services				13,819		13,819
Student Activites	842,034					842,034
Scholarships Awarded		16,349				16,349
Total Support Services	842,034	16,349	2,500	13,819		874,702
Total Expenditures	$ 842,034	$ 16,349	$ 53,523	$ 13,819	$ 349,689	$ 1,275,414

PROPRIETARY FUNDS

WEST ESSEX REGIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025

	Business-Type Activities Enterprise Fund Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	$ 758,503
Interfund Receivable - General Fund	26,933
Other Accounts Receivable	5,270
Inventories	15,423
Total Current Assets	806,129
Non-Current Assets:	
Capital Assets	421,974
Less: Accumulated Depreciation	(256,297)
Total Non-Current Assets	165,677
Total Assets	971,806
LIABILITIES:	
Current Liabilities:	
Accounts Payable - Vendors	7,714
Unearned Revenue	29,500
Total Current Liabilities	37,214
NET POSITION:	
Investment in Capital Assets	165,677
Unrestricted	768,915
Total Net Position	$ 934,592

Exhibit G-2

WEST ESSEX REGIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Busines-Type Activities Enterprise Fund Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Non-Reimbursable Program	$ 1,366,253
Other Income	7,821
Total Operating Revenue	1,374,074
Operating Expenses:	
Cost of Sales - Non-Reimbursable Program	551,997
Salaries, Benefits & Payroll Taxes	451,102
Other Purchased Services	47,554
Supplies, Insurance and Other Costs	65,613
Management Fee	91,474
Depreciation Expense	14,002
Total Operating Expenses	1,221,742
Operating Income	152,332
Transfers:	
Board Contribution - General Fund	43,659
Change in Net Position	195,991
Net Position - Beginning of Year	738,601
Net Position - End of Year	$ 934,592

Exhibit G-3

WEST ESSEX REGIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities Enterprise Fund Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	$ 1,361,185
Payments to Food Service Vendor	(1,187,885)
Payments to Suppliers	(35,067)
Net Cash Provided by Operating Activities	138,233
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	(118,772)
Net Cash Used for Capital and Related Financing Activities	(118,772)
Cash Flows from Noncapital Financing Activities:	
Interfund Returned - General Fund	1,090
Board Contribution - General Fund	43,659
Net Cash Provided by Noncapital Financing Activities	44,749
Net Change in Cash and Cash Equivalents	64,210
Cash and Cash Equivalents, July 1	694,293
Cash and Cash Equivalents, June 30	$ 758,503
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	$ 152,332
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	14,002
Changes in Assets and Liabilities:	
(Decrease) in Unearned Revenue	(12,889)
(Decrease) in Accounts Payable	(18,182)
Decrease in Inventory	2,970
Net Cash Provided by Operating Activities	$ 138,233

LONG-TERM LIABILITIES

WEST ESSEX REGIONAL SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2025 Date	Amount	Interest Rate	Balance July 1, 2024	Matured	Balance June 30, 2025
Refunding Bonds 2016	7/13/2016	$ 3,965,000	8/15/2025	$ 400,000	4.000%			
			8/15/2026	415,000	4.000%			
			8/15/2027	430,000	4.000%			
			8/15/2028	425,000	3.250%			
			8/15/2029	420,000	3.250%	$ 2,480,000	$ 390,000	$ 2,090,000
						$ 2,480,000	$ 390,000	$ 2,090,000

WEST ESSEX REGIONAL SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

Item	Interest Rate	Original Issue	Balance June 30, 2024	Issued	Matured	Balance June 30, 2025
Apple Computer Equipment	5.50%	$ 47,450	$ 23,691		$ 11,529	$ 12,162
Dell Computer Equipment	3.48%	57,583		$ 57,583	22,044	35,539
			$ 23,691	$ 57,583	$ 33,573	$ 47,701

WEST ESSEX REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 475,063		$ 475,063	$ 475,063	
Total Revenues	475,063		475,063	475,063	
EXPENDITURES:					
Regular Debt Service:					
Interest	85,063		85,063	85,062	$ 1
Redemption of Principal	390,000		390,000	390,000	
Total Regular Debt Service	475,063		475,063	475,062	1
Total Expenditures	475,063		475,063	475,062	1
Excess/(Deficit) of Revenues Over/ (Under) Expenditures	-0-		-0-	1	$ 1
Fund Balance, July 1	-0-		-0-	-0-	
Fund Balance, June 30	$ -0-	$ -0-	$ -0-	$ 1	$ 1

STATISTICAL SECTION

(UNAUDITED)

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

Contents

	Exhibit
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 thru J-5
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru 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 thru 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 and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

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

WEST ESSEX REGIONAL SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING
UNAUDITED

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net Investment in Capital Assets	$ 32,250,682	$ 33,277,705	$ 33,668,032	$ 32,982,781	$ 33,826,568	$ 33,975,352	$ 35,182,836	$ 35,382,934	$ 34,209,849	$ 36,033,081
Restricted	5,717,488	7,652,587	9,252,912	9,949,046	11,684,412	13,913,441	16,894,785	20,567,175	19,035,494	20,830,426
Unrestricted/ (Deficit)	(8,159,741)	(9,300,854)	(9,521,143)	(8,990,483)	(8,880,586)	(6,076,321)	(6,028,384)	(6,033,540)	(2,079,758)	(5,352,128)
Total Governmental Activities Net Position	$ 29,808,429	$ 31,629,438	$ 33,399,801	$ 33,941,344	$ 36,630,394	$ 41,812,472	$ 46,049,237	$ 49,916,569	$ 51,165,585	$ 51,511,379
Business-type Activities										
Investment in Capital Assets	$ 50,810	$ 104,833	$ 95,168	$ 105,247	$ 117,559	$ 102,235	$ 87,543	$ 74,912	$ 60,907	$ 165,677
Unrestricted	80,957	62,839	133,117	193,303	195,877	164,180	264,671	442,083	677,694	768,915
Total Business-type Activities Net Position	$ 131,767	$ 167,672	$ 228,285	$ 298,550	$ 313,436	$ 266,415	$ 352,214	$ 516,995	$ 738,601	$ 934,592
District-wide										
Net Investment in Capital Assets	$ 32,301,492	$ 33,382,538	$ 33,763,200	$ 33,088,028	$ 33,944,127	$ 34,077,587	$ 35,270,379	$ 35,457,846	$ 34,270,756	$ 36,198,758
Restricted	5,717,488	7,652,587	9,252,912	9,949,046	11,684,412	13,913,441	16,894,785	20,567,175	19,035,494	20,830,426
Unrestricted/(Deficit)	(8,078,784)	(9,238,015)	(9,388,026)	(8,797,180)	(8,684,709)	(5,912,141)	(5,763,713)	(5,591,457)	(1,402,064)	(4,583,213)
Total District Net Position	$ 29,940,196	$ 31,797,110	$ 33,628,086	$ 34,239,894	$ 36,943,830	$ 42,078,887	$ 46,401,451	$ 50,433,564	$ 51,904,186	$ 52,445,971

Source: School District Financial Reports

WEST ESSEX REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING
UNAUDITED

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses:										
Governmental Activities:										
Instruction:										
Regular	$ 17,669,411	$ 20,146,613	$ 20,654,120	$ 21,450,110	$ 21,415,691	$ 20,721,177	$ 20,661,183	$ 20,035,954	$ 21,476,951	$ 21,031,984
Special Education	3,965,786	4,465,866	4,416,798	4,317,588	4,406,196	3,939,598	3,686,697	3,727,806	3,984,823	3,860,826
School Sponsored Activities And Athletics	1,969,352	2,274,214	2,303,664	2,300,105	2,369,919	2,104,196	2,255,111	2,270,699	2,358,621	2,488,503
Support Services:										
Tuition	2,460,215	2,640,421	2,527,262	2,845,271	2,603,303	2,514,828	2,852,678	3,082,057	3,075,536	3,933,809
Student & Instruction Related Services	4,655,957	5,144,395	5,332,282	4,751,865	5,189,166	5,499,734	5,856,308	5,775,252	6,134,267	6,425,966
General Administrative Services	837,366	835,943	841,692	1,047,544	946,614	993,575	952,345	1,092,539	1,038,597	1,003,118
School Administrative Services	2,593,985	3,016,987	3,008,672	2,782,247	3,022,205	2,904,345	2,735,102	2,645,515	2,847,670	2,555,921
Central and Other Support Services	696,651	678,504	734,230	734,179	772,093	738,750	754,266	782,962	817,351	777,916
Administrative Information Technology	207,484	225,852	221,011	259,571	221,364	129,711				
Plant Operations and Maintenance	4,378,673	4,687,057	4,903,628	4,899,775	5,662,379	4,984,649	5,266,609	5,644,721	5,723,066	5,676,167
Pupil Transportation	1,807,491	1,979,890	2,044,430	2,538,588	2,051,855	2,177,029	3,093,472	3,340,581	4,343,226	4,720,360
Transfer of Funds to Charter School										62,402
Interest on Long-term Debt	597,552	616,401	465,758	390,027	312,346	231,347	163,184	85,681	85,330	69,804
Unallocated Depreciation	1,600,560	1,609,620	1,840,936	1,521,971						
Total Governmental Activities Expenses	43,440,483	48,321,763	49,294,483	49,838,841	48,973,131	46,938,939	48,276,955	48,483,767	51,885,438	52,606,776
Business-type Activities:										
Food Service	816,748	829,098	914,170	981,349	712,079	53,118	935,813	1,069,684	1,152,020	1,221,742
Total Business-type Activities Expense	816,748	829,098	914,170	981,349	712,079	53,118	935,813	1,069,684	1,152,020	1,221,742
Total District Expenses	$ 44,257,231	$ 49,150,861	$ 50,208,653	$ 50,820,190	$ 49,685,210	$ 46,992,057	$ 49,212,768	$ 49,553,451	$ 53,037,458	$ 53,828,518
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	$ 79,974	$ 219,426	$ 201,745	$ 205,107	$ 149,964	$ 168,569	$ 154,273	$ 137,247	$ 104,410	$ 39,334
Student and Related Services						334,952	691,471	672,311	662,075	879,975
Operating Grants and Contributions	9,525,846	12,703,372	13,027,463	11,126,288	10,979,365	11,128,181	10,274,768	9,016,500	9,557,088	7,862,374
Capital Grants and Contributions		360,204								
Total Governmental Activities Program Revenues	9,605,820	13,283,002	13,229,208	11,331,395	11,129,329	11,631,702	11,120,512	9,826,058	10,323,573	8,781,683
Business-type Activities:										
Charges for Services:										
Food Service	841,025	865,003	974,783	1,031,870	726,965	6,097	1,021,612	1,207,675	1,336,246	1,374,074
Total Business-type Activities Program Revenues	841,025	865,003	974,783	1,031,870	726,965	6,097	1,021,612	1,207,675	1,336,246	1,374,074
Total District Program Revenues	$ 10,446,845	$ 14,148,005	$ 14,203,991	$ 12,363,265	$ 11,856,294	$ 11,637,799	$ 12,142,124	$ 11,033,733	$ 11,659,819	$ 10,155,757

WEST ESSEX REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING
UNAUDITED
(Continued)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense)/Revenue:										
Governmental Activities	$(33,834,663)	$(35,038,761)	$(36,065,275)	$(38,507,446)	$(37,843,802)	$(35,307,237)	$(37,156,443)	$(38,657,709)	$(41,561,865)	$(43,825,093)
Business-type Activities	24,277	35,905	60,613	50,521	14,886	(47,021)	85,799	137,991	184,226	152,332
Total District-wide Net Expense	$(33,810,386)	$(35,002,856)	$(36,004,662)	$(38,456,925)	$(37,828,916)	$(35,354,258)	$(37,070,644)	$(38,519,718)	$(41,377,639)	$(43,672,761)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes	$ 33,383,315	$ 34,244,997	$ 35,227,991	$ 36,277,785	$ 37,349,282	$ 38,096,268	$ 38,858,193	$ 39,635,357	$ 40,809,907	$ 42,122,551
Property Taxes Levied for Debt Service	2,369,280	2,190,149	2,122,470	2,059,950	2,000,300	1,932,160	2,033,975	2,000,513	475,363	475,063
State Aid - Unrestricted	58,853	78,957	80,560	34,218	29,465	29,635	29,738	105,435	150,560	168,107
Investment Earnings	11,594	17,319	20,174	24,369	25,388	12,758	24,723	263,396	909,598	781,699
Miscellaneous Income	323,613	328,348	384,443	652,667	238,454	418,494	446,579	547,130	502,833	667,126
Transfers								(26,790)	(37,380)	(43,659)
Total Governmental Activities	36,146,655	36,859,770	37,835,638	39,048,989	39,642,889	40,489,315	41,393,208	42,525,041	42,810,881	44,170,887
Business-type Activities:										
Transfers								26,790	37,380	43,659
Purchase of Capital Assets				19,744						
Total Business-type Activities	-0-	-0-	-0-	19,744	-0-	-0-	-0-	26,790	37,380	43,659
Total District-wide	$ 36,146,655	$ 36,859,770	$ 37,835,638	$ 39,068,733	$ 39,642,889	$ 40,489,315	$ 41,393,208	$ 42,551,831	$ 42,848,261	$ 44,214,546
Change in Net Position										
Governmental Activities	$ 2,311,992	$ 1,821,009	$ 1,770,363	$ 541,543	$ 1,799,087	$ 5,182,078	$ 4,236,765	$ 3,867,332	$ 1,249,016	$ 345,794
Business-type Activities	24,277	35,905	60,613	70,265	14,886	(47,021)	85,799	164,781	221,606	195,991
Total District	$ 2,336,269	$ 1,856,914	$ 1,830,976	$ 611,808	$ 1,813,973	$ 5,135,057	$ 4,322,564	$ 4,032,113	$ 1,470,622	$ 541,785

Source: School District Financial Reports

WEST ESSEX REGIONAL SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
UNAUDITED

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Restricted	$ 4,803,462	$ 6,493,718	$ 8,387,826	$ 9,714,293	$ 11,037,110	$ 13,445,031	$ 16,386,320	$ 20,009,221	$ 18,019,461	$ 19,773,724
Assigned	623,715	524,864	485,699	768,452	1,022,996	2,354,339	511,500	434,824	4,251,138	721,812
Unassigned	1,099,343	1,159,735	1,113,742	1,280,946	1,085,628	2,171,867	2,352,037	1,470,230	1,524,120	1,468,081
Total General Fund	$ 6,526,520	$ 8,178,317	$ 9,987,267	$ 11,763,691	$ 13,145,734	$ 17,971,237	$ 19,249,857	$ 21,914,275	$ 23,794,719	$ 21,963,617
All Other Governmental Funds										
Restricted	$ 914,026	$ 1,158,869	$ 865,086	$ 234,753	$ 647,302	$ 468,410	$ 508,465	$ 557,954	$ 1,016,033	$ 1,056,702
Total All Other Governmental Funds	$ 914,026	$ 1,158,869	$ 865,086	$ 234,753	$ 647,302	$ 468,410	$ 508,465	$ 557,954	$ 1,016,033	$ 1,056,702
Total Governmental Funds	$ 7,440,546	$ 9,337,186	$ 10,852,353	$ 11,998,444	$ 13,793,036	$ 18,439,647	$ 19,758,322	$ 22,472,229	$ 24,810,752	$ 23,020,319

Source: School District Financial Reports

WEST ESSEX REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
UNAUDITED

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Property Tax Levy	$ 35,752,595	$ 36,435,146	$ 37,350,461	$ 38,337,735	$ 39,349,582	$ 40,028,428	$ 40,892,168	$ 41,635,870	$ 41,285,270	$ 42,597,614
Tuition	79,974	219,426	201,745	205,107	149,964	168,569	154,273	137,247	104,410	39,334
Interest Earnings					14,390	12,758	24,723	263,396	628,662	553,249
Transportation Fees from LEAs					16,517					
Miscellaneous	356,350	351,099	411,490	721,167	246,580	774,884	1,175,805	1,236,715	1,910,616	1,794,627
State Sources	5,084,650	5,771,071	6,220,558	7,272,916	7,416,823	9,293,439	11,438,591	12,011,024	12,774,736	12,916,115
Federal Sources	376,085	370,364	376,564	383,797	376,433	480,462	786,979	563,066	655,391	417,031
Total Revenue	41,649,654	43,147,106	44,560,818	46,920,722	47,570,289	50,758,540	54,472,539	55,847,318	57,359,085	58,317,970
Expenditures										
Instruction										
Regular Instruction	11,135,574	11,470,601	11,945,521	12,390,972	12,678,213	13,229,878	13,992,763	13,662,106	14,559,962	14,786,075
Special Education Instruction	2,528,909	2,608,106	2,557,351	2,711,445	2,620,935	2,387,530	2,494,981	2,586,534	2,747,067	2,723,201
School Sponsored Activities and Athletics	1,363,207	1,484,989	1,504,722	1,592,645	1,553,608	1,377,370	1,618,649	1,703,088	1,704,804	1,879,805
Support Services:										
Tuition	2,460,215	2,640,421	2,527,262	2,845,271	2,603,303	2,514,828	2,852,678	3,082,057	3,075,536	3,933,809
Student & Instruction Related Services	3,015,578	3,044,095	3,128,512	3,051,040	3,230,736	3,651,776	4,244,673	4,247,015	4,494,547	4,838,678
General Administrative Services	605,176	546,201	648,836	700,578	687,550	745,269	765,303	842,194	787,260	766,416
School Administrative Services	1,600,486	1,704,659	1,671,874	1,701,544	1,745,416	1,765,989	1,770,110	1,795,452	1,877,257	1,759,478
Central and Other Support Services	442,350	404,043	443,770	455,471	446,886	448,481	509,391	542,216	534,196	536,504
Administrative Information Technology	125,050	123,385	118,450	177,023	131,181	49,321				
Plant Operations and Maintenance	3,264,591	3,234,854	3,429,615	3,546,859	3,864,382	3,522,515	3,969,730	4,439,595	4,496,518	4,376,610
Pupil Transportation	1,797,862	1,970,178	2,032,610	2,526,767	1,898,861	2,059,716	2,972,814	3,221,146	4,220,604	4,597,298
Unallocated Benefits	8,647,379	9,028,590	10,062,016	10,919,028	11,716,606	12,154,166	14,266,158	14,745,279	15,620,574	15,918,095
Transfer of Funds to Charter School										62,402
Capital Outlay	1,043,350	684,834	1,043,670	979,438	1,792,285	154,777	1,662,639	286,876	389,494	3,468,894
Debt Service:										
Principal	1,720,000	1,790,000	1,725,000	1,725,000	1,740,000	1,755,000	1,810,000	1,850,000	375,000	390,000
Interest and Other Charges	649,280	515,510	514,069	451,550	376,900	295,313	223,975	150,513	100,363	85,062
Total Expenditures	40,399,007	41,250,466	43,353,278	45,774,631	47,086,862	46,111,929	53,153,864	53,154,071	54,983,182	60,122,327
Excess/(Deficit) of Revenues Over/(Under) Expenditures	1,250,647	1,896,640	1,207,540	1,146,091	483,427	4,646,611	1,318,675	2,693,247	2,375,903	(1,804,357)

WEST ESSEX REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
UNAUDITED
(Continued)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Other Financing Sources/(Uses)										
Proceeds from Refunding Bonds		$ 3,965,000								
Premium on Bonds		555,685								
Payment to Refunded Bonds Escrow Agent		(4,002,000)								
Costs of Refunding Bond Issue		(94,708)								
Deferred Amount on Refunding		(423,977)								
Transfers								$ (26,790)	$ (37,380)	$ (43,659)
Financed Purchases (Non-budgeted)			$ 307,627					47,450		57,583
Total Other Financing Sources/(Uses)			307,627					20,660	(37,380)	13,924
Net Change in Fund Balances	$ 1,250,647	$ 1,896,640	$ 1,515,167	$ 1,146,091	$ 483,427	$ 4,646,611	$ 1,318,675	$ 2,713,907	$ 2,338,523	$ (1,790,433)
Debt Service as a Percentage of Noncapital Expenditures	6.01%	5.67%	5.28%	4.86%	4.67%	4.46%	3.95%	3.78%	0.87%	0.84%

Source: School District Financial Reports

WEST ESSEX REGIONAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
UNAUDITED

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Tuition	$ 79,974	$ 219,426	$ 201,745	$ 205,107	$ 149,964	$ 168,569	$ 154,273	$ 137,247	$ 104,410	$ 39,334
Rentals/Facility Use	54,755	77,615	93,721	99,071	22,776	2,000	49,707	39,293	87,520	87,367
Interest	11,594	17,319	20,174	24,369	25,389	27,116	35,472	384,887	909,598	781,699
Athletic Game Receipts	15,638	14,571	18,856	25,029	29,833	4,302	18,039	22,807	24,128	28,381
Prior Year Refunds and Reimbursements	44,128	9,524		155,158	1,610	3,013		26,732		
Transportation Fees from LEAs					16,517					
E-Rate Reimbursement	10,499			16,123			44,907			
Workers Compensation Refund	47,585									
Student Activity Fees	100,635	114,150	95,833	125,428	100,275	105,460	122,337	106,480	167,205	133,916
Insurance Claims						212,342	10,000			121,048
Miscellaneous	50,373	112,488	176,033	231,858	67,442	77,019	190,840	230,327	223,980	296,445
Total Miscellaneous	$ 415,181	$ 565,093	$ 606,362	$ 882,143	$ 413,806	$ 599,821	$ 625,575	$ 947,773	$ 1,516,841	$ 1,488,190

Source: School District Financial Reports

WEST ESSEX REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

ESSEX FELLS BOROUGH

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities [a]	Net Valuation Taxable	Total Direct School Tax Rate [b]	Estimated Actual (County Equalized Value)
2015	$ 7,175,100	$ 725,853,900	$ -0-	$ -0-	$ 19,793,000	$ -0-	$ -0-	$ 752,822,000	$ 221,600	$ 753,043,600	$ 0.46	$ 753,878,979
2016	6,455,100	725,508,700	-0-	-0-	19,793,000	-0-	-0-	751,756,800	202,000	751,958,800	0.43	764,401,837
2017	6,636,500	800,905,200	-0-	-0-	19,496,000	-0-	-0-	827,037,700	203,486	827,241,186	0.42	768,555,249
2018	6,351,800	796,248,600	-0-	-0-	19,073,100	-0-	-0-	821,673,500	248,500	821,922,000	0.43	810,710,510
2019	6,945,800	791,430,900	-0-	-0-	19,073,100	-0-	-0-	817,449,800	265,500	817,715,300	0.40	796,292,180
2020	7,686,600	781,404,700	-0-	-0-	18,869,800	-0-	-0-	807,961,100	266,538	808,227,638	0.41	813,484,648
2021	8,392,800	726,443,600	-0-	-0-	17,193,350	-0-	-0-	752,029,750	255,555	752,285,305	0.42	796,856,246
2022	7,809,800	728,009,600	-0-	-0-	17,193,400	-0-	-0-	753,012,800	251,451	753,264,251	0.41	809,798,124
2023	5,961,300	733,491,300	-0-	-0-	14,330,400	-0-	-0-	753,783,000	251,300	754,034,300	0.38	815,535,511
2024	5,961,300	737,768,300	-0-	-0-	14,330,400	-0-	-0-	758,060,000	-0-	758,060,000	0.37	811,405,793

FAIRFIELD TOWNSHIP

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities [a]	Net Valuation Taxable	Total Direct School Tax Rate [b]	Estimated Actual (County Equalized Value)
2015	$ 35,959,100	$ 1,119,311,600	$ 424,200	$ 33,300	$ 650,828,300	$ 791,236,800	$ 15,000,000	$ 2,612,793,300	$ 7,466,353	$ 2,620,259,653	$ 0.55	$ 2,648,934,593
2016	36,133,900	1,123,687,800	452,200	27,600	627,499,880	779,629,900	15,000,000	2,582,431,280	6,669,400	2,589,100,680	0.62	3,041,679,929
2017	34,274,500	1,130,908,200	452,200	27,600	612,516,480	775,968,500	15,000,000	2,569,147,480	7,003,818	2,576,151,298	0.61	2,915,051,007
2018	36,442,200	1,139,996,200	452,200	27,600	610,677,980	773,692,800	15,000,000	2,576,288,980	7,336,353	2,583,625,333	0.62	2,887,300,037
2019	34,096,900	1,151,402,600	452,200	27,600	620,482,280	771,772,400	22,995,600	2,601,229,580	6,875,879	2,608,105,459	0.67	3,183,326,152
2020	43,294,400	1,366,309,500	483,200	14,300	725,211,700	1,024,963,100	31,431,100	3,191,707,300	8,385,227	3,200,092,527	0.56	3,303,343,607
2021	37,871,700	1,370,749,500	483,200	14,300	723,081,900	1,023,511,800	41,631,100	3,197,343,500	7,768,477	3,205,111,977	0.60	3,680,857,390
2022	44,784,000	1,371,849,600	-0-	14,300	704,605,500	1,026,436,200	41,631,100	3,189,320,700	7,796,800	3,197,117,500	0.59	3,548,449,259
2023	36,951,000	1,376,417,200	-0-	14,300	694,621,100	1,024,683,000	62,331,100	3,195,017,700	7,609,400	3,202,627,100	0.60	3,833,696,407
2024	30,839,800	1,413,073,100	-0-	14,300	707,046,900	1,004,554,500	62,331,100	3,217,859,700	7,800	3,217,867,500	0.60	4,131,734,543

WEST ESSEX REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

NORTH CALDWELL BOROUGH

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities [a]	Net Valuation Taxable	Total Direct School Tax Rate [b]	Estimated Actual (County Equalized Value)
2015	$ 19,041,700	$ 1,535,025,600	$ -0-	$ -0-	$ 24,426,700	$ 2,697,500	$ -0-	$ 1,581,191,500	$ 517,500	$ 1,581,709,000	$ 0.51	$ 1,676,062,829
2016	20,618,600	1,542,944,100	-0-	-0-	24,707,200	2,500,000	459,500	1,591,229,400	472,000	1,591,701,400	0.51	1,729,088,755
2017	20,877,800	1,551,406,800	-0-	-0-	24,931,500	2,500,000	-0-	1,599,716,100	468,700	1,600,184,800	0.53	1,762,595,194
2018	26,662,700	1,557,840,400	-0-	-0-	24,439,500	2,500,000	-0-	1,611,442,600	461,900	1,611,904,500	0.57	1,817,249,973
2019	23,117,500	1,568,618,800	-0-	-0-	24,439,500	2,500,000	-0-	1,618,675,800	468,300	1,619,144,100	0.56	1,813,766,467
2020	15,186,600	1,596,906,200	-0-	-0-	24,439,500	2,500,000	-0-	1,639,032,300	477,300	1,639,509,600	0.57	1,844,195,238
2021	9,808,300	1,622,310,500	-0-	-0-	24,439,500	2,500,000	-0-	1,659,058,300	497,100	1,659,555,400	0.56	1,851,122,801
2022	6,703,000	1,861,143,800	-0-	-0-	21,996,100	2,825,000	-0-	1,892,667,900	554,300	1,893,222,200	0.53	1,941,409,157
2023	7,567,000	1,873,259,300	-0-	-0-	20,646,100	2,825,000	-0-	1,904,297,400	502,500	1,904,799,900	0.54	2,174,874,278
2024	6,276,000	1,878,218,600	-0-	-0-	20,646,100	2,825,000	-0-	1,907,965,700	-0-	1,907,965,700	0.58	2,336,425,732

ROSELAND BOROUGH

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities [a]	Net Valuation Taxable	Total Direct School Tax Rate [b]	Estimated Actual (County Equalized Value)
2015	$ 7,853,100	$ 952,307,000	$ -0-	$ 6,400	$ 572,151,900	$ 91,276,600	$ 61,850,000	$ 1,685,445,000	$ 1,466,700	$ 1,686,911,700	$ 0.58	$ 1,835,333,588
2016	7,729,700	955,023,000	-0-	6,400	570,801,300	89,465,800	76,017,700	1,699,043,900	1,559,200	1,700,603,100	0.54	1,818,332,621
2017	6,611,400	958,786,400	-0-	6,400	559,903,800	89,465,800	76,017,700	1,690,791,500	1,589,800	1,692,381,300	0.57	1,827,849,898
2018	6,254,700	959,776,900	-0-	-0-	538,277,200	89,465,800	76,017,700	1,669,792,300	1,634,100	1,671,426,400	0.57	1,757,512,485
2019	5,678,600	962,087,900	-0-	-0-	538,277,200	89,465,800	76,017,700	1,671,527,200	1,634,100	1,673,161,300	0.57	1,804,412,673
2020	6,297,700	961,828,800	-0-	-0-	527,316,800	88,269,400	76,017,700	1,659,730,400	1,636,315	1,661,366,715	0.58	1,778,382,868
2021	12,517,000	963,300,300	-0-	-0-	507,983,500	86,106,800	76,017,700	1,645,925,300	1,630,000	1,647,555,300	0.57	1,788,569,057
2022	11,709,900	968,195,600	-0-	-0-	506,483,500	86,859,100	76,017,700	1,649,265,800	1,552,759	1,650,818,559	0.57	1,859,391,582
2023	11,234,900	972,721,900	-0-	-0-	505,733,500	86,859,100	76,017,700	1,652,567,100	1,573,600	1,654,140,700	0.56	1,877,546,392
2024	13,730,000	1,321,484,500	-0-	-0-	489,875,600	116,696,700	162,623,500	2,104,410,300	1,781,000	2,106,191,300	0.43	1,956,635,814

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when ordered by the County Board of Taxation.

*A Revaluation of Real Property was effective in this year.
a - Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.
b - Tax rates are per $100 of assessed value.

Source: Essex County Abstracts of Ratables

WEST ESSEX REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate per $100 of Assessed Value)

ESSEX FELLS BOROUGH

Year Ended December 31,	School District of West Essex Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Borough of Essex Fells	Local School District	Essex County	
2015	$ 0.429	$ 0.030	$ 0.459	$ 0.480	$ 0.564	$ 0.520	$ 2.023
2016	0.404	0.026	0.430	0.490	0.579	0.530	2.029
2017	0.398	0.024	0.422	0.460	0.545	0.480	1.907
2018	0.409	0.023	0.432	0.469	0.575	0.496	1.972
2019	0.376	0.020	0.396	0.485	0.606	0.473	1.960
2020	0.387	0.019	0.406	0.499	0.644	0.489	2.038
2021	0.396	0.021	0.417	0.547	0.716	0.508	2.188
2022	0.386	0.020	0.406	0.557	0.731	0.494	2.188
2023	0.379	0.004	0.383	0.571	0.751	0.463	2.168
2024	0.367	0.004	0.371	0.616	0.770	0.407	2.164

FAIRFIELD TOWNSHIP

Year Ended December 31,	School District of West Essex Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Township of Fairfield	Local School District	Essex County	
2015	$ 0.518	$ 0.037	$ 0.554	$ 0.500	$ 0.406	$ 0.520	$ 1.980
2016	0.579	0.037	0.616	0.570	0.419	0.590	2.195
2017	0.575	0.035	0.609	0.560	0.437	0.580	2.186
2018	0.587	0.033	0.620	0.561	0.444	0.560	2.185
2019	0.639	0.034	0.673	0.557	0.449	0.590	2.269
2020	0.535	0.027	0.562	0.496	0.374	0.501	1.933
2021	0.571	0.030	0.601	0.495	0.381	0.550	2.027
2022	0.564	0.028	0.592	0.520	0.387	0.504	2.003
2023	0.594	0.007	0.601	0.539	0.403	0.510	2.053
2024	0.596	0.007	0.603	0.559	0.483	0.491	2.136

WEST ESSEX REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate per $100 of Assessed Value)

NORTH CALDWELL BOROUGH

Year Ended December 31,	School District of West Essex Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Borough of North Caldwell	Local School District	Essex County	
2015	$ 0.474	$ 0.034	$ 0.507	$ 0.384	$ 0.785	$ 0.553	$ 2.229
2016	0.478	0.031	0.508	0.380	0.789	0.570	2.247
2017	0.497	0.030	0.527	0.390	0.810	0.570	2.297
2018	0.540	0.031	0.571	0.391	0.827	0.569	2.358
2019	0.533	0.029	0.562	0.398	0.838	0.545	2.343
2020	0.540	0.027	0.567	0.413	0.847	0.548	2.375
2021	0.535	0.028	0.563	0.442	0.851	0.537	2.393
2022	0.506	0.026	0.532	0.409	0.765	0.473	2.179
2023	0.536	0.006	0.542	0.409	0.775	0.490	2.216
2024	0.569	0.006	0.575	0.420	0.793	0.470	2.258

ROSELAND BOROUGH

Year Ended December 31,	School District of West Essex Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Borough of Roseland	Local School District	Essex County	
2015	$ 0.540	$ 0.038	$ 0.578	$ 0.564	$ 0.461	$ 0.563	$ 2.166
2016	0.507	0.032	0.539	0.620	0.496	0.560	2.215
2017	0.542	0.033	0.574	0.640	0.480	0.560	2.254
2018	0.541	0.031	0.572	0.647	0.520	0.514	2.253
2019	0.538	0.029	0.567	0.650	0.531	0.526	2.274
2020	0.542	0.033	0.575	0.655	0.550	0.515	2.295
2021	0.538	0.028	0.566	0.661	0.568	0.508	2.303
2022	0.541	0.027	0.568	0.671	0.577	0.519	2.335
2023	0.551	0.006	0.557	0.680	0.591	0.487	2.315
2024	0.429	0.005	0.434	0.544	0.477	0.350	1.805

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b Rates for debt service are based on each year's requirements.

Source: Municipal Tax Collector and School Business Administrator

WEST ESSEX REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

ESSEX FELLS BOROUGH

	2024		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

INFORMATION NOT AVAILABLE

	2015		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Essex Fells Country Club	$ 16,075,800	1	2.13%
Individual Taxpayer #1	4,511,100	2	0.60%
Individual Taxpayer #2	3,569,200	3	0.47%
Individual Taxpayer #3	3,441,900	4	0.46%
Individual Taxpayer #4	3,272,200	5	0.43%
Individual Taxpayer #5	3,234,800	6	0.43%
Individual Taxpayer #6	3,198,500	7	0.42%
Individual Taxpayer #7	2,927,500	8	0.39%
Individual Taxpayer #8	2,916,200	9	0.39%
Individual Taxpayer #9	2,909,800	10	0.39%
	$ 46,057,000		6.12%

Source: Municipal Tax Assessor

WEST ESSEX REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

FAIRFIELD TOWNSHIP

	2024		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Colfin Industrial LLC	$ 84,041,200	1	2.61%
Breit Industrial Fair Prop LLC	51,381,700	2	1.60%
KSIP I Fairfield LLC	43,544,700	3	1.35%
LMAN LNT LLC	34,417,500	4	1.07%
Marshall Field/Target Corp.	26,295,800	5	0.82%
GRE Greenbrook Property LLC	26,245,300	6	0.82%
180 Passaic A&B Fairfield NJ LLC	21,784,900	7	0.68%
Skyline Properties LLC	21,554,600	8	0.67%
Fairfield Route 46 LLC	21,468,700	9	0.67%
Kyocera Mita America, Inc.	20,578,700	10	0.64%
	$ 351,313,100		10.92%

	2015		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

INFORMATION NOT AVAILABLE

Source: Municipal Tax Assessor

WEST ESSEX REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

NORTH CALDWELL BOROUGH

Taxpayer	2024 Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Greenbrook Country Club	$ 8,501,600	1	0.45%
Individual Taxpayer #1	3,041,200	2	0.16%
Individual Taxpayer #2	2,868,500	3	0.15%
Heller Property Partners, LP	2,695,000	4	0.14%
LA Serra Farms LLC	2,620,000	5	0.14%
Individual Taxpayer #3	2,571,400	6	0.13%
Eddie 1 LLC	2,481,400	7	0.13%
Individual Taxpayer #4	2,474,800	8	0.13%
Individual Taxpayer #5	2,422,200	9	0.13%
Individual Taxpayer #6	2,366,300	10	0.12%
	$ 32,042,400		1.68%

Taxpayer	2015 Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Greenbrook Country Club	$ 12,000,000	1	0.76%
K. Hovnanian at Hilltop	8,503,100	2	0.54%
Hidden Ridge at North Caldwell	3,425,400	3	0.22%
Individual Taxpayer #1	3,225,000	4	0.20%
Individual Taxpayer #2	2,824,800	5	0.18%
Individual Taxpayer #3	2,563,000	6	0.16%
Heller Property Partners, LP	2,500,000	7	0.16%
Individual Taxpayer #5	2,470,900	8	0.16%
5 Crossing, LLC	2,458,300	9	0.16%
PSEG Services Corps	2,320,000	10	0.15%
	$ 42,290,500		2.67%

Note: Individual taxpayers in 2024 and 2015 may be different.

Source: Municipal Tax Assessor

WEST ESSEX REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

ROSELAND BOROUGH

	2024		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Roseland Residences Owner, LLC	$ 108,000,000	1	5.13%
Prudential Drive Investors, LLC	88,810,000	2	4.22%
Avalon Roseland LLC	54,623,500	3	2.59%
56 Livingston Owner	47,157,500	4	2.24%
ADP, Inc.	45,000,000	5	2.14%
Becker Equities, LLC	31,051,700	6	1.47%
Eisenhower 101 FO, LLC	29,480,000	7	1.40%
Eisenhower 105 FO, LLC	28,390,000	8	1.35%
Roseland Commerce Park, Inc.	26,210,000	9	1.24%
Essex County Park Commission	25,247,700	10	1.20%
	$ 483,970,400		22.98%

	2015		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Prudential Financial, Inc. – 80 Livingston Ave	$ 67,100,400	1	3.98%
ADP Incorporated	61,626,400	2	3.65%
56 Livingston Owner	57,127,200	3	3.39%
Segal Development	53,906,200	4	3.20%
Purdential Financial, Inc. - 55 Livingston	48,850,000	5	2.90%
Mack-Cali Realty Corp - 4 Beckham	38,406,100	6	2.28%
Mack-Cali Realty Corp - 101 Eisenhower	31,189,200	7	1.85%
Mack-Cali Realty Corp - 105 Eisenhower	28,952,000	8	1.72%
Mack-Cali Realty Corp - 103 Eisenhower	20,535,800	9	1.22%
Mack-Cali Realty Corp - 85 Livingston	15,811,100	10	0.94%
Total	$ 423,504,400		25.11%

Source: Municipal Tax Assessor

WEST ESSEX REGIONAL SCHOOL DISTRICT
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 [a]		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	$ 35,752,595	$ 35,752,595	100.00%	$ -0-
2017	36,435,146	36,435,146	100.00%	-0-
2018	37,350,461	37,350,461	100.00%	-0-
2019	38,337,735	37,611,722	98.11%	726,013
2020	39,349,582	38,373,880	97.52%	975,702
2021	40,028,428	38,530,904	96.26%	1,497,524
2022	40,892,168	38,547,783	94.27%	2,344,385
2023	41,635,870	40,594,400	97.50%	1,041,470
2024	41,285,270	38,611,611	93.52%	2,673,659
2025	42,597,614	40,768,722	95.71%	1,828,892

Source: West Essex Regional School District records including the Certificate and Report of School Taxes (A4F form)

a. School taxes are collected by the respective Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

WEST ESSEX REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities				
	General Obligation Bonds	Financed Purchases	Financed Purchases	Total District	Percentage of Personal Income [a]	Per Capita [a]
2016	$ 15,287,000	$ 584,079	$ -0-	$ 15,871,079	1.26%	$ 718
2017	13,460,000	391,845	-0-	13,851,845	0.91%	627
2018	11,735,000	463,379	-0-	12,198,379	0.93%	552
2019	10,010,000	162,412	-0-	10,172,412	0.73%	460
2020	8,270,000	335,992	-0-	8,605,992	0.58%	391
2021	6,515,000	140,994	-0-	6,655,994	0.39%	292
2022	4,705,000	-0-	-0-	4,705,000	0.27%	208
2023	2,855,000	34,619	-0-	2,889,619	0.16%	125
2024	2,480,000	23,691	-0-	2,503,691	0.13%	167
2025	2,090,000	47,701	-0-	2,137,701	0.11%	143

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

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

Source: School District Financial Reports

WEST ESSEX REGIONAL SCHOOL DISTRICT
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 of Property [a]	Per Capita [b]
2016	$ 15,287,000	$ -0-	$ 15,287,000	0.23%	$ 692
2017	13,460,000	-0-	13,460,000	0.20%	$ 609
2018	11,735,000	-0-	11,735,000	0.18%	$ 532
2019	10,010,000	-0-	10,010,000	0.15%	$ 453
2020	8,270,000	-0-	8,270,000	0.12%	$ 375
2021	6,515,000	-0-	6,515,000	0.09%	$ 290
2022	4,705,000	-0-	4,705,000	0.06%	$ 207
2023	2,855,000	-0-	2,855,000	0.04%	$ 125
2024	2,480,000	-0-	2,480,000	0.03%	$ 106
2025	2,090,000	-0-	2,090,000	0.03%	$ 89

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

a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Source: School District Financial Reports

WEST ESSEX REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2024
UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes:			
Borough of Essex Fells	$ 5,100,549	100.000%	$ 5,100,549
Township of Fairfield	21,089,732	100.000%	21,089,732
Borough of North Caldwell	16,837,500	100.000%	16,837,500
Borough of Roseland	23,115,253	100.000%	23,115,253
Essex County General Obligation Debt:			
Borough of Essex Fells	620,640,683	0.659%	4,087,650
Township of Fairfield	620,640,683	3.354%	20,814,596
Borough of North Caldwell	620,640,683	1.896%	11,770,301
Borough of Roseland	620,640,683	1.588%	9,857,019
Subtotal, Overlapping Debt			112,672,600
West Essex Regional School District Direct Debt			2,090,000
Total Direct and Overlapping Debt			$ 114,762,600

Sources: Assessed value data used to estimate applicable percentages provided by the Essex County Board of Taxation; debt outstanding data provided by each governmental unit.

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

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

WEST ESSEX REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2025

	Borough of Essex Fells	Township of Fairfield	Borough of North Caldwell	Borough of Roseland	Total
Equalized valuation basis					
2024	$ 928,995,098	$4,041,014,316	$2,487,569,361	$2,147,576,589	$ 9,605,155,364
2023	806,530,708	4,073,199,516	2,330,556,113	1,945,111,935	9,155,398,272
2022	814,155,909	3,791,394,080	2,159,840,123	1,864,419,851	8,629,809,963
					$27,390,363,599
Average Equalized Valuation of Taxable Property					$ 9,130,121,200
Debt Limit (4% of average equalization value)					$ 365,204,848
Net Bonded School Debt					2,090,000
Legal Debt Margin					$ 363,114,848

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	$ 273,224,294	$ 278,386,714	$ 285,379,478	$ 290,522,752	$ 295,819,574	$ 303,826,332	$ 309,933,997	$ 317,731,106	$ 345,014,702	$ 365,204,848
Total Net Debt Applicable to Limit	17,007,000	15,287,000	13,460,000	11,735,000	10,010,000	8,270,000	6,515,000	4,705,000	2,480,000	2,090,000
Legal Debt Margin	$ 256,217,294	$ 263,099,714	$ 271,919,478	$ 278,787,752	$ 285,809,574	$ 295,556,332	$ 303,418,997	$ 313,026,106	$ 342,534,702	$ 363,114,848
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	6.22%	5.49%	4.72%	4.04%	3.38%	2.72%	2.10%	1.48%	0.72%	0.57%

a Limit set by NJSA 18A:24-19 for Grades 7 through 12 district; other % limits would be applicable for other districts

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

WEST ESSEX REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population [a]	Borough of Essex Fells Income Personal Income [b]	Essex County Per Capita Personal Income [c]	Unemployment Rate [d]
2016	2,110	$ 120,751,080	$ 57,228	2.90%
2017	2,103	123,460,821	58,707	3.10%
2018	2,095	124,279,590	59,322	2.60%
2019	2,097	132,272,469	63,077	2.30%
2020	2,071	139,649,601	67,431	6.40%
2021	2,182	163,025,948	74,714	3.60%
2022	2,168	165,825,984	76,488	2.50%
2023	2,138	172,023,480	80,460	3.10%
2024	2,220	178,621,200 ***	80,460 *	3.70%
2025	2,220 **	178,621,200 ***	80,460 *	N/A

Year	Population [a]	Township of Fairfield Income Personal Income [b]	Essex County Per Capita Personal Income [c]	Unemployment Rate [d]
2016	7,503	$ 429,381,684	$ 57,228	4.30%
2017	7,502	440,419,914	58,707	4.40%
2018	7,504	445,152,288	59,322	4.20%
2019	7,502	473,203,654	63,077	3.30%
2020	7,459	502,967,829	67,431	11.00%
2021	7,818	584,114,052	74,714	6.20%
2022	7,761	593,623,368	76,488	3.5%
2023	7,941	638,932,860	80,460	4.8%
2024	8,204	660,093,840 ***	80,460 *	4.80%
2025	8,204 **	660,093,840 ***	80,460 *	N/A

WEST ESSEX REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population [a]	Borough of North Caldwell Income Personal Income [b]	Essex County Per Capita Personal Income [c]	Unemployment Rate [d]
2016	6,632	$ 379,536,096	$ 57,228	2.70%
2017	6,634	389,462,238	58,707	2.70%
2018	6,625	393,008,250	59,322	2.20%
2019	6,649	419,398,973	63,077	2.00%
2020	6,641	447,809,271	67,431	6.00%
2021	6,625	494,980,250	74,714	3.70%
2022	6,581	503,367,528	76,488	2.60%
2023	6,574	528,944,040	80,460	3.00%
2024	6,769	544,633,740 ***	80,460 *	3.30%
2025	6,769 **	544,633,740 ***	80,460 *	N/A

WEST ESSEX REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population [a]	Borough of Roseland Income Personal Income [b]	Essex County Per Capita Personal Income [c]	Unemployment Rate [d]
2016	5,853	$ 334,955,484	$ 57,228	4.00%
2017	5,855	343,729,485	58,707	3.70%
2018	5,857	347,448,954	59,322	3.10%
2019	5,860	369,631,220	63,077	2.80%
2020	5,822	392,583,282	67,431	8.90%
2021	6,219	464,646,366	74,714	5.00%
2022	6,173	472,160,424	76,488	2.70%
2023	6,168	496,277,280	80,460	3.60%
2024	6,370	512,530,200 ***	80,460 *	3.50%
2025	6,370 **	512,530,200 ***	80,460 *	N/A

* - Latest Essex County per capita personal income available (2023) was used for calculation purposes.

** - Latest population data available (2024) was used for calculation purposes.

*** - Latest available population data (2024) and latest available Essex County per capita personal income (2023) was used for calculation purposes.

N/A - Information not available

Sources:

[a] Population information provided by the NJ Dept of Labor and Workforce Development

[b] Personal income has been estimated based upon the municipal population and per capita personal income presented

[c] Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

[d] Unemployment data provided by the NJ Dept of Labor and Workforce Development

WEST ESSEX REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS, COUNTY OF ESSEX
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2024		
Employer	Employees	Rank	Percentage of Total Employment
Prudential Ins. Co. of America	38,196	1	9.51%
Rutgers University - Newark Campus	23,980	2	5.97%
Verizon	15,000	3	3.73%
PSE&G	12,500	4	3.11%
St. Barnabas Health Care System	11,264	5	2.80%
New Jersey Transit	11,500	6	2.86%
City of Newark	10,001	7	2.49%
Montclair State University	7,900	8	1.97%
Newark Board of Education	7,050	9	1.76%
Gateway Group One	6,250	10	1.56%
	143,641		35.76%
Total Employment	401,693		

	2015		
Employer	Employees	Rank	Percentage of Total Employment
St. Barnabas Health Care System	23,000	1	6.48%
Verizon	17,100	2	4.82%
Prudential Ins. Co. of America	16,850	3	4.75%
Rutgers University-Newark Campus	15,500	4	4.37%
Continental Airlines	11,000	5	3.10%
Newark Board of Education	7,050	6	1.99%
Automatic Data Processing	5,649	7	1.59%
New Jersey Transit	4,000	8	1.13%
City of Newark	4,000	9	1.13%
Essex County	3,500	10	0.99%
Total	107,649		30.35%
Total Employment	354,679		

Source: Essex County Economic Development Corporation

WEST ESSEX REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction	146	147	155	159	157	155	157	162	162	162
Support Services:										
Student & Instruction related services	36	36	40	45	52	57	56	57	57	57
General Administrative	2	2	2	2	2	2	2	2	2	2
School Administrative Services	9	9	9	13	15	15	15	15	15	15
Central and Other Support Services	8	8	8	8	7	6	7	7	7	7
Plant Operations and Maintenance	27	28	28	30	29	28	28	28	28	28
Total	228	230	242	257	262	263	265	271	271	271

Source: School District Personnel Records

WEST ESSEX REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year End June 30,	Enrollment	Operating Expenditures [a]	Cost Per Pupil [d]	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio Junior High School	Pupil/Teacher Ratio Senior High School	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	1,721	$ 36,986,377	$ 21,491	-2.47%	146	1:12	1:12	1,711	1,639	3.95%	95.79%
2017	1,739	38,260,122	22,001	2.37%	147	1:10	1:11	1,700	1,619	-0.64%	95.24%
2018	1,694	40,070,539	23,654	7.51%	155	1:10	1:11	1,662	1,586	-2.24%	95.43%
2019	1,721	42,618,643	24,764	4.69%	159	1:11	1:11	1,718	1,677	3.37%	97.61%
2020	1,711	43,177,677	25,235	1.90%	157	1:10	1:11	1,655	1,608	-3.67%	97.16%
2021	1,644	43,906,839	26,707	5.83%	155	1:10	1:11	1,625	1,586	-1.81%	97.60%
2022	1,613	49,457,250	30,662	14.81%	157	1:10	1:11	1,598	1,509	-1.66%	94.43%
2023	1,638	50,866,682	31,054	1.28%	162	1:10	1:11	1,635	1,579	2.32%	96.57%
2024	1,672	54,118,325	32,367	4.23%	162	1:12	1:10	1,667	1,592	1.96%	95.50%
2025	1,611	56,178,371	34,872	7.74%	162	1:12	1:10	1,611	1,561	-3.36%	96.90%

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.
b Teaching staff includes only full-time equivalents of certificated staff.
c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
d The Cost Per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This Cost Per Pupil may be different from other Cost Per Pupil calculations.

Source: School District records

WEST ESSEX REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

District Building	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Middle School										
Square Feet	175,500	175,500	175,500	175,500	175,500	175,500	175,500	175,500	175,500	175,500
Capacity (students) - *	721:892	721:892	721:892	721:892	721:892	721:892	721:892	721:892	721:892	721:892
Enrollment	497	571	555	562	567	564	551	599	622	556
High School										
Square Feet	232,931	232,931	232,931	232,931	232,931	232,931	232,931	232,931	232,931	232,931
Capacity (students) - *	873; 1,234	873; 1,234	873; 1,234	873; 1,234	873; 1,234	873; 1,234	873; 1,234	873; 1,234	873; 1,234	873; 1,234
Enrollment	1,190	1,128	1,107	1,129	1,079	1,080	1,062	1,039	1,050	1,055

Number of Schools at June 30, 2025
Middle School = 1
High School = 1

* The first student capacity number reflects the FES (Facility Efficiency Standards) capacity while the the second student capacity number reflects the District Practices as per the Long Range Facility Plan.

Note: Enrollment is based on the annual October district count.

Source: West Essex Regional School District Facilities Office

WEST ESSEX REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
School Facilities										
Senior High School	$ 597,034	$ 561,488	$ 552,773	$ 594,946	$ 616,193	$ 482,161	$ 839,499	$ 666,738	$ 825,638	$ 791,112
Junior High School	298,423	412,962	421,853	487,988	507,122	635,571	411,954	592,292	356,358	438,551
Total	$ 895,457	$ 974,450	$ 974,626	$1,082,934	$1,123,315	$1,117,732	$1,251,453	$1,259,030	$1,181,996	$1,229,663

Source: School District's Financial Statements

WEST ESSEX REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED

	Coverage	Deductible
Commercial Package Policy - School Alliance Insurance Fund:		
PROPERTY SECTION:		
Blanket Building and Contents (fund limit)	$ 500,000,000	
Member Retention per Occurrence		$ 100,000
Sch Excess Liability Fund SIR per Occurrence		100,000
Accounts Receivable	2,500,000	2,500
Automobile Physical Damage	In Blanket Limit	1,000
Builders Risk (New Construction)	25,000,000	2,500
Electronic Data Processing Equipment	In Blanket Limit	2,500
LIABILITY SECTION:		
Comprehensive General Liability and Automobile Liability		
Per Occurrence	5,000,000	1,000
Fund Annual Aggregate	100,000	2,500
Underlying Insurance Limit	100,000	1,000
EXCESS LIABILITY:		
Excludes School Board Legal Liability	15,000,000	
CRIME:		
Blanket Employee Dishonesty	500,000	1,000
Computer Fraud	50,000	1,000
Forgery	50,000	1,000
Theft/Disappearance/Destruction:		
Inside	50,000	1,000
Outside	50,000	1,000
NJUEP Excess:		
Max/Occurrence	30,000	
Max Available Other Aggregate	30,000	
Max Products/Completed Ops Aggregate	30,000	
Crisis Fund	25,000	
IEP Hearing Limit of Liability	100,000	100,000
School Leaders Professional Liability Employment Practices Liability:		
Claim Limit of Liability	5,000,000	5,000
3rd Party Event Sublimit of Liability	5,000,000	5,000
Member Sublimit of Liability	5,000,000	

WEST ESSEX REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED

	Coverage	Deductible
Commercial Package Policy - School Alliance Insurance Fund:		
Excess School Leaders Professional Liability:		
Loss	$ 15,000	$ 5,000
Policy Year Annual Aggregate	15,000	
Boiler & Machinery	100,000,000	
Cyber Liability	2,000,000	100,000
Sexual Abuse & Molestation		
Occurrence/Member Aggregate	10,000,000	
Fund Aggregate	30,000,000	
Underlying Insurance Limit	100,000	
Medical Expense Benefits	150,000	
Student Accident Insurance	5,000,000	
Morris Essex Insurance Group:		
WORKERS' COMPENSATION:		
(a) Statutory Benefits	Included	
(a) Employer's Liability	5,000,000	
Supplemental Coverage (optional)	Included	
Selective Insurance Company:		
Public Employees' Faithful Performance Blanket Position Bond -		
School Business Administrator/Board Secretary	300,000	
Treasurer	300,000	

Source: School District records.

SINGLE AUDIT SECTION

NISIVOCCIA
ASSURANCE · TAX · ADVISORY

Mount Arlington, NJ
Newton, NJ
Bridgewater, NJ

973.298.8500
nisivoccia.com

Independent Member
BKR International

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 Auditors' Report

The Honorable President and Members
of the Board of Education
West Essex Regional School District
County of Essex, 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 the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, and each major fund of the Board of Education of the West Essex Regional School District, in the County of Essex (the "District") as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 21, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 the 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Nisivoccia LLP
NISIVOCCIA LLP

November 21, 2025
Mount Arlington, New Jersey

Man C Lee
Man C. Lee
Licensed Public School Accountant #2527
Certified Public Accountant

NISIVOCCIA
ASSURANCE · TAX · ADVISORY

Mount Arlington, NJ
Newton, NJ
Bridgewater, NJ

973.298.8500
nisivoccia.com

Independent Member
BKR International

Report on Compliance For Each Major State Program;
Report on Internal Control Over Compliance Required by NJOMB 15-08
Independent Auditors' Report

The Honorable President and Members
of the Board of Education
West Essex Regional School District
County of Essex, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the West Essex Regional School District's (the "District's") compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2025. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major State Program

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' 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 District'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 GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District'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 District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District'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 a 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 the Uniform Guidance or New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Nisivoccia LLP
NISIVOCCIA LLP

November 21, 2025
Mount Arlington, New Jersey

Man C Lee
Man C. Lee
Licensed Public School Accountant #2527
Certified Public Accountant

WEST ESSEX REGIONAL SCHOOL DISTRICT
SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass Through Grantor/Program/Cluster Title	Assistance Listing Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2024 Budgetary (Accounts Receivable)	Balance at June 30, 2024 Due to Grantor	Cash Received	Budgetary Expenditures	Adjustments	Prior Year Encumbrances Canceled	Balance at June 30, 2025 Budgetary (Accounts Receivable)	Balance at June 30, 2025 Unearned Revenue	Amounts Paid to Subrecipients
U.S. Department of Education:													
Passed-through State Department of Education:													
Special Revenue Fund:													
Elementary and Secondary Education Act:													
Title I	84.010	ESEA563025	7/1/24-9/30/25	$ 69,781			$ 40,747	$ (53,523)			$ (12,776)		
Title I	84.010	ESEA563024	7/1/23-9/30/24	88,451	$ (35,334)		31,651		$ 3,683				
Total Title I					(35,334)		72,398	(53,523)	3,683		(12,776)		
Title IIA	84.367	ESEA563025	7/1/24-9/30/25	49,880			14,394	(13,819)				$ 575	
Title IIA	84.367	ESEA563024	7/1/23-9/30/24	24,335	(9,732)		8,717			$ 1,015			
Total Title II					(9,732)		23,111	(13,819)		1,015		575	
Special Education Cluster (I.D.E.A.):													
I.D.E.A. Part B, Basic	84.027	IDEA563025	7/1/24-9/30/25	349,689			212,232	(349,689)			(137,457)		
I.D.E.A. Part B, Basic	84.027	IDEA563024	7/1/23-9/30/24	350,060	(72,678)		72,678						
Total Special Education Cluster (I.D.E.A.)					(72,678)		284,910	(349,689)			(137,457)		
Education Stabilization Fund:													
COVID 19 - ARP:													
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	319,497	(79,214)		79,214						
Accelerated Learning	84.425U	S425U210027	3/13/20-9/30/24	126,308	(105,229)		105,229						
Summer Learning	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)		40,000						
Beyond School Day	84.425U	S425D210027	3/13/20-9/30/24	40,000	(40,000)		40,000						
Mental Health	84.425U	S425D210027	3/13/20-9/30/24	45,000	(45,000)		45,000						
Total Education Stabilization Fund					(309,443)		309,443						
Total U.S. Department of Education					(427,187)		689,862	(417,031)	3,683	1,015	(150,233)	575	
Total Federal Awards					$ (427,187)	$ -0-	$ 689,862	$ (417,031)	$ 3,683	$ 1,015	$ (150,233)	$ 575	$ -0-

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

WEST ESSEX REGIONAL SCHOOL DISTRICT
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024 Budgetary Accounts Receivable	Cash Received	Budgetary Expenditures	Balance at June 30, 2025 GAAP Accounts Receivable	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
State Department of Education:									
General Fund State Aid:									
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	$ 887,876		$ 802,564	$ (887,876)		$ (85,312)	$ 887,876
Special Education Aid	25-495-034-5120-089	7/1/24-6/30/25	1,999,840		1,807,685	(1,999,840)		(192,155)	1,999,840
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	169,492		153,206	(169,492)		(16,286)	169,492
Extraordinary Special Education Costs Aid	25-495-034-5120-044	7/1/24-6/30/25	687,767			(687,767)	$ (687,767)	(687,767)	687,767
Excess Nonpublic Transportation Costs	25-495-034-5120-014	7/1/24-6/30/25	90,131			(90,131)	(90,131)	(90,131)	90,131
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	7/1/24-6/30/25	1,244,716		1,183,184	(1,244,716)	(61,532)	(61,532)	1,244,716
On-Behalf TPAF Post Retirement Contributions	25-495-034-5094-001	7/1/24-6/30/25	1,779,613		1,779,613	(1,779,613)			1,779,613
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24-6/30/25	6,015,856		6,015,856	(6,015,856)			6,015,856
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24-6/30/25	74,520		74,520	(74,520)			74,520
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	2,764		2,764	(2,764)			2,764
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	667,435	$ (64,321)	64,321				667,435
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	1,847,784	(178,071)	178,071				1,847,784
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	154,621	(14,901)	14,901				154,621
Extraordinary Special Education Costs Aid	24-495-034-5120-044	7/1/23-6/30/24	827,472	(827,472)	827,472				827,472
Excess Nonpublic Transportation Costs	24-495-034-5120-014	7/1/23-6/30/24	75,075	(75,075)	75,075				75,075
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24	1,250,044	(60,254)	60,254				1,250,044
Subtotal - General Fund				(1,220,094)	13,039,486	(12,952,575)	(839,430)	(1,133,183)	17,775,006
Total State Department of Education				(1,220,094)	13,039,486	(12,952,575)	(839,430)	(1,133,183)	17,775,006
Total State Awards Subject to Single Audit Determination				$ (1,220,094)	$ 13,039,486	$(12,952,575)	$ (839,430)	$ (1,133,183)	$ 17,775,006
Less: State Awards Not Subject to Single Audit Major Program Determination									
On-Behalf TPAF Pension System Contributions:									
On-Behalf TPAF Post Retirement Contributions	25-495-034-5094-001	7/1/24-6/30/25	(1,779,613)			$ 1,779,613			
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24-6/30/25	(6,015,856)			6,015,856			
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24-6/30/25	(74,520)			74,520			
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	(2,764)			2,764			
Subtotal - On-Behalf TPAF Pension System Contributions						7,872,753			
Total State Awards Subject to Single Audit Major Program Determination						$ (5,079,822)			

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

WEST ESSEX REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, West Essex Regional School District under programs of the federal and state governments for the fiscal year ended June 30, 2025. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic 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 the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes these payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two 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 revenue, whereas the GAAP basis does not.

WEST ESSEX REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is ($36,460) for the general fund and $-0- for the special revenue fund. See Note 1D 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 revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	Federal	State	Total
General Fund		$ 12,916,115	$ 12,916,115
Special Revenue Fund	$ 417,031		417,031
Total Awards	$ 417,031	$ 12,916,115	$ 13,333,146

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2025.

WEST ESSEX REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.			Unmodified	
Internal control over financial reporting:				
1.) Material weakness identified?		Yes	X	No
2.) Significant deficiencies identified?		Yes	X	None reported
Noncompliance material to basic financial statements noted?		Yes	X	No

Federal Awards

The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2025 as federal grant expenditures were less than the single audit threshold of $750,000 identified in the Uniform Guidance.

State Awards

Type of auditor's report issued on compliance for major programs:			Unmodified	
Internal control over major programs:				
1.) Material weakness identified?		Yes	X	No
2.) Significant deficiencies identified?		Yes	X	None reported
Noncompliance material to basic financial statements noted?		Yes	X	No
Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?		Yes	X	No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period Start	Grant Period End	Award Amount	Budgetary Expenditures
Reimbursed TPAF Social Security Contributions	25-495-034-5095-003	7/1/24	6/30/25	$ 1,244,716	$ 1,244,716
Extraordinary Special Education Costs Aid	25-495-034-5120-044	7/1/24	6/30/25	687,767	687,767
Transportation Aid	25-495-034-5120-014	7/1/24	6/30/25	887,876	887,876
Excess Nonpublic Transportation Costs	25-495-034-5120-014	7/1/24	6/30/25	90,131	90,131

WEST ESSEX REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Section I - Summary of Auditors' Results (Cont'd)

Dollar threshold used to distinguish between Type A and B programs			$ 750,000	
Auditee qualified as low-risk auditee?	_____	Yes	X	No

Section II - Financial Statement Findings - N/A

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs - N/A

WEST ESSEX REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Audit Report, dated November 22, 2024 for the period ended June 30, 2025, issued by Nisivoccia LLP:

Finding 2024-001: N.J. Department of Education – Extraordinary Special Education Costs Aid – Eligibility, Types of Services Allowed or Unallowed and Significant Deficiency. Compliance requirement: As per state regulations, (1) the student's IEP must indicate the intensive service(s) which will be provided to the student in order to claim those costs in the Extraordinary Aid application; and (2) the District must maintain work papers and supporting cost documentation.

Condition and Context:

During our review of the District's Extraordinary Aid (ExAid) application, we noted that the IEP for 4 out of 5 students selected for testing did not include the intensive service(s) claimed on the Extraordinary Aid application nor did the student receive any intensive service(s).

Status:

The prior year finding 2024-001 regarding the eligibility of students reported on the Extraordinary Aid application has been resolved in the current year.