

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Little Falls, New Jersey

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

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

Little Falls, New Jersey

For The Fiscal Year Ended June 30, 2024

Prepared by

Business Office

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BOARD OF EDUCATION
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INTRODUCTORY SECTION

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

January 7, 2025

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

Dear Board Members:

The comprehensive annual financial report of the Passaic Valley Regional High School District for the fiscal year ending June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation and disclosures rests with the management of the Board of Education of the Passaic Valley Regional High School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

- The Introductory Section includes this transmittal letter, the District's organizational chart, list of professional advisors and a list of principal officials.
- The Financial Section includes the basic financial statements and schedules, required supplementary information, management's discussion and analysis as well as the auditor's report thereon.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section includes the Auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations. The District is required to undergo an annual single audit in conformity with the provisions of U.S. Uniform Guidance and New Jersey State Office of Management and Budget Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings, recommendations are included in the single audit section of this report

1. REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels 9 through 12. These include regular, technical, as well as special education. The District completed the 2023-2024 fiscal year with an enrollment of 1,059 students. The following details the changes in the student enrollment of the district over the last ten years:

Enrollment

Fiscal Year

2014-2015	1,345	
2015-2016	1,338	-0.01%
2016-2017	1,294	-0.04%
2017-2018	1,276	-0.02%
2018-2019	1,171	-0.09%
2019-2020	1,111	-0.06%
2020-2021	1,037	-0.08%
2021-2022	1,009	-0.03%
2022-2023	1,030	0.02%
2023-2024	1,059	0.02%

2. ECONOMIC CONDITION AND OUTLOOK:

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

3. MAJOR INITIATIVES:

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

The graduating class of 2024 reported the following post-graduate plans:
Class of 2024

4 Year College	64%
2 Year College	12%
Tech Schools	12%
Employment	5%
Military	1%
Other	6%

SAT/ACT Scores

SAT Scores

ERW	527
MATH	521

Mean Score Distribution

Act Scores

Reading	22
English	23
Math	23
Science	23
STEM	24

Mean Score Distribution

4. INTERNAL ACCOUNTING CONTROLS:

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

and

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

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriate budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance on June 30, 2024.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. DEBT ADMINISTRATION:

At June 30, 2024, the District had \$621,000.00 in outstanding bonds payable. Additional information regarding the District's debt is contained in the "Notes to the Financial Statements", Note 3.

8. FINANCIAL INFORMATION AT FISCAL YEAR-END:

The Board developed its 2023-2024 budgets under the State's funding formula. An analysis of the expenditures in the financial section of this report will show that the Board was prudent in presenting the community with an accurate picture of educational needs.

9. CASH MANAGEMENT:

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

10. RISK MANAGEMENT:

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

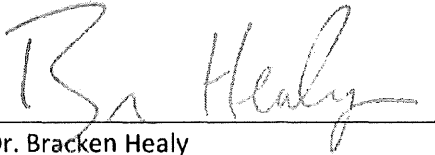
11. OTHER INFORMATION:

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

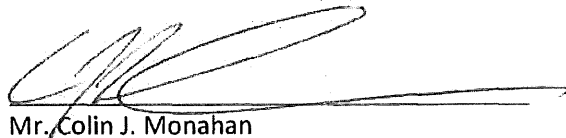
12. **ACKNOWLEDGMENTS:**

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

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Bracken Healy", written over a horizontal line.

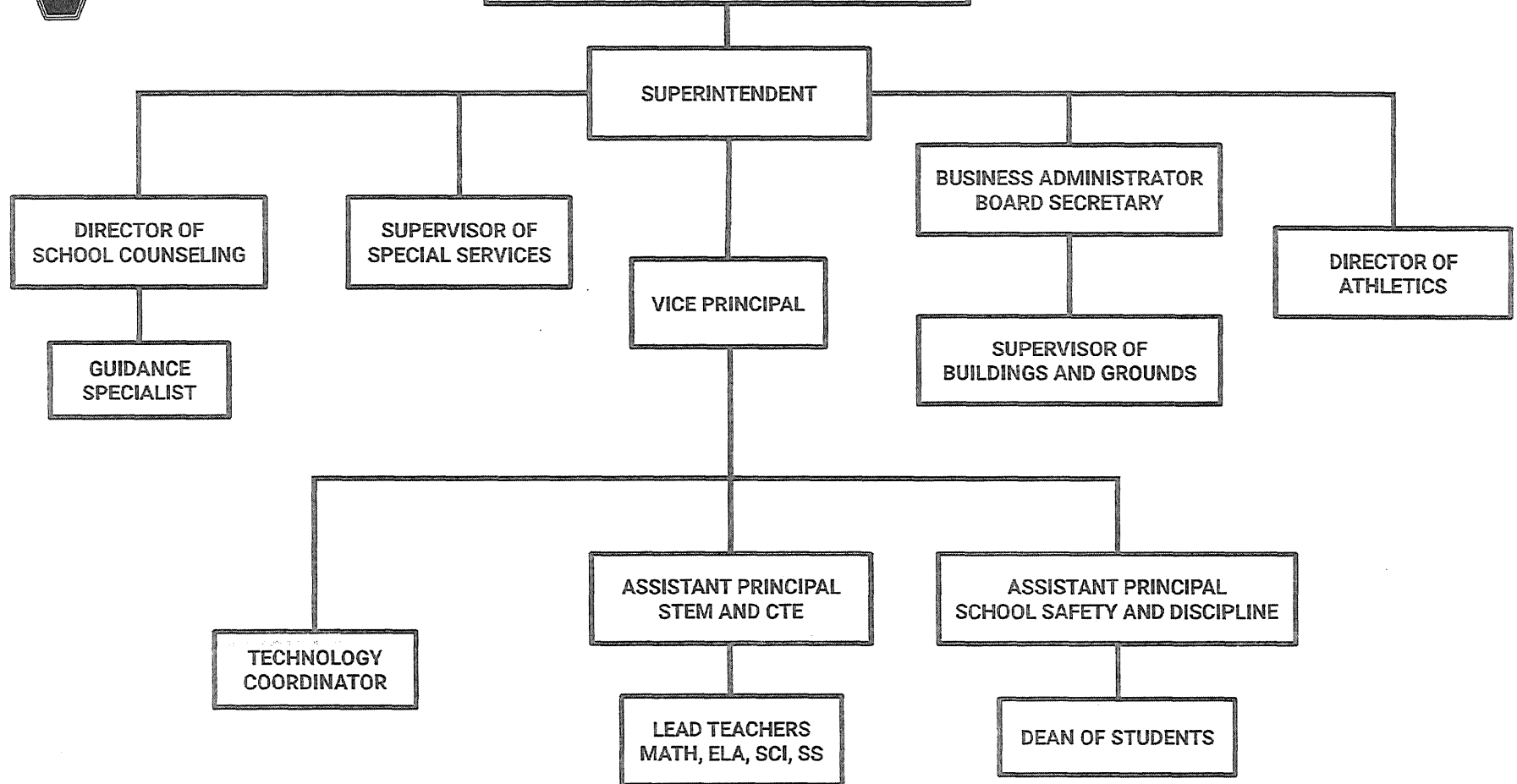
Dr. Bracken Healy
Superintendent of Schools

A handwritten signature in dark ink, appearing to read "Colin J. Monahan", written over a horizontal line.

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



BOARD OF EDUCATION



PASSAIC VALLEY REGIONAL HIGH SCHOOL LITTLE FALLS, NEW JERSEY 07424

ROSTER OF OFFICIALS June 30, 2024

Members of the Board of Education

Term Expires

Ms. Lori Brigati - President	12/31/2026
Mr. Lou DeLuca - Vice President	12/31/2025
Mr. Daniel Casasnovas	12/31/2025
Dr. Charles Cathcart	12/31/2026
Mr. Raymond Luke Damaino	12/31/2024
Mr. Giovanni D'Ambrosio	12/31/2026
Mr. Peter D'Angelo	12/31/2025
Mr. Fredrick DeMarco	12/31/2024
Dr. Vincent Varcadipane	12/31/2024

Other Officials

Dr. Bracken Healy - Superintendent of Schools

Mr. Colin Monahan - Business Administrator/Board Secretary

Mr. Raymond Reddin, Esq. - Board Attorney

Passaic Valley Regional High School District #1

Board of Education

Consultants and Advisors

Audit Firm

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

Attorney

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

Official Depository

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

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Passaic Valley Regional High School District No. 1 Board of Education, as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Passaic Valley Regional High School District No. 1 Board of Education as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

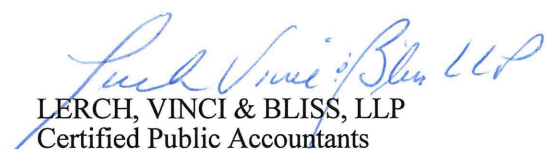
Other Information

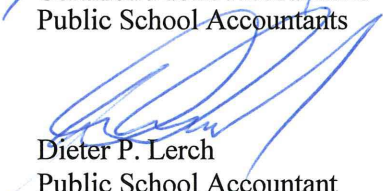
Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 10, 2025 on our consideration of the Passaic Valley Regional High School District No. 1 Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Passaic Valley Regional High School District No. 1 Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Passaic Valley Regional High School District No. 1 Board of Education's internal control over financial reporting and compliance.


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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 10, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Management's Discussion and Analysis

This section of Passaic Valley Regional High School District No. 1 Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2023-2024) and the prior year (2022-2023) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-2024 fiscal year include the following:

- The assets and deferred outflows of resources of the Passaic Valley Regional High School District No. 1 Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$12,925,854 (net position).
- Overall District revenues were \$38,591,352. General revenues accounted for \$30,012,120 or 78% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$8,579,232 of total revenues.
- The School District had \$37,038,672 in expenses for governmental activities; only \$7,983,970 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$30,007,087 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$9,795,989 a decrease of \$1,315,460 when compared to the ending fund balance at June 30, 2023 of \$11,111,449.
- The General Fund unassigned budgetary fund balance at June 30, 2024 was \$1,441,574 which represents a decrease of \$333,063 when compared to the ending unassigned fund balance at June 30, 2023 of \$1,774,637.

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

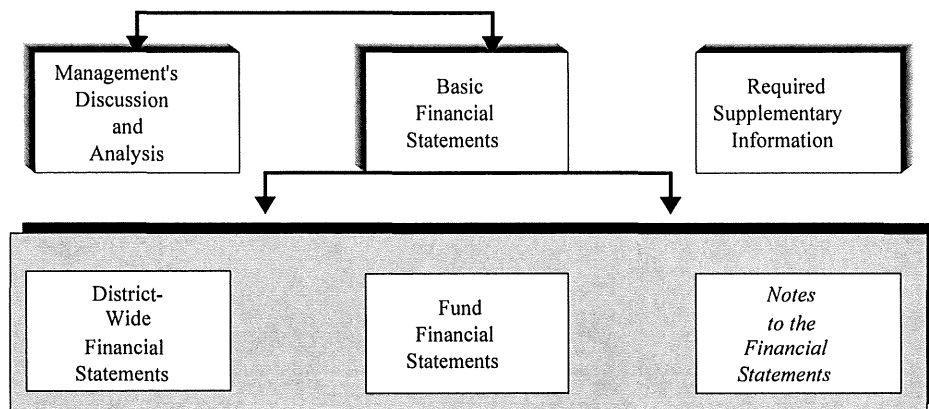
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1

BOARD OF EDUCATION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary or fiduciary, such as instruction, special education building maintenance, and community education	Activities the district operates similar to private businesses: Enterprise funds
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or Paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1

BOARD OF EDUCATION

Management's Discussion and Analysis

District-Wide Financial Statements

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental Activities* – Most of the District's basic services are included here, such as regular instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids and tuition charged to other school districts finance most of these activities.
- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund is included here.

Fund Financial Statements

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

- Some funds are required by State law and bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

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

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's Enterprise Fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Notes to the Financial Statements

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

Other Information

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

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

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

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

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$12,925,854 and \$11,978,085 as of June 30, 2024 and 2023, respectively, as shown below.

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

**Net Position
as of June 30, 2024 and 2023**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and Other Assets	\$ 9,848,633	\$ 12,189,582	\$ 106,791	\$ 177,326	\$ 9,955,424	\$ 12,366,908
Capital Assets	10,106,955	10,047,446	66,641	44,795	10,173,596	10,092,241
Total Assets	19,955,588	22,237,028	173,432	222,121	20,129,020	22,459,149
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	237,097	854,343			237,097	854,343
Deferred Amounts on Refunding of Debt	-	7,000	-	-	-	7,000
Total Deferred Outflows	237,097	861,343	-	-	237,097	861,343
Total Assets and Deferred Outflows	20,192,685	23,098,371	173,432	222,121	20,366,117	23,320,492
Liabilities						
Long-Term Liabilities	7,064,381	9,053,047			7,064,381	9,053,047
Other Liabilities	64,533	1,490,615	37,911	81,984	102,444	1,572,599
Total Liabilities	7,128,914	10,543,662	37,911	81,984	7,166,825	10,625,646
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	273,438	716,761	-	-	273,438	716,761
Total Deferred Inflows	273,438	716,761	-	-	273,438	716,761
Total Liabilities and Deferred Inflows	7,402,352	11,260,423	37,911	81,984	7,440,263	11,342,407
Net Position						
Net Investment in Capital Assets	7,623,955	5,738,543	66,641	44,795	7,690,596	5,783,338
Restricted	3,116,756	2,133,811			3,116,756	2,133,811
Unrestricted	2,049,622	3,965,594	68,880	95,342	2,118,502	4,060,936
Total Net Position	\$ 12,790,333	\$ 11,837,948	\$ 135,521	\$ 140,137	\$ 12,925,854	\$ 11,978,085

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

Management's Discussion and Analysis

The changes in net position for fiscal years ended 2024 and 2023 are as follows:

	Governmental Activities		Business-Type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,375,019	\$ 1,473,517	\$ 378,537	\$ 352,424	\$ 1,753,556	\$ 1,825,941
Operating Grants and Contributions	6,483,864	1,175,278	216,725	256,868	6,700,589	1,432,146
Capital Grants and Contributions	125,087	-			125,087	-
General Revenues						
Property Taxes	28,872,179	28,343,055			28,872,179	28,343,055
State Aid	359,556	8,221,453			359,556	8,221,453
Investment Earnings	360,412	226,681	5,033	3,029	365,445	229,710
Miscellaneous	414,940	366,750	-	-	414,940	366,750
Total Revenues	<u>37,991,057</u>	<u>39,806,734</u>	<u>600,295</u>	<u>612,321</u>	<u>38,591,352</u>	<u>40,419,055</u>
Expenses						
Instruction						
Regular	15,611,370	8,540,875			15,611,370	8,540,875
Special Education	6,880,389	4,173,228			6,880,389	4,173,228
School Sponsored Activities and Athletics	1,985,100	1,136,574			1,985,100	1,136,574
Support Services						
Student and Instruction Related Services	3,569,037	2,760,103			3,569,037	2,760,103
General Administration Services	615,509	483,127			615,509	483,127
School Administration Services	1,367,143	1,037,093			1,367,143	1,037,093
Plant Operation and Maintenance	4,326,286	3,940,190			4,326,286	3,940,190
Pupil Transportation	2,109,110	2,460,484			2,109,110	2,460,484
Business Services	519,563	468,170			519,563	468,170
Interest and Other Chgs on Long-Term Debt	55,165	28,687			55,165	28,687
Unallocated Expenses		11,129,923				11,129,923
Food Service	-	-	604,911	615,968	604,911	615,968
Total Expenses	<u>37,038,672</u>	<u>36,158,454</u>	<u>604,911</u>	<u>615,968</u>	<u>37,643,583</u>	<u>36,774,422</u>
Change in Net Position	952,385	3,648,280	(4,616)	(3,647)	947,769	3,644,633
Net Position, Beginning of Year	<u>11,837,948</u>	<u>8,189,668</u>	<u>140,137</u>	<u>143,784</u>	<u>11,978,085</u>	<u>8,333,452</u>
Net Position, End of Year	<u>\$ 12,790,333</u>	<u>\$ 11,837,948</u>	<u>\$ 135,521</u>	<u>\$ 140,137</u>	<u>\$ 12,925,854</u>	<u>\$ 11,978,085</u>

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

Management's Discussion and Analysis

Governmental Activities

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

Total and Net Cost of Governmental Activities. The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2024 and 2023.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Instruction				
Regular	\$ 15,611,370	\$ 8,540,875	\$ 12,097,535	\$ 8,540,875
Special Education	6,880,389	4,173,228	5,043,389	3,238,719
School Sponsored Activities and Athletics	1,985,100	1,136,574	1,424,841	1,136,574
Support Services				
Student and Instruction Related Services	3,569,037	2,760,103	2,823,480	2,142,605
General Administration	615,509	483,127	546,910	483,127
School Administration Services	1,367,143	1,037,093	1,211,593	1,037,093
Plant Operation and Maintenance	4,326,286	3,940,190	3,991,266	3,940,190
Pupil Transportation	2,109,110	2,460,484	1,343,056	2,460,484
Business Services	519,563	468,170	519,563	468,170
Interest and Other Charges on Long-Term Debt	55,165	28,687	53,069	28,687
Unallocated Expenses	-	11,129,923	-	11,129,923
Total	<u>\$ 37,038,672</u>	<u>\$ 36,158,454</u>	<u>\$ 29,054,702</u>	<u>\$ 34,606,447</u>

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

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$9,795,989, a decrease of \$1,315,460 from last year's fund balance of \$11,111,449.

Revenues for the District's governmental funds were \$40,599,227; total expenditures were \$41,914,687.

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

Revenues of the General Fund were \$38,104,159 for the fiscal year ended June 30, 2024. State sources amounted to \$7,501,740, federal sources totaled \$18,766 and local sources were \$30,583,653.

Expenditures of the General Fund were \$39,296,913. Instructional expenditures were \$25,003,563 for support services were \$12,772,550, capital expenditures totaled \$288,775 and lease debt payments of \$1,232,025 for the fiscal year ended June 30, 2024.

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

Revenues of the Special Revenue Fund were \$1,831,375 for the fiscal year ended June 30, 2024. federal sources totaled \$1,306,504 and local sources were \$524,871.

Expenditures of the Special Revenue Fund were \$1,782,879. Instructional expenditures were \$1,294,951 for support services were \$362,841 and capital expenditures totaled \$125,087 for the fiscal year ended June 30, 2024.

Capital Projects - The capital projects expenditures and other financing uses exceeded revenues by \$173,730 decreasing the fund balance from \$273,909 at June 30, 2023 to \$100,179 at June 30, 2024.

Proprietary Funds

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

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

Management's Discussion and Analysis

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2023 encumbrances.
- Appropriation of Capital Reserve

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2024 and 2023 amounts to \$10,173,596 and \$10,092,241 (net of accumulated depreciation), respectively. The capital assets consist of buildings and improvements, improvements other than building, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2023-2024 amounted to \$524,919 for governmental activities and \$13,500 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2024 and 2023.

	Governmental		Business- Type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Buildings and Improvements	\$ 5,188,372	\$ 5,403,729			\$ 5,188,372	\$ 5,403,729
Improvements Other Than Buildings	3,704,716	3,306,199			3,704,716	3,306,199
Machinery and Equipment	<u>1,213,867</u>	<u>1,337,518</u>	<u>\$ 66,641</u>	<u>\$ 44,795</u>	<u>1,280,508</u>	<u>1,382,313</u>
Total	<u>\$ 10,106,955</u>	<u>\$ 10,047,446</u>	<u>\$ 66,641</u>	<u>\$ 44,795</u>	<u>\$ 10,173,596</u>	<u>\$ 10,092,241</u>

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

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

Management's Discussion and Analysis

LONG TERM LIABILITIES

At June 30, 2024, the District's long-term liabilities consisted of compensated absences payable of \$371,396, serial bonds of \$621,000, capital financing agreements of \$1,862,000 and net pension liability of \$4,209,985 totaling \$7,064,381. This is in comparison to long-term liabilities at June 30, 2023 of \$9,053,047 or a decrease of \$1,988,666.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2024-2025 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Passaic Valley Regional High School District No. 1 Board of Education, 100 East Main Street, Little Falls, NJ 07424.

BASIC FINANCIAL STATEMENTS

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 5,652,212	\$ 107,810	\$ 5,760,022
Receivables, net			
Receivables from Other Governments	4,139,842	9,211	4,149,053
Other Receivables	19,531	19,161	38,692
Internal Balances	37,048	(37,048)	-
Inventory		7,657	7,657
Capital Assets			
Being Depreciated Net	<u>10,106,955</u>	<u>66,641</u>	<u>10,173,596</u>
Total Assets	<u>19,955,588</u>	<u>173,432</u>	<u>20,129,020</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	<u>237,097</u>	<u>-</u>	<u>237,097</u>
Total Assets and Deferred Outflows of Resources	<u>20,192,685</u>	<u>173,432</u>	<u>20,366,117</u>
LIABILITIES			
Accounts Payable	21,014	32,441	53,455
Payroll Deductions & Withholdings Payable	16,768		16,768
Accrued Interest Payable	11,889		11,889
Unearned Revenue	14,862	5,470	20,332
Noncurrent Liabilities			
Due Within One Year	834,000		834,000
Due Beyond One Year	<u>6,230,381</u>	<u>-</u>	<u>6,230,381</u>
Total Liabilities	<u>7,128,914</u>	<u>37,911</u>	<u>7,166,825</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	<u>273,438</u>	<u>-</u>	<u>273,438</u>
Total Liabilities and Deferred Inflows of Resources	<u>7,402,352</u>	<u>37,911</u>	<u>7,440,263</u>
NET POSITION			
Net Investment in Capital Assets	7,623,955	66,641	7,690,596
Restricted for:			
Capital Projects	2,418,999		2,418,999
Other Purposes	697,757		697,757
Unrestricted	<u>2,049,622</u>	<u>68,880</u>	<u>2,118,502</u>
Total Net Position	<u>\$ 12,790,333</u>	<u>\$ 135,521</u>	<u>\$ 12,925,854</u>

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

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Governmental Activities:							
Instruction:							
Regular	\$ 15,611,370	\$ 1,375,019	\$ 2,138,816		\$ (12,097,535)		\$ (12,097,535)
Special Education	6,880,389		1,837,000		(5,043,389)		(5,043,389)
School Sponsored Co-Curricular Activities	1,985,100		560,259		(1,424,841)		(1,424,841)
Support Services:					-		
Student & Instruction Related Services	3,569,037		745,557		(2,823,480)		(2,823,480)
General Administrative Services	615,509		68,599		(546,910)		(546,910)
School Administrative Services	1,367,143		155,550		(1,211,593)		(1,211,593)
Plant Operations and Maintenance	4,326,286		209,933	\$ 125,087	(3,991,266)		(3,991,266)
Pupil Transportation	2,109,110		766,054		(1,343,056)		(1,343,056)
Business and Other Support Services	519,563				(519,563)		(519,563)
Interest on Long-Term Debt	55,165	-	2,096	-	(53,069)	-	(53,069)
Total Governmental Activities	37,038,672	1,375,019	6,483,864	125,087	(29,054,702)	-	(29,054,702)
Business-Type Activities:							
Food Service	604,911	378,537	216,725	-	-	\$ (9,649)	(9,649)
Total Business-Type Activities	604,911	378,537	216,725	-	-	(9,649)	(9,649)
Total Primary Government	\$ 37,643,583	\$ 1,753,556	\$ 6,700,589	\$ 125,087	(29,054,702)	(9,649)	(29,064,351)

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

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Net (Expense) Revenue and Changes in Net Position		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 28,436,452		\$ 28,436,452
Taxes Levied for Debt Service	435,727		435,727
State Aid - Restricted for Debt Service	222,700		222,700
State Aid - Unrestricted	136,856		136,856
Miscellaneous Income	<u>775,352</u>	<u>\$ 5,033</u>	<u>780,385</u>
Total General Revenues	<u>30,007,087</u>	<u>5,033</u>	<u>30,012,120</u>
Change in Net Position	952,385	(4,616)	947,769
Net Position—Beginning of Year	<u>11,837,948</u>	<u>140,137</u>	<u>11,978,085</u>
Net Position—End of Year	<u>\$ 12,790,333</u>	<u>\$ 135,521</u>	<u>\$ 12,925,854</u>

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

FUND FINANCIAL STATEMENTS

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 5,071,913	\$ 488,646	\$ 91,653	\$ 5,652,212
Accounts Receivable	19,531			19,531
Tax Levy Receivable	2,712,014			2,712,014
Receivables From Other Governments	377,600	1,050,228		1,427,828
Due from Other Funds	<u>1,070,929</u>	<u>-</u>	<u>8,526</u>	<u>1,079,455</u>
Total Assets	<u>\$ 9,251,987</u>	<u>\$ 1,538,874</u>	<u>\$ 100,179</u>	<u>\$ 10,891,040</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable and Other Liabilities	\$ 19,529	\$ 1,485		\$ 21,014
Due to Other Funds	8,526	1,033,881		1,042,407
Payroll Deductions & Withholdings Payable	16,768			16,768
Unearned Revenue	<u>-</u>	<u>14,862</u>	<u>-</u>	<u>14,862</u>
Total Liabilities	<u>44,823</u>	<u>1,050,228</u>	<u>-</u>	<u>1,095,051</u>
Fund Balances:				
Restricted:				
Capital Reserve	1,598,820			1,598,820
Capital Reserve - Designated for Subsequent Year's Expenditures	720,000			720,000
Excess Surplus	2,999,641			2,999,641
Excess Surplus - Designated for Subsequent Year's Expenditures	2,795,567			2,795,567
Capital Projects			100,179	100,179
Unemployment Compensation	209,111			209,111
Student Activities		219,498		219,498
Athletics		89,692		89,692
Scholarships		179,456		179,456
Assigned:				
Designated for Subsequent Year's Expenditures	546,810			546,810
Year End Encumbrances	139,399			139,399
Unassigned	<u>197,816</u>	<u>-</u>	<u>-</u>	<u>197,816</u>
Total Fund Balances	<u>9,207,164</u>	<u>488,646</u>	<u>100,179</u>	<u>9,795,989</u>
Total Liabilities and Fund Balances	<u>\$ 9,251,987</u>	<u>\$ 1,538,874</u>	<u>\$ 100,179</u>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$21,239,271 and the accumulated depreciation is 11,132,316. 10,106,955

The District has financed capital assets through the issuance of long-term debt. The interest accrual at year end is: (11,889)

Deferred Inflows and Outflows related to the net pension liability are not reported in the funds. (36,341)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Bonds Payable	\$ 621,000
Capital Financing Agreements	1,862,000
Net Pension Liability	4,209,985
Compensated Absences	<u>371,396</u>
	<u>(7,064,381)</u>

Net Position of Governmental Activities (Exhibit A-1) \$ 12,790,333

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources:					
Property Tax Levy	\$ 28,436,452			\$ 435,727	\$ 28,872,179
Tuition	1,375,019				1,375,019
Interest Earnings	357,242		\$ 3,170		360,412
Miscellaneous	414,940	\$ 524,871	-	-	939,811
Total - Local Sources	30,583,653	524,871	3,170	435,727	31,547,421
State Sources	7,501,740			224,796	7,726,536
Federal Sources	18,766	1,306,504	-	-	1,325,270
Total Revenues	38,104,159	1,831,375	3,170	660,523	40,599,227
EXPENDITURES					
Instruction					
Regular	16,750,871	385,246			17,136,117
Special Education	6,772,714	437,792			7,210,506
School Sponsored Co-Curricular Activities	1,479,978	471,913			1,951,891
Support Services and Undistributed Costs					
Student & Instruction Related Services	3,464,015	362,841			3,826,856
General Administrative Services	680,362				680,362
School Administrative Services	1,546,899				1,546,899
Business & Other Support Services	556,913				556,913
Plant Operations and Maintenance	4,410,696				4,410,696
Pupil Transportation	2,113,665				2,113,665
Capital Outlay	288,775	125,087	173,730		587,592
Debt Service					
Principal	1,177,903			655,000	1,832,903
Interest and Other Charges	54,122	-	-	6,165	60,287
Total Expenditures	39,296,913	1,782,879	173,730	661,165	41,914,687
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,192,754)	48,496	(170,560)	(642)	(1,315,460)
OTHER FINANCING SOURCES (USES)					
Transfers In	3,170				3,170
Transfers Out	-	-	(3,170)	-	(3,170)
Total Other Financing Sources (Uses)	3,170	-	(3,170)	-	-
Net Change in Fund Balances	(1,189,584)	48,496	(173,730)	(642)	(1,315,460)
Fund Balance, Beginning of Year	10,396,748	440,150	273,909	642	11,111,449
Fund Balance, End of Year	\$ 9,207,164	\$ 488,646	\$ 100,179	\$ -	\$ 9,795,989

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Total Net Change in Fund Balances - Governmental Funds (from B-2) **\$ (1,315,460)**

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the period.

Depreciation Expense	\$	(524,919)	
Loss on Disposal		(3,164)	
Capital Outlays		<u>587,592</u>	
			59,509

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

Payment to Escrow Agent for Refunding			(7,000)
---------------------------------------	--	--	---------

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Bond Principal		655,000	
Capital Leases		<u>1,177,903</u>	
			1,832,903

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The details are as follows:

Decrease in Accrued Interest		12,122	
Compensated Absences		(7,282)	
Net Pension Liability		<u>377,593</u>	
			<u>382,433</u>

Change in Net Position of Governmental Activities			<u>\$ 952,385</u>
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**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2024**

	Business-Type Activities Enterprise Fund <u>Food Services</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 107,810
Intergovernmental Receivable	
State	765
Federal	8,446
Accounts Receivable	19,161
Inventories	<u>7,657</u>
Total Current Assets	<u>143,839</u>
Capital Assets	
Furniture, Machinery and Equipment	301,662
Less: Accumulated Depreciation	<u>(235,021)</u>
Total Capital Assets, Net	<u>66,641</u>
Total Assets	<u>210,480</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	32,441
Due to Other Funds	37,048
Unearned Revenue	<u>5,470</u>
Total Current Liabilities	<u>74,959</u>
NET POSITION	
Net Investment in Capital Assets	66,641
Unrestricted	<u>68,880</u>
Total Net Position	<u>\$ 135,521</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Business-Type Activities Enterprise Fund <u>Food Services</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales - Reimbursable Programs	\$ 190,297
Daily Sales - Nonreimbursable Programs	<u>188,240</u>
 Total Operating Revenues	 <u>378,537</u>
OPERATING EXPENSES	
Cost of Sales - Reimbursable Programs	167,415
Cost of Sales - Nonreimbursable Programs	102,610
Cost of Sales - USDA Commodities	28,666
Labor Cost	206,738
Management Fee	36,197
Supplies and Materials	23,023
Repairs and Maintenance	2,343
Insurance	20,049
Other Expenses	4,370
Depreciation	<u>13,500</u>
 Total Operating Expenses	 <u>604,911</u>
 Operating Loss	 <u>(226,374)</u>
NONOPERATING REVENUES	
State Sources	
State School Lunch Program	6,120
NJEIE	6,368
Federal Sources	
Food Distribution Program	28,666
National School Breakfast Program	38,325
National School Lunch Program	106,759
Supply Chain Assistance	28,323
Local Food for Schools	1,511
PEBT School Relief	653
Interest Income	<u>5,033</u>
 Total Nonoperating Revenues	 <u>221,758</u>
 Change in Net Position	 (4,616)
 Total Net Position - Beginning of Year	 <u>140,137</u>
 Total Net Position - End of Year	 <u>\$ 135,521</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Business-Type Activities Enterprise Fund <u>Food Services</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 378,537
Cash Payments for Employees' Salaries and Benefits	(206,738)
Cash Payments to Suppliers for Goods and Services	<u>(417,635)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(245,836)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	<u>198,816</u>
Net Cash Provided by Noncapital Financing Activities	<u>198,816</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	<u>(35,346)</u>
Net Cash (Used) for Capital and Related Financing Activities	<u>(35,346)</u>
Cash Flows from Investing Activities	
Interest Income	<u>5,033</u>
Net Cash Provided by Investing Activities	<u>5,033</u>
Net Decrease in Cash and Cash Equivalents	(77,333)
Cash and Cash Equivalents, Beginning of Year	<u>185,143</u>
Cash and Cash Equivalents, End of Year	<u>\$ 107,810</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	\$ (226,374)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Non-Cash Federal Assistance - Food Distribution Program	28,666
Depreciation	13,500
Change in Assets and Liabilities	
(Increase)/Decrease in Accounts Receivable	(19,161)
(Increase)/Decrease in Inventory	1,606
Increase/(Decrease) in Accounts Payable	(7,019)
Increase/(Decrease) in Deferred Revenue	<u>(37,054)</u>
Total Adjustments	<u>(19,462)</u>
Net Cash Used for Operating Activities	<u>\$ (245,836)</u>
Non-Cash Financing Activities:	
Fair Value of Food Distribution Program Commodities Received - National School Lunch Program	<u>\$ 28,666</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Passaic Valley Regional High School District No. 1 Board of Education this includes general operations, food service and student related activities of the District.

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

B. New Accounting Standards

During fiscal year 2024, the District adopted the following GASB statements:

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

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

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 102, *Certain Risk Disclosures*, will be effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no fiduciary funds.

District-Wide Financial Statements

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

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

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost, except for intangible right-to-use leased assets and intangible right-to-use IT subscription assets, the measurement of which is discussed in Note 1. E.10 and E.11, respectively. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	20
Heavy Equipment	10-20
Office Equipment and Furniture	7-10
Computer Equipment	5

5. Deferred Outflows/Inflows of Resources

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

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Compensated Absences*

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

7. *Pensions*

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

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

8. *Financing Agreements*

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

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

9. *Long-Term Obligations*

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

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

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

Excess Surplus – Designated for Subsequent Year's Expenditures – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2023 audited excess surplus that was appropriated in the 2024/2025 original budget certified for taxes.

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

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

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

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

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

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

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

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

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

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

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

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

11. *Fund Balance Policies*

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

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

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2022-2023 and 2023-2024 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *On-Behalf Payments*

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

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

5. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses*

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. The annual budget is voted upon at the annual school election on Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2023/2024. Also, during 2023/2024 the Board increased the original budget of the general fund by \$931,122 and the special revenue fund by \$281,310. The increases were funded by the additional appropriation of unassigned fund balance, capital reserve, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances.

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

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2024 is as follows:

Balance, July 1, 2023		<u>\$ 1,246,529</u>
Increased by		
Deposits Approved by Board Resolution	\$ 1,000,000	
Return of Unencumbered Budget Withdrawals	72,291	
Return of Unexpended Transfer to Capital Projects	<u>416,000</u>	
Total Increases		<u>1,488,291</u>
Decreased by:		
Withdrawals Approved in District Budget	<u>416,000</u>	
Total Decreases		<u>416,000</u>
Balance, June 30, 2024		<u><u>\$ 2,318,820</u></u>

\$720,000 of the capital reserve balance at June 30, 2024 was designated and appropriated for use in the 2024/2025 original budget certified for taxes.

C. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2024 is \$5,795,208. Of this amount, \$2,795,567 was designated and appropriated in the 2024/2025 original budget certified for taxes and the remaining amount of \$2,999,641 will be appropriated in the 2025/2026 original budget certified for taxes.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2024, the book value of the Board's deposits was \$5,760,022 and bank and brokerage firm balances of the Board's deposits amounted to \$7,533,835. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 7,092,249
Uninsured and Collateralized	<u>441,586</u>
	<u>\$ 7,533,835</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2024 the Board's bank balance of \$441,586 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	<u>\$ 441,586</u>
	<u>\$ 441,586</u>

Investments

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2024, the Board had no outstanding investments.

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

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

B. Receivables

Receivables as of June 30, 2024 for the district's individual major funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Property Taxes	\$ 2,712,014			\$ 2,712,014
Accounts	19,531		\$ 19,161	38,692
Intergovernmental-				-
Federal		\$ 1,050,228	8,446	1,058,674
State	<u>377,600</u>	<u>-</u>	<u>765</u>	<u>378,365</u>
Gross Receivables	3,109,145	1,050,228	28,372	4,187,745
Less: Allowance for				-
Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 3,109,145</u>	<u>\$ 1,050,228</u>	<u>\$ 28,372</u>	<u>\$ 4,187,745</u>

C. Unearned Revenue

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

Special Revenue Fund	
Grant Draw Downs for Year-End Encumbrances	<u>\$ 14,862</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 14,862</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Balance, July 1, 2023	Increases	Decreases	Balance, June 30, 2024
Governmental Activities:				
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	\$ 13,246,235			\$ 13,246,235
Improvements Other Than Buildings	4,675,957	\$ 526,353		5,202,310
Machinery and Equipment	2,733,614	61,239	\$ (4,127)	2,790,726
Total Capital Assets Being Depreciated	<u>20,655,806</u>	<u>587,592</u>	<u>(4,127)</u>	<u>21,239,271</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(7,842,506)	(215,357)		(8,057,863)
Improvements Other Than Buildings	(1,369,758)	(127,836)		(1,497,594)
Machinery and Equipment	(1,396,096)	(181,726)	963	(1,576,859)
Total Accumulated Depreciation	<u>(10,608,360)</u>	<u>(524,919)</u>	<u>963</u>	<u>(11,132,316)</u>
Total Capital Assets, Being Depreciated, Net	<u>10,047,446</u>	<u>62,673</u>	<u>(3,164)</u>	<u>10,106,955</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,047,446</u>	<u>\$ 62,673</u>	<u>\$ (3,164)</u>	<u>\$ 10,106,955</u>
	Balance, July 1, 2023	Increases		Balance, June 30, 2024
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 266,316	\$ 35,346		\$ 301,662
Total Capital Assets Being Depreciated	<u>266,316</u>	<u>35,346</u>		<u>301,662</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(221,521)	(13,500)		(235,021)
Total Accumulated Depreciation	<u>(221,521)</u>	<u>(13,500)</u>		<u>(235,021)</u>
Total Capital Assets, Being Depreciated, Net	<u>44,795</u>	<u>21,846</u>		<u>66,641</u>
Business-Type Activities Capital Assets, Net	<u>\$ 44,795</u>	<u>\$ 21,846</u>		<u>\$ 66,641</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

Instruction

Regular	\$	131,230
School-Sponsored/Activities and Athletics		<u>131,229</u>

Total Instruction		<u>262,459</u>
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Support Services

Student and Instruction Related Services		131,230
Plant Operations and Maintenance		<u>131,230</u>

Total Support Services		<u>262,460</u>
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Total Depreciation Expense - Governmental Activities	\$	<u>524,919</u>
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Business-Type Activities:

Food Service Fund	\$	<u>13,500</u>
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Total Depreciation Expense-Business-Type Activities	\$	<u>13,500</u>
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Construction and Other Significant Commitments

The District has the following significant commitments as of June 30, 2024:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
ESIP Project	\$ 2,059,923	\$ 23,077
Turf Field Project	1,122,898	<u>77,102</u>
Total		<u>\$ 100,179</u>

The District has other significant commitments at June 30, 2023 as follows:

<u>Purposes</u>		<u>Remaining Commitment</u>
ESIP Project	\$ 1,886,193	\$ 196,807
Turf Field Project	1,122,898	<u>77,102</u>
Total		<u>\$ 273,909</u>

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2024, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 1,033,881
General Fund	Food Service Fund	37,048
Capital Projects Fund	General Fund	<u>8,526</u>
Total		<u>\$ 1,079,455</u>

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

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

Interfund Transfers

	<u>Transfer In:</u>	
	<u>General</u>	<u>Total</u>
Transfer Out:		
Capital Projects Fund	\$ 3,170	\$ 3,170
Total Transfers	<u>\$ 3,170</u>	<u>\$ 3,170</u>

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements

Capital Financing Agreements

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

Capital financing agreements at June 30, 2024 are comprised of the following:

\$2,083,000, fiscal year 2022 Agreement for the Energy Savings Improvement Program for a term of 18 years due in annual principal installments of \$5,000 to \$220,000 through April 1, 2040 interest at 2.1567%	\$ 1,862,000
Total	<u>\$ 1,862,000</u>

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2024 are comprised of the following issues:

\$1,952,000, 2021 Refunding Bonds, due in an annual installment of \$621,000 through July 15, 2024, interest at 2.65%	<u>\$621,000</u>
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**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Fiscal Year Ending

June 30,

Principal

Interest

Total

2025

\$ 621,000

\$ 2,018

\$ 623,018

Total

\$ 621,000

\$ 2,018

\$ 623,018

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2024 was as follows:

3.5% of Equalized Valuation Basis (Municipal)	\$ 266,074,850
Less: Net Debt Issued and Authorized But Not Issued	<u>621,000</u>
Remaining Borrowing Power	<u>\$ 265,453,850</u>

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2024, was as follows:

	Balance, <u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2024</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 1,276,000	\$ -	\$ 655,000	\$ 621,000	\$ 621,000
Total Bonds Payable	1,276,000	-	655,000	621,000	621,000
Capital Financing Agreements	3,039,903		1,177,903	1,862,000	213,000
Compensated Absences	364,114	7,282		371,396	
Net Pension Liability	<u>4,373,030</u>	<u>214,548</u>	<u>377,593</u>	<u>4,209,985</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 9,053,047</u>	<u>\$ 221,830</u>	<u>\$ 2,210,496</u>	<u>\$ 7,064,381</u>	<u>\$ 834,000</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, for the governmental activities, the liabilities for compensated absences, claims and judgements, deferred pension obligations and net pension liability are generally liquidated by the general fund.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024	\$ -	\$ 44,933	\$ 6,357	\$ 14,760	\$ 209,111
2023	-	45,500	4,605	59,597	172,581
2022	-	22,401	219	-	167,976

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2024, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2024, the District had no estimated arbitrage earnings due to the IRS.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

The following represent the membership tiers for TPAF:

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

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

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

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

Other Pension Funds

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

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

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

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2023 is \$14.6 billion and the plan fiduciary net position as a percentage of the total pension liability is 65.23%. The collective net pension liability of the State funded TPAF at June 30, 2023 is \$51.1 billion and the plan fiduciary net position as a percentage of total pension liability is 34.68%.

The total pension liabilities for the June 30, 2023 measurement date were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2024.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2024 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was more than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2024, 2023 and 2022 were equal to the required contributions.

During the fiscal years ended June 30, 2024, 2023 and 2022 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively, for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,		<u>PERS</u>	On-behalf <u>TPAF</u>		<u>DCRP</u>
2024	\$	388,471	\$	3,624,671	\$ 15,518
2023		365,414		3,431,372	1,829
2022		337,645		3,683,845	6,321

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2024, 2023 and 2022 the State contributed \$944, \$804 and \$805, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$744,501 during the fiscal year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2022 through June 30, 2023. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2023 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023.

At June 30, 2024, the District reported in the statement of net position (accrual basis) a liability of \$4,209,985 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2023. At June 30, 2023, the District's proportionate share was 0.02907 percent, which was an increase of 0.00009 percent from its proportionate share measured as of June 30, 2022 of 0.02898 percent.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$10,878 for PERS. The pension contribution made by the District during the current 2023/2024 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2024 with a measurement date of the prior fiscal year end of June 30, 2023. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2024 for contributions made subsequent to the measurement date. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 40,253	\$ 17,209
Changes of Assumptions	9,248	255,143
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	19,388	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>168,208</u>	<u>1,086</u>
Total	<u>\$ 237,097</u>	<u>\$ 273,438</u>

At June 30, 2024, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2025	\$ (121,388)
2026	(45,796)
2027	205,555
2028	(69,228)
2029	(5,484)
Thereafter	<u>-</u>
	<u>\$ (36,341)</u>

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District’s total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

Mortality Rates

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>5,480,505</u>	\$ <u>4,209,985</u>	\$ <u>3,128,605</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2023. A sensitivity analysis specific to the District’s net pension liability at June 30, 2023 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2022 through June 30, 2023. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2023, the State's pension contribution was more than the actuarial determined amount.

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

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,037,931 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2024 the State's proportionate share of the net pension liability attributable to the District is \$42,248,850. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2023. At June 30, 2023, the State's share of the net pension liability attributable to the District was 0.08279 percent, which was a decrease of 0.00545 percent from its proportionate share measured as of June 30, 2022 of 0.08824 percent.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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:	2.75-4.25%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 49,819,061</u>	<u>\$ 42,248,850</u>	<u>\$ 35,872,933</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2023. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2023 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

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

E. Post-Retirement Medical Benefits (Continued)

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

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2022:

Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>152,383</u>
Total	<u>369,595</u>

Measurement Focus and Basis of Accounting

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

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

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2023 is \$52.4 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2023 were determined based on actuarial valuations as of June 30, 2022 which were rolled forward to June 30, 2023.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2022 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.44 billion to the OPEB plan in fiscal year 2023.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2024, 2023 and 2022 were \$986,503, \$901,413 and \$860,695, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2022 through June 30, 2023. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$965,073. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2024 the State's proportionate share of the OPEB liability attributable to the District is \$43,336,191. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2023. At June 30, 2023, the state's share of the OPEB liability attributable to the District was 0.08 percent, which was unchanged from its proportionate share measured as of June 30, 2022 of 0.08 percent.

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

The OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55% Based on Years of Service	2.75% to 4.25% Based on Years of Service

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 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 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Discount Rate

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2024 (measurement date June 30, 2023) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2022 Measurement Date	\$ 41,404,184
Changes Recognized for the Fiscal Year:	
Service Cost	1,541,581
Interest on the Total OPEB Liability	1,526,248
Differences Between Expected and Actual Experience	(72,547)
Changes of Assumptions	87,348
Gross Benefit Payments	(1,189,735)
Contributions from the Member	39,112
Net Changes	\$ 1,932,007
Balance, June 30, 2023 Measurement Date	\$ 43,336,191

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.65%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	1% Decrease <u>(2.65%)</u>	Current Discount Rate <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 50,804,244</u>	<u>\$ 43,336,191</u>	<u>\$ 37,340,211</u>

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

	1% Decrease <u></u>	Healthcare Cost Trend Rates <u></u>	1% Increase <u></u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 35,975,720</u>	<u>\$ 43,336,191</u>	<u>\$ 52,967,387</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023 were not provided by the pension system.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded a total of \$2,281,665 in federal aid to address the effects of the COVID-19 pandemic.

BUDGETARY COMPARISON SCHEDULES

REQUIRED SUPPLEMENTARY INFORMATION - PART II

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Transfers</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 28,436,452		\$ 28,436,452	\$ 28,436,452	
Tuition from Other LEA's Within the State	1,119,090		1,119,090	1,375,019	\$ 255,929
Investment Income				357,242	357,242
Miscellaneous	100,000	-	100,000	414,940	314,940
Total Local Sources	29,655,542	-	29,655,542	30,583,653	928,111
State Sources					
Categorical Special Education Aid	1,063,236	-	1,063,236	1,063,236	-
Equalization Aid	140,892	-	140,892	140,892	-
Categorical Security Aid	220,287	-	220,287	220,287	-
Categorical Transportation Aid	729,435	-	729,435	729,435	-
Extraordinary Aid	350,000	-	350,000	1,051,233	701,233
Non Public Transportation Reimbursement				61,535	61,535
On-behalf TPAF Normal Costs (Non-budgeted)				3,583,800	3,583,800
On-behalf TPAF NCGI Premium (Non-budgeted)				40,871	40,871
On-behalf Post Retirement Medical Contribution (Non-budgeted)				986,503	986,503
On-behalf Long-Term Disability Insurance (Non-budgeted)				944	944
Reimbursed TPAF Social Security Contributions (Non-budgeted)	-	-	-	744,501	744,501
Total State Sources	2,503,850	-	2,503,850	8,623,237	6,119,387
Federal Sources					
Medicaid Reimbursement	18,730	-	18,730	18,766	36
Total Federal Sources	18,730	-	18,730	18,766	36
Total Revenues	32,178,122	-	32,178,122	39,225,656	7,047,534
EXPENDITURES					
CURRENT EXPENSE					
Instruction - Regular Programs					
Salaries of Teachers					
Grades 9-12	7,374,745	\$ (186,797)	7,187,948	7,153,191	34,757
Regular Programs- Home Instruction					
Salaries of Teachers	14,000	13,252	27,252	748	26,504
Other Salaries for Instruction	140,000	458	140,458	101,039	39,419
Purchased Professional - Educational Services	34,000	(458)	33,542	9,949	23,593
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	29,500	(23,091)	6,409	3,119	3,290
Purchased Technical Services	29,000	(6,000)	23,000	11,769	11,231
Copier Lease	67,490	2,000	69,490	56,352	13,138
Other Purchased Services	172,708	2,340	175,048	152,151	22,897
General Supplies	354,022	(117,359)	236,663	183,754	52,909
Textbooks	126,359	5,600	131,959	109,105	22,854
Other Objects	14,472	1,300	15,772	2,115	13,657
Total Regular Programs	8,356,296	(308,755)	8,047,541	7,783,292	264,249

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Transfers</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES					
CURRENT EXPENSE					
Instruction - Special Education Programs					
Resource Room					
Salaries of Teachers	\$ 841,607	\$ 69,905	\$ 911,512	\$ 911,512	-
General Supplies	2,000	2,500	4,500	3,902	\$ 598
Total Resource Room	843,607	72,405	916,012	915,414	598
Autism					
Other Salaries for Instruction	455,000	51,651	506,651	506,651	-
Purchased Professional-Educational Services	2,347,512	51,144	2,398,656	2,398,656	-
General Supplies	5,000	(1,882)	3,118	809	2,309
Total Autism	2,807,512	100,913	2,908,425	2,906,116	2,309
Home Instruction					
Salaries of Teachers	50,000	-	50,000	34,486	15,514
Total Home Instruction	50,000	-	50,000	34,486	15,514
Total Special Education	3,701,119	173,318	3,874,437	3,856,016	18,421
School Sponsored Co-Curricular Activities					
Salaries	167,207	1,211	168,418	168,224	194
Supplies and Materials	115,805	44,981	160,786	107,253	53,533
Other Objects	250	135	385	385	-
Total School Sponsored Co-Curricular Activities	283,262	46,327	329,589	275,862	53,727
Co-Curricular Athletics					
Salaries	589,271	(5,000)	584,271	564,253	20,018
Purchased Services	117,000	23,242	140,242	135,078	5,164
Travel	6,000	3,750	9,750	8,502	1,248
Supplies and Materials	165,800	(3,217)	162,583	136,476	26,107
Other Objects	-	4,370	4,370	4,370	-
Total Co-Curricular Athletics	878,071	23,145	901,216	848,679	52,537
Total - Instruction	13,218,748	(65,965)	13,152,783	12,763,849	388,934
Undistributed Expenditures					
Instruction					
Tuition to County Voc.School Dist. - Reg.	3,683,272	-	3,683,272	3,683,272	-
Tuition to County Voc.School Dist. - Special Ed.	154,209	-	154,209	80,564	73,645
Tuition to Priv. Sch. For the Disabilities within State	2,150,128	114,723	2,264,851	1,841,909	422,942
Tuition - State Facilities	4,500	-	4,500	-	4,500
Tuition - Other	-	52,828	52,828	-	52,828
Total Undistributed Expenditures - Instruction	5,992,109	167,551	6,159,660	5,605,745	553,915

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Transfers</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES					
CURRENT EXPENSE					
Health Services					
Salaries	\$ 142,245	\$ 667	\$ 142,912	\$ 142,912	\$ -
Purchased Professional and Technical Services	15,000	3,333	18,333	17,909	424
Supplies and Materials	9,000	(4,000)	5,000	701	4,299
Total Health Services	166,245	-	166,245	161,522	4,723
Speech, OT, PT & Related Services					
Salaries	162,465	97,666	260,131	260,131	-
Purchased Professional Educational Services	118,800	(32,666)	86,134	63,235	22,899
Total Speech, OT, PT & Related Services	281,265	65,000	346,265	323,366	22,899
Other Support Services - Students - Extra Services					
Purchased Professional Educational Services	169,000	19,250	188,250	90,121	98,129
Total Other Support Services- Student- Extra Serv.	169,000	19,250	188,250	90,121	98,129
Guidance					
Salaries of Other Professional Staff	638,004	-	638,004	617,461	20,543
Salaries of Sec. & Clerical Assts.	101,730	-	101,730	96,730	5,000
Purchased Professional-Educational Services	2,500	-	2,500	-	2,500
Other Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services	157,342	(8,977)	148,365	126,752	21,613
Travel	2,000	-	2,000	129	1,871
Supplies and Materials	15,000	19,357	34,357	30,636	3,721
Other Objects	1,815	(1,500)	315	219	96
Total Guidance	918,391	8,880	927,271	871,927	55,344
Child Study Teams					
Salaries of Other Professional Staff	389,604	1,868	391,472	391,472	-
Salaries of Sec. & Clerical Assts.	56,865	(1,868)	54,997	48,552	6,445
Supplies and Materials	3,000	1,722	4,722	2,799	1,923
Total Child Study Teams	449,469	1,722	451,191	442,823	8,368
Improvement of Instructional Services					
Salaries of Other Professional Staff	12,000	-	12,000	1,443	10,557
Other Purchased Services	18,700	(940)	17,760	5,569	12,191
Total Improvement of Instructional Services	30,700	(940)	29,760	7,012	22,748
Educational Media Services/School Library					
Salaries	167,629	3,914	171,543	171,543	-
Salaries of Technology Coordinators	118,450	-	118,450	118,450	-
Supplies and Materials	14,000	67,280	81,280	80,151	1,129
Other Objects	350	(331)	19	-	19
Total Educational Media Services/School Library	300,429	70,863	371,292	370,144	1,148

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Transfers</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES					
CURRENT EXPENSE					
Support Services General Administration					
Salaries	\$ 287,923	\$ -	\$ 287,923	\$ 283,813	\$ 4,110
Legal Services	100,000	-	100,000	26,402	73,598
Audit Fees	45,000	-	45,000	29,750	15,250
Architectural/Engineering Services	40,000	40,000	80,000	800	79,200
Other Purchased Professional Services	9,000	-	9,000	6,215	2,785
Miscellaneous Purchased Services	1,200	-	1,200	1,000	200
Communications/Telephone	136,943	23,742	160,685	109,758	50,927
BOE Other Purchased Services	3,000	-	3,000	600	2,400
Other Purchased Services	31,200	(16,007)	15,193	10,287	4,906
General Supplies	6,000	(609)	5,391	1,572	3,819
BOE In-House Training/Meeting Supplies	5,000	-	5,000	2,062	2,938
BOE Membership Dues and Fees	12,000	1,855	13,855	13,855	-
Total Support Services General Administration	677,266	48,981	726,247	486,114	240,133
Support Services School Administration					
Salaries of Principals/Asst. Principals	631,292	16,040	647,332	647,332	-
Salaries of Secretarial and Clerical Assistants	295,363	609	295,972	292,575	3,397
Other Purchased Services	18,000	10,000	28,000	16,329	11,671
Travel	5,000	-	5,000	4,973	27
Supplies and Materials	22,000	10,000	32,000	6,215	25,785
Other Objects	17,150	-	17,150	11,826	5,324
Total Support Services School Administration	988,805	36,649	1,025,454	979,250	46,204
Central Services					
Salaries	367,757	-	367,757	343,242	24,515
Purchased Technical Services	52,500	10,000	62,500	54,779	7,721
Travel	1,250	-	1,250	-	1,250
Miscellaneous Purchased Services	3,000	-	3,000	750	2,250
Supplies and Materials	12,500	10,000	22,500	10,464	12,036
Interest on Lease Purchase Agreement	10,474	-	10,474	-	10,474
Miscellaneous Expenditures	2,000	-	2,000	1,500	500
Total Central Services	449,481	20,000	469,481	410,735	58,746
Undist. Expend. - Required Maint. For School Facilities					
Salaries	322,653	22,000	344,653	344,094	559
Cleaning, Repair, and Maintenance	217,000	79,844	296,844	277,297	19,547
General Supplies	8,000	11,565	19,565	19,440	125
Other Objects	600	2,275	2,875	2,780	95
Total Undist. Expend - Required Maint. For School Facilities	548,253	115,684	663,937	643,611	20,326

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Transfers</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES					
CURRENT EXPENSE					
Custodial Services					
Salaries	\$ 1,135,239	\$ (20,227)	\$ 1,115,012	\$ 1,085,349	\$ 29,663
Cleaning, Repair, and Maintenance Services	265,700	(74,832)	190,868	164,592	26,276
Other Purchased Property Services	54,975	(25,351)	29,624	25,645	3,979
Insurance	318,000	(4,773)	313,227	308,858	4,369
General Supplies	136,000	53,772	189,772	178,592	11,180
Energy (Natural Gas)	50,000	32,133	82,133	13,529	68,604
Energy (Electricity)	200,000	31,236	231,236	164,974	66,262
ESIP - Principal	44,816	-	44,816	44,816	-
ESIP - Interest	216,000	-	216,000	216,000	-
Total Custodial Services	2,420,730	(8,042)	2,412,688	2,202,355	210,333
Care and Upkeep of Grounds					
Salaries	326,173	10,351	336,524	336,524	-
Cleaning, Repair, and Maintenance Services	66,000	224,538	290,538	289,751	787
General Supplies	97,100	3,133	100,233	94,191	6,042
Total Care and Upkeep of Grounds	489,273	238,022	727,295	720,466	6,829
Security					
Salaries	260,000	(12,000)	248,000	244,776	3,224
Purchased Professional and Technical Services	15,000	-	15,000	2,016	12,984
General Supplies	7,000	-	7,000	1,964	5,036
Total Security	282,000	(12,000)	270,000	248,756	21,244
Student Transportation Services					
Sal. for Pupil Trans. (Btwn. Home & School) - Reg	41,865	-	41,865	41,865	-
Management Fee - ESC & CTSA	-	-	-	-	-
Other Purchased Professional and Technical Services	12,750	-	12,750	5,600	7,150
Contracted Serv- Aid in Lieu Pymts- NonPub Sch	150,000	74,155	224,155	144,585	79,570
Contracted Services (Between Home and School) - Vendors	854,231	(6,545)	847,686	748,651	99,035
Contracted Services (Other Than Between Home and School) - Vendors	200,000	39,574	239,574	105,597	133,977
Contracted Services (Reg Students) - ESC's & CTSA's	800,000	6,025	806,025	475,200	330,825
Contracted Services (Sp Ed Students) - ESC's & CTSA's	657,678	110,721	768,399	546,541	221,858
Miscellaneous Purchased Services - Transportation	4,500	1,000	5,500	2,290	3,210
General Supplies	26,000	(238)	25,762	25,507	255
Other Objects	350	-	350	-	350
Total Student Transportation Services	2,747,374	224,692	2,972,066	2,095,836	876,230
Personal Services - Employee Benefits					
Social Security Contributions	360,000	(9,389)	350,611	340,304	10,307
Other Retirement Contributions	394,600	9,389	403,989	403,989	-
Unemployment Compensation	-	-	-	-	-
Workmen's Compensation	150,000	-	150,000	146,574	3,426
Health Benefits	3,304,519	(103,000)	3,201,519	3,009,684	191,835
Tuition Reimbursement	25,000	-	25,000	25,000	-
Other Employee Benefits	40,645	-	40,645	12,287	28,358
Total Unallocated Benefits - Employee Benefits	4,274,764	(103,000)	4,171,764	3,937,838	233,926
On-behalf TPAF Normal Costs (Non-budgeted)	-	-	-	3,583,800	(3,583,800)
On-behalf TPAF NCGI Premium (Non-budgeted)	-	-	-	40,871	(40,871)
On-behalf Post Retirement Medical Contribution (Non-budgeted)	-	-	-	986,503	(986,503)
On-behalf Long-Term Disability Insurance (Non-budgeted)	-	-	-	944	(944)
Reimbursed TPAF Social Security Contributions (Non-budgeted)	-	-	-	744,501	(744,501)
Total On-behalf Contributions	-	-	-	5,356,619	(5,356,619)
Total Undistributed Expenditures	21,185,554	893,312	22,078,866	24,954,240	(2,875,374)
Total Expenditures - Current Expense	34,404,302	827,347	35,231,649	37,718,089	(2,486,440)

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Transfers</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction					
Grades 9-12	\$ 22,300		\$ 22,300	\$ 10,185	\$ 12,115
Co-Curricular Athletics	11,000	-	11,000	10,569	431
Total Equipment	33,300	-	33,300	20,754	12,546
Facilities Acquisition and Construction Services					
Architectural/ Engineering Services	55,000	-	55,000	-	55,000
Construction Services	220,000	\$ 52,765	272,765	268,021	4,744
Supplies and Materials		-			-
Lease Purchase Agreement	971,210	-	971,210	971,209	1
Total Facilities Acquisition and Construction Services	1,246,210	52,765	1,298,975	1,239,230	59,745
Interest Deposit to Capital Reserve	-	-	-	-	-
Total Capital Outlay	1,279,510	52,765	1,332,275	1,259,984	72,291
Transfer of Funds to Charter Schools	289,520	51,010	340,530	318,840	21,690
Total Expenditures	35,973,332	931,122	36,904,454	39,296,913	(2,392,459)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(3,795,210)	(931,122)	(4,726,332)	(71,257)	4,655,075
Other Financing Sources					
Operating Transfers In	-	-	-	3,170	3,170
Capital Outlay Transfer to Capital Projects	(416,000)	-	(416,000)	-	416,000
Total Other Financing Sources	(416,000)	-	(416,000)	3,170	419,170
Change in Fund Balance	(4,211,210)	(931,122)	(5,142,332)	(68,087)	5,074,245
Fund Balances, Beginning of Year	10,519,009	-	10,519,009	10,519,009	-
Fund Balances, End of Year	\$ 6,307,799	\$ (931,122)	\$ 5,376,677	\$ 10,450,922	\$ 5,074,245
Recapitulation:					
Restricted:					
Capital Reserve				\$ 1,598,820	
Capital Reserve - Designated for Subsequent Year's Expenditures				720,000	
Excess Surplus				2,999,641	
Excess Surplus - Designated for Subsequent Year's Expenditures				2,795,567	
Unemployment Compensation				209,111	
Assigned:					
Designated for Subsequent Year's Expenditures				546,810	
Year - End Encumbrances				139,399	
Unassigned Fund Balance				1,441,574	
				10,450,922	
Less: State Payments Not Recognized on GAAP					
Delayed State Aid				(1,243,758)	
Fund Balance, GAAP Basis				\$ 9,207,164	

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Federal Sources	\$ 729,759	\$ 281,310	\$ 1,011,069	\$ 1,139,892	\$ 128,823
Local Sources	4,462	-	4,462	524,871	520,409
Total Revenues	734,221	281,310	1,015,531	1,664,763	649,232
EXPENDITURES					
Instruction					
Salaries of Teachers	152,200	8,650	160,850	181,158	(20,308)
Tuition	216,319	61,671	277,990	277,990	-
Purchased Professional and Technical Services		32,721	32,721	192,523	(159,802)
Student Activities (Non Budget)		-		200,848	(200,848)
Athletics (Non Budget)		-		245,005	(245,005)
Scholarships (Non Budget)		-		26,060	(26,060)
General Supplies	62,249	139,748	201,997	166,905	35,092
Total Instruction	430,768	242,790	673,558	1,290,489	(616,931)
Support Services					
Employee Benefits	11,644	-	11,644	1,048	10,596
Purchased Professional and Technical Services	12,779	5,122	17,901	17,901	-
Other Purchased Services	18,084	9,653	27,737	15,660	12,077
Supplies and Materials	260,946	(186,289)	74,657	24,534	50,123
General Supplies	-	141,548	141,548	141,548	-
Total Support Services	303,453	(29,966)	273,487	200,691	72,796
Facilities Acquisition and Construction Services					
Building Improvements	-	56,733	56,733	113,334	(56,601)
Non-instructional Equipment	-	11,753	11,753	11,753	-
Total Facilities Acquisition and Construction Services	-	68,486	68,486	125,087	-
Total Expenditures	734,221	281,310	1,015,531	1,616,267	(544,135)
Change in Fund Balance	-	-	-	48,496	105,097
Fund Balances, Beginning of Year	440,150	-	440,150	440,150	-
Fund Balances, End of Year	\$ 440,150	\$ -	\$ 440,150	\$ 488,646	\$ (48,496)

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
GENERAL AND SPECIAL REVENUE FUNDS
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 39,225,656	\$ 1,664,763
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2023		181,474
Encumbrances, June 30, 2024		(14,862)
Difference - Budget to GAAP		
Certain State Aid payments recognized for GAAP Statements, not recognized for budgetary purposes - Prior Year	122,261	
Certain State Aid payments recognized for budgetary purposes, not recognized for GAAP statements - Current Year	(1,243,758)	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 38,104,159</u>	<u>\$ 1,831,375</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule	\$ 39,296,913	\$ 1,616,267
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2023		181,474
Encumbrances, June 30, 2024	-	(14,862)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 39,296,913</u>	<u>\$ 1,782,879</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

Last Ten Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0.02907%	0.02898%	0.02883%	0.02764%	0.02701%	0.02713%	0.02824%	0.02627%	0.02569%	0.02642%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 4,209,985</u>	<u>\$ 4,373,030</u>	<u>\$ 3,415,469</u>	<u>\$ 4,507,008</u>	<u>\$ 4,867,631</u>	<u>\$ 5,342,517</u>	<u>\$ 6,573,106</u>	<u>\$ 7,781,123</u>	<u>\$ 5,768,924</u>	<u>\$ 4,947,099</u>
District's Covered Payroll	<u>\$ 2,236,908</u>	<u>\$ 2,127,167</u>	<u>\$ 2,110,212</u>	<u>\$ 2,070,099</u>	<u>\$ 1,962,641</u>	<u>\$ 1,876,778</u>	<u>\$ 1,880,749</u>	<u>\$ 1,816,776</u>	<u>\$ 1,772,170</u>	<u>\$ 2,530,590</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	188%	206%	162%	218%	248%	285%	349%	428%	326%	195%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.92%	52.08%

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

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

Public Employees Retirement System

Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 388,471	\$ 365,414	\$ 337,645	\$ 302,345	\$ 262,775	\$ 269,894	\$ 261,585	\$ 233,400	\$ 220,943	\$ 217,827
Contributions in Relation to the Contractually Required Contribution	<u>388,471</u>	<u>365,414</u>	<u>337,645</u>	<u>302,345</u>	<u>262,775</u>	<u>269,894</u>	<u>261,585</u>	<u>233,400</u>	<u>220,943</u>	<u>217,827</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 2,258,506</u>	<u>\$ 2,236,908</u>	<u>\$ 2,127,167</u>	<u>\$ 2,110,212</u>	<u>\$ 2,070,099</u>	<u>\$ 1,962,641</u>	<u>\$ 1,876,778</u>	<u>\$ 1,880,749</u>	<u>\$ 1,816,776</u>	<u>\$ 1,772,170</u>
Contributions as a Percentage of Covered Payroll	17.2%	16.3%	15.9%	14.3%	12.7%	13.8%	13.9%	12.4%	12.2%	12.3%

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

Teachers Pension and Annuity Fund

Last Ten Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 42,248,850</u>	<u>\$ 45,527,626</u>	<u>\$ 45,876,687</u>	<u>\$ 62,950,030</u>	<u>\$ 59,520,685</u>	<u>\$ 61,401,113</u>	<u>\$ 64,296,813</u>	<u>\$ 77,301,786</u>	<u>\$ 60,390,129</u>	<u>\$ 50,859,308</u>
Total	<u>\$ 42,248,850</u>	<u>\$ 45,527,626</u>	<u>\$ 45,876,687</u>	<u>\$ 62,950,030</u>	<u>\$ 59,520,685</u>	<u>\$ 61,401,113</u>	<u>\$ 64,296,813</u>	<u>\$ 77,301,786</u>	<u>\$ 60,390,129</u>	<u>\$ 50,859,308</u>
District's Covered Payroll	<u>\$ 9,991,772</u>	<u>\$ 9,991,772</u>	<u>\$ 9,596,099</u>	<u>\$ 10,011,929</u>	<u>\$ 10,400,631</u>	<u>\$ 10,123,671</u>	<u>\$ 10,055,660</u>	<u>\$ 10,064,142</u>	<u>\$ 9,946,970</u>	<u>\$ 10,997,122</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.74%	33.64%

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Change of Benefit Terms: None.

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last Seven Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability							
Service Cost	\$ 1,541,581	\$ 2,024,731	\$ 2,414,898	\$ 1,412,113	\$ 1,359,242	\$ 1,463,836	\$ 1,764,868
Interest on Total OPEB Liability	1,526,248	1,097,256	1,270,692	1,290,000	1,544,548	1,605,580	1,391,093
Changes of Benefit Terms			(52,137)				
Differences Between Expected and Actual Experience	(72,547)	1,457,439	(9,334,147)	7,773,815	(5,540,532)	(2,379,193)	
Changes of Assumptions	87,348	(11,107,044)	48,327	10,157,056	535,426	(4,484,777)	(5,797,814)
Gross Benefit Payments	(1,189,735)	(1,086,865)	(1,000,949)	(968,031)	(1,102,341)	(1,045,020)	(843,153)
Contribution from the Member	39,112	34,867	32,485	29,341	32,676	36,118	31,047
Net Change in Total OPEB Liability	<u>1,932,007</u>	<u>(7,579,616)</u>	<u>(6,620,831)</u>	<u>19,694,294</u>	<u>(3,170,981)</u>	<u>(4,803,456)</u>	<u>(3,453,959)</u>
Total OPEB Liability - Beginning	<u>41,404,184</u>	<u>48,983,800</u>	<u>55,604,631</u>	<u>35,910,337</u>	<u>39,081,318</u>	<u>43,884,774</u>	<u>47,338,733</u>
Total OPEB Liability - Ending	<u>\$ 43,336,191</u>	<u>\$ 41,404,184</u>	<u>\$ 48,983,800</u>	<u>\$ 55,604,631</u>	<u>\$ 35,910,337</u>	<u>\$ 39,081,318</u>	<u>\$ 43,884,774</u>
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	<u>43,336,191</u>	<u>41,404,184</u>	<u>48,983,800</u>	<u>55,604,631</u>	<u>35,910,337</u>	<u>39,081,318</u>	<u>43,884,774</u>
Total OPEB Liability - Ending	<u>\$ 43,336,191</u>	<u>\$ 41,404,184</u>	<u>\$ 48,983,800</u>	<u>\$ 55,604,631</u>	<u>\$ 35,910,337</u>	<u>\$ 39,081,318</u>	<u>\$ 43,884,774</u>
District's Covered Payroll	<u>\$ 12,228,680</u>	<u>\$ 12,118,939</u>	<u>\$ 11,706,311</u>	<u>\$ 12,082,028</u>	<u>\$ 12,363,272</u>	<u>\$ 12,000,449</u>	<u>\$ 11,936,409</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%

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

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

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

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability
are presented in Note 4E.

SCHOOL LEVEL SCHEDULES

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

NOT APPLICABLE

SPECIAL REVENUE FUND

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ESEA Title I	ESEA Title II-A	ESEA Title IV	IDEA Part B Basic	SDA Grant	ESSER II CRRSA ESSER II	Learning Acceleration	ESSER III ARP ESSER III	Accelerated Learning Coach	Evidence Based Summer	Evidence Based Comprehensive	NJTSS Mental Health	ACSERS	Other Local Programs	Student Activities	Athletics	Scholarships	Total
REVENUES																		
Intergovernmental																		
Federal	\$ 192,706	\$ 26,460	\$ 22,898	\$ 277,990	\$ 12,600	\$ 92,584	\$ 32,721	\$ 251,144	\$ 37,649	\$ 28,958	\$ 4,046	\$ 334	\$ 159,802	\$ 4,462	\$ 240,171	\$ 244,115	\$ 36,123	\$ 1,139,892
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 524,871
Total Revenues	\$ 192,706	\$ 26,460	\$ 22,898	\$ 277,990	\$ 12,600	\$ 92,584	\$ 32,721	\$ 251,144	\$ 37,649	\$ 28,958	\$ 4,046	\$ 334	\$ 159,802	\$ 4,462	\$ 240,171	\$ 244,115	\$ 36,123	\$ 1,664,763
EXPENDITURES																		
Instruction																		
Salaries of Teachers	\$ 146,400	\$ 5,800								\$ 28,958								\$ 181,158
Purchased Professional and Technical Serv.							\$ 32,721						\$ 159,802					192,523
Tuition				\$ 277,990														277,990
Student Activities															\$ 200,848			200,848
Athletics																\$ 245,005		245,005
Scholarships																	\$ 26,060	26,060
General Supplies	45,258	-	440	-	-	-	-	\$ 79,178	\$ 37,649	-	\$ 4,046	\$ 334	-	-	-	-	-	166,905
Total Instruction	191,658	5,800	440	277,990	-	-	32,721	79,178	37,649	28,958	4,046	334	159,802	-	200,848	245,005	26,060	1,290,489
Support Services																		
Employee Benefits	1,048																	1,048
Purchased Professional and Technical Serv.		5,000	12,901															17,901
Other Purchased Services		15,660																15,660
Supplies and Materials	-	-	-	-	-	\$ 1,407	-	18,665	-	-	-	-	-	\$ 4,462	-	-	-	24,534
Other Objects - Aid in Lieu	-	-	-	-	-	-	-	141,548	-	-	-	-	-	-	-	-	-	141,548
Total Support Services	1,048	20,660	12,901	-	-	1,407	-	160,213	-	-	-	-	-	4,462	-	-	-	200,691
Facilities Acquisition and Construction																		
Building Improvements			9,557		\$ 12,600	91,177												113,334
Non-instructional Equipment	-	-	-	-	-	-	-	11,753	-	-	-	-	-	-	-	-	-	11,753
Total Facilities Acquisition and Cons.	-	-	9,557	-	12,600	91,177	-	11,753	-	-	-	-	-	-	-	-	-	125,087
Total Expenditures	\$ 192,706	\$ 26,460	\$ 22,898	\$ 277,990	\$ 12,600	\$ 92,584	\$ 32,721	\$ 251,144	\$ 37,649	\$ 28,958	\$ 4,046	\$ 334	\$ 159,802	\$ 4,462	\$ 200,848	\$ 245,005	\$ 26,060	\$ 1,616,267
Excess (Deficiency) of Revenues Over (Under) Expenditures															39,323	(890)	10,063	48,496
Fund Balances, Beginning of Year															180,175	90,582	169,393	440,150
Fund Balances, End of Year															\$ 219,498	\$ 89,692	\$ 179,456	\$ 488,646

CAPITAL PROJECTS FUND

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance, June 30, 2024</u>
		<u>Prior Year</u>	<u>Current Year</u>	
ESIP Project	\$ 2,083,000	\$ 1,886,193	\$ 173,730	\$ 23,077
Turf Field Project	<u>1,200,000</u>	<u>1,122,898</u>	<u>-</u>	<u>77,102</u>
	<u>\$ 3,283,000</u>	<u>\$ 3,009,091</u>	<u>\$ 173,730</u>	<u>\$ 100,179</u>

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Revenues and Other Financing Sources**Revenues**

Interest Earnings	\$ 3,170
Total Revenues	3,170

Expenditures and Other Financing Uses**Expenditures**

Purchased Professional and Technical Services	58,505
Construction Services	115,225
Total Expenditures	173,730

Other Financing Uses

Transfer to General Fund	3,170
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Total Expenditures and Transfers	176,900
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Excess (Deficiency) of Revenues Over (Under) Expenditures	(173,730)
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Fund Balance - Beginning of Year	273,909
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Fund Balance - End of Year	\$ 100,179
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Recapitulation of Fund Balance:

Undesignated Fund Balance - Capital Projects	\$ 100,179
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PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
BUDGETARY BASIS
ESIP PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
ESIP Proceeds	\$ 2,083,000	\$ -	\$ 2,083,000	\$ 2,083,000
Total Revenues	<u>2,083,000</u>	<u>-</u>	<u>2,083,000</u>	<u>2,083,000</u>
EXPENDITURES AND OTHER FINANCING SOURCES				
Professional and Technical Services	1,886,193	\$ 58,505	\$ 1,944,698	1,967,775
Construction Services	<u>-</u>	<u>115,225</u>	<u>115,225</u>	<u>115,225</u>
Total Expenditures and other Financing Sources	<u>1,886,193</u>	<u>173,730</u>	<u>2,059,923</u>	<u>2,083,000</u>
Excess (deficiency) of Revenues over (under) Expenditures	<u>\$ 196,807</u>	<u>\$ (173,730)</u>	<u>\$ 23,077</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	N/A			
Original Authorized Cost	2,083,000			
Additional Authorized Cost	-			
Revised Authorized Cost	2,083,000			

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
BUDGETARY BASIS
TURF FIELD PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

ENTERPRISE FUNDS

EXHIBIT G-1

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO.1 BOARD OF EDUCATION
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4.

EXHIBIT G-2

**COMBINING STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5.

EXHIBIT G-3

**COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6.

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
LONG TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, June 30, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2024</u>
			<u>Date</u>	<u>Amount</u>					
2021 Refunding Bond	8/9/2021	\$ 1,952,000	7/15/2024	\$ 621,000	0.65%	<u>\$ 1,276,000</u>	<u>\$ -</u>	<u>\$ 655,000</u>	<u>\$ 621,000</u>
						<u>\$ 1,276,000</u>	<u>\$ -</u>	<u>\$ 655,000</u>	<u>\$ 621,000</u>
Paid by Budget Appropriation:							<u>\$ 655,000</u>		

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
LONG-TERM DEBT
STATEMENT OF CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Purpose</u>	<u>Original Issue</u>	<u>Principal Payment</u>		<u>Interest Rate</u>	<u>Balance, June 30, 2023</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2024</u>
		<u>Date</u>	<u>Amount</u>					
ESIP Lease	\$ 2,083,000	4/1/2025	\$ 213,000	2.1567%				
		4/1/2026	220,000	2.1567%				
		4/1/2027	86,000	2.1567%				
		4/1/2028	91,000	2.1567%				
		4/1/2029	79,000	2.1567%				
		4/1/2030	83,000	2.1567%				
		4/1/2031	87,000	2.1567%				
		4/1/2032	91,000	2.1567%				
		4/1/2033	96,000	2.1567%				
		4/1/2034	101,000	2.1567%				
		4/1/2035	106,000	2.1567%				
		4/1/2036	111,000	2.1567%				
		4/1/2037	116,000	2.1567%				
		4/1/2038	122,000	2.1567%				
		4/1/2039	127,000	2.1567%				
		4/1/2040	133,000	2.1567%	\$ 2,078,000		\$ 216,000	\$ 1,862,000
Turf Lease Purchase	1,200,000			961,903	-	961,903	-	
Total Capital Financing Agreements					\$ 3,039,903	\$ -	\$ 1,177,903	\$ 1,862,000

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable / (Unfavorable)</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 435,727		\$ 435,727	\$ 435,727	-
Intergovernmental					
Debt Service Aid Type II	<u>224,796</u>	<u>-</u>	<u>224,796</u>	<u>224,796</u>	<u>-</u>
Total Revenues	<u>660,523</u>	<u>-</u>	<u>660,523</u>	<u>660,523</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Interest	6,165		6,165	6,165	\$ -
Principal	<u>655,000</u>	<u>-</u>	<u>655,000</u>	<u>655,000</u>	<u>-</u>
Total Expenditures	<u>661,165</u>	<u>-</u>	<u>661,165</u>	<u>661,165</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(642)</u>	<u>-</u>	<u>(642)</u>	<u>(642)</u>	<u>-</u>
Other Financing Sources					
Payments to Refunded Bond Escrow Agent				-	-
Refunding Bond Proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess to Fund Balance	(642)	-	(642)	(642)	-
Fund Balance, Beginning of Year	<u>642</u>	<u>-</u>	<u>642</u>	<u>642</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changed over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

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

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

	2015	2016	2017	2018	Fiscal Year Ended June 30,		2021	2022	2023	2024
					2019	2020		(Restated)		
						(Restated)				
Governmental Activities										
Net Investment in Capital Assets	\$ 1,348,375	\$ 1,690,914	\$ 2,136,503	\$ 3,090,355	\$ 3,911,693	\$ 4,498,966	\$ 5,113,920	\$ 3,024,862	\$ 5,738,543	\$ 7,623,955
Restricted	1	1	1,000,000	91,206	66,206	590,478	683,204	1,409,065	2,133,811	3,116,756
Unrestricted	<u>(2,470,470)</u>	<u>(2,409,741)</u>	<u>(2,335,583)</u>	<u>(1,675,679)</u>	<u>(1,812,400)</u>	<u>(1,166,259)</u>	<u>(135,922)</u>	<u>3,755,741</u>	<u>3,965,594</u>	<u>2,049,622</u>
Total Governmental Activities Net Position	\$ <u>(1,122,094)</u>	\$ <u>(718,826)</u>	\$ <u>800,920</u>	\$ <u>1,505,882</u>	\$ <u>2,165,499</u>	\$ <u>3,923,185</u>	\$ <u>5,661,202</u>	\$ <u>8,189,668</u>	\$ <u>11,837,948</u>	\$ <u>12,790,333</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 68,287	\$ 72,526	\$ 86,829	\$ 76,543	\$ 66,255	\$ 59,438	\$ 49,555	\$ 55,395	\$ 44,795	\$ 66,641
Restricted										
Unrestricted	<u>101,961</u>	<u>55,948</u>	<u>59,546</u>	<u>36,112</u>	<u>44,251</u>	<u>13,766</u>	<u>3,964</u>	<u>88,389</u>	<u>95,342</u>	<u>68,880</u>
Total Business-Type Activities Net Position	\$ <u>170,248</u>	\$ <u>128,474</u>	\$ <u>146,375</u>	\$ <u>112,655</u>	\$ <u>110,506</u>	\$ <u>73,204</u>	\$ <u>53,519</u>	\$ <u>143,784</u>	\$ <u>140,137</u>	\$ <u>135,521</u>
District-Wide										
Net Investment in Capital Assets	\$ 1,416,662	\$ 1,763,440	\$ 2,223,332	\$ 3,166,898	\$ 3,977,948	\$ 4,558,404	\$ 5,163,475	\$ 3,080,257	\$ 5,783,338	\$ 7,690,596
Restricted	1	1	1,000,000	91,206	66,206	590,478	683,204	1,409,065	2,133,811	3,116,756
Unrestricted	<u>(2,368,509)</u>	<u>(2,353,793)</u>	<u>(2,276,037)</u>	<u>(1,639,567)</u>	<u>(1,768,149)</u>	<u>(1,152,493)</u>	<u>(131,958)</u>	<u>3,844,130</u>	<u>4,060,936</u>	<u>2,118,502</u>
Total District Net Position	\$ <u>(951,846)</u>	\$ <u>(590,352)</u>	\$ <u>947,295</u>	\$ <u>1,618,537</u>	\$ <u>2,276,005</u>	\$ <u>3,996,389</u>	\$ <u>5,714,721</u>	\$ <u>8,333,452</u>	\$ <u>11,978,085</u>	\$ <u>12,925,854</u>

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

Note 2 - Net Position at June 30, 2022 was restated by the Prior Year Auditor during 2023 Audit.

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

	2015	2016	2017	2018	Fiscal Year Ended June 30,		2021	2022	2023	2024
					2019	2020			(Note 1)	
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 14,890,828	\$ 15,869,208	\$ 17,115,620	\$ 17,448,043	\$ 17,293,503	\$ 17,438,305	\$ 18,779,558	\$ 16,767,087	\$ 8,540,875	\$ 15,611,370
Special Education	3,431,786	4,023,656	4,192,108	5,071,735	4,900,118	5,293,627	6,093,642	6,456,012	4,173,228	6,880,389
Other Instruction	47,772	48,408	24,225	2,841						
School Sponsored Activities And Athletics	1,213,804	1,256,982	1,348,228	1,515,902	1,641,462	1,186,077	1,707,771	1,638,049	1,136,574	1,985,100
Support Services:										
Student & Instruction Related Services	2,529,604	2,940,549	3,242,787	3,005,216	2,895,009	2,736,769	3,101,532	2,842,925	2,760,103	3,569,037
General Administration	544,974	581,694	691,713	693,538	713,751	728,430	784,035	660,878	483,127	615,509
School Administrative Services	1,094,809	1,312,940	1,634,234	1,478,788	1,437,475	1,293,180	1,331,933	1,253,799	1,037,093	1,367,143
Plant Operations And Maintenance	3,440,555	2,876,412	3,597,066	3,667,182	3,760,507	3,709,467	3,652,990	4,250,268	3,940,190	4,326,286
Pupil Transportation	1,689,665	1,760,112	1,614,067	1,944,707	1,929,198	1,756,797	1,365,998	1,837,177	2,460,484	2,109,110
Business and Other Support Services	856,608	687,827	578,274	549,621	529,285	496,083	590,376	501,646	468,170	519,563
Interest On Long-Term Debt	226,874	204,623	182,876	162,176	137,645	118,146	97,866	46,757	28,687	55,165
Other Governmental Expenses	-	-	-	-	-	-	-	-	11,129,923	-
Total Governmental Activities Expenses	29,967,279	31,562,411	34,221,198	35,539,749	35,237,953	34,756,881	37,505,701	36,254,598	36,158,454	37,038,672
Business-Type Activities:										
Food Service	894,750	907,928	748,414	688,443	644,858	546,923	162,004	676,424	615,968	604,911
Total Business-Type Activities Expense	894,750	907,928	748,414	688,443	644,858	546,923	162,004	676,424	615,968	604,911
Total District Expenses	\$ 30,862,029	\$ 32,470,339	\$ 34,969,612	\$ 36,228,192	\$ 35,882,811	\$ 35,303,804	\$ 37,667,705	\$ 36,931,022	\$ 36,774,422	\$ 37,643,583
Program Revenues										
Governmental Activities:										
Charges For Services:										
Tuition / Pupil Transportation	\$ 122,296	\$ 125,330	\$ 357,987	\$ 445,106	\$ 983,026	\$ 1,136,782	\$ 1,255,595	\$ 1,258,028	\$ 376,729	\$ 1,375,019
Operating Grants And Contributions	5,836,000	6,876,416	9,071,449	9,536,239	8,016,105	7,599,389	10,025,860	8,234,590	1,175,278	6,483,864
Capital Grants And Contributions	-	-	-	-	-	-	-	1,074,906	-	125,087
Total Governmental Activities Program Revenues	5,958,296	7,001,746	9,429,436	9,981,345	8,999,131	8,736,171	11,281,455	10,567,524	1,552,007	7,983,970
Business-Type Activities:										
Charges For Services:										
Food Service	649,422	609,787	505,570	452,146	448,527	349,503	6,762	89,241	352,424	378,537
Operating Grants And Contributions	203,836	244,443	236,155	202,577	193,987	158,939	135,468	661,950	256,868	216,725
Total Business Type Activities Program Revenues	853,258	854,230	741,725	654,723	642,514	508,442	142,230	751,191	609,292	595,262
Total District Program Revenues	\$ 6,811,554	\$ 7,855,976	\$ 10,171,161	\$ 10,636,068	\$ 9,641,645	\$ 9,244,613	\$ 11,423,685	\$ 11,318,715	\$ 2,161,299	\$ 8,579,232
Net (Expense)/Revenue										
Governmental Activities	\$ (24,008,983)	\$ (24,560,665)	\$ (24,791,762)	\$ (25,558,404)	\$ (26,238,822)	\$ (26,020,710)	\$ (26,224,246)	\$ (25,687,074)	\$ (34,606,447)	\$ (29,054,702)
Business-Type Activities	(41,492)	(53,698)	(6,689)	(33,720)	(2,344)	(38,481)	(19,774)	74,767	(6,676)	(9,649)
Total District-Wide Net Expense	\$ (24,050,475)	\$ (24,614,363)	\$ (24,798,451)	\$ (25,592,124)	\$ (26,241,166)	\$ (26,059,191)	\$ (26,244,020)	\$ (25,612,307)	\$ (34,613,123)	\$ (29,064,351)

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

	2015	2016	2017	2018	Fiscal Year Ended June 30,		2021	2022	2023	2024
					2019	2020			(Note 1)	
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 23,575,874	\$ 24,047,391	\$ 24,636,505	\$ 25,250,755	\$ 25,755,770	\$ 26,270,885	\$ 26,796,303	\$ 27,332,229	\$ 27,878,874	\$ 28,436,452
Taxes Levied For Debt Service	646,185	670,550	607,471	573,647	509,017	496,385	483,236	485,795	464,181	435,727
Grants And Contributions	237,329	257,105	277,655	350,175	350,456	354,625	354,083	869,498	8,221,453	359,556
Miscellaneous Income	72,008	93,999	811,707	88,789	283,196	148,961	328,641	292,195	593,431	775,352
Tuition	-	-	-	-	-	-	-	-	1,096,788	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	24,531,396	25,069,045	26,333,338	26,263,366	26,898,439	27,270,856	27,962,263	28,979,717	38,254,727	30,007,087
Business-Type Activities:										
Miscellaneous Income	-	-	-	-	195	1,179	89	119	3,029	5,033
Total Business-Type Activities	-	-	-	-	195	1,179	89	119	3,029	5,033
Total District-Wide	\$ 24,531,396	\$ 25,069,045	\$ 26,333,338	\$ 26,263,366	\$ 26,898,634	\$ 27,272,035	\$ 27,962,352	\$ 28,979,836	\$ 38,257,756	\$ 30,012,120
Change in Net Position										
Governmental Activities	\$ 522,413	\$ 508,380	\$ 1,541,576	\$ 704,962	\$ 659,617	\$ 1,250,146	\$ 1,738,017	\$ 3,292,643	\$ 3,648,280	\$ 952,385
Business-Type Activities	(41,492)	(53,698)	(6,689)	(33,720)	(2,149)	(37,302)	(19,685)	74,886	(3,647)	(4,616)
Total District	\$ 480,921	\$ 454,682	\$ 1,534,887	\$ 671,242	\$ 657,468	\$ 1,212,844	\$ 1,718,332	\$ 3,367,529	\$ 3,644,633	\$ 947,769

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

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

	2015	2016	2017	2018	Fiscal Year Ended June 30,		2021	2022	2023	2024
					2019	2020				
						(Restated)				
General Fund										
Restricted	\$ 2,068,845	\$ 2,498,549	\$ 4,211,561	\$ 3,838,809	\$ 3,650,737	\$ 4,310,273	\$ 4,858,311	\$ 5,850,157	\$ 6,459,921	\$ 8,323,139
Assigned	537,020	224,357	161,530	444,283	449,043	614,220	581,905	1,106,645	1,734,451	686,209
Unassigned	425,344	449,095	382,309	417,558	409,971	265,930	769,148	1,187,489	1,652,376	197,816
Total General Fund	<u>\$ 3,031,209</u>	<u>\$ 3,172,001</u>	<u>\$ 4,755,400</u>	<u>\$ 4,700,650</u>	<u>\$ 4,509,751</u>	<u>\$ 5,190,423</u>	<u>\$ 6,209,364</u>	<u>\$ 8,144,291</u>	<u>\$ 9,846,748</u>	<u>\$ 9,207,164</u>
All Other Governmental Funds										
Restricted	\$ 13,621	\$ 13,621	\$ (48,291)		\$ 40,000	\$ 471,694	\$ 415,779	\$ 543,917	\$ 440,150	\$ 588,825
Committed										
Unassigned	(9,053)	(251)								
Assigned								1,832,372	274,551	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 4,568</u>	<u>\$ 13,370</u>	<u>\$ (48,291)</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 471,694</u>	<u>\$ 415,779</u>	<u>\$ 2,376,289</u>	<u>\$ 714,701</u>	<u>\$ 588,825</u>

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

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

	2015	2016	2017	2018	Fiscal Year Ended June 30,		2021	2022	2023	2024
					2019	2020				
Revenues										
Tax Levy	\$ 24,222,059	\$ 24,717,941	\$ 25,243,976	\$ 25,824,402	\$ 26,264,787	\$ 26,767,270	\$ 27,279,539	\$ 27,818,024	\$ 28,343,055	\$ 28,872,179
Transportation/Tuition	122,296	125,330	1,057,712	445,106	983,026	1,136,782	1,255,595	1,258,028	1,096,788	1,375,019
Miscellaneous	72,008	93,999	115,947	98,577	285,196	153,961	606,252	700,330	992,792	1,300,223
State Sources	3,360,749	3,752,604	4,112,182	4,734,545	5,326,718	5,724,457	6,437,271	8,321,782	9,142,040	7,726,536
Federal Sources	488,137	480,306	497,443	535,811	519,078	630,808	779,025	1,288,074	2,288,313	1,325,270
Total Revenue	28,265,249	29,170,180	31,027,260	31,638,441	33,378,805	34,413,278	36,357,682	39,386,238	41,862,988	40,599,227
Expenditures										
Instruction										
Regular Instruction	13,187,637	13,659,011	13,598,149	14,289,910	15,549,752	16,253,678	16,990,184	17,601,753	7,844,788	17,136,117
Special Education Instruction	3,277,723	3,844,166	3,900,205	4,747,674	4,736,820	5,173,980	5,888,073	6,600,717	4,066,123	7,210,506
Other Instruction	39,644	45,601	21,384							-
School Sponsored Activities and Athletics	1,169,535	1,198,220	1,192,884	1,336,951	1,549,466	1,164,627	1,620,785	1,705,829	1,067,708	1,951,891
Support Services:										-
Student and Inst. Related Services	2,249,782	2,580,322	2,654,550	2,480,946	2,595,327	2,544,097	2,775,916	2,972,849	2,449,975	3,826,856
General Administration	500,837	529,979	600,912	597,306	664,631	692,465	722,128	693,431	458,516	680,362
School Administrative Services	1,010,122	1,146,777	1,304,858	1,211,102	1,297,211	1,215,849	1,190,968	1,345,526	949,195	1,546,899
Plant Operations And Maintenance	3,211,508	2,650,486	3,143,352	3,152,291	3,445,414	3,509,122	3,444,214	4,212,834	3,753,136	4,410,696
Pupil Transportation	1,689,665	1,756,603	1,602,492	1,930,968	1,924,479	1,756,825	1,365,252	1,839,456	2,457,891	2,113,665
Central Services	856,608	669,189	531,286	490,190	508,613	496,208	559,482	532,623	433,149	556,913
Operating Lease Payments	-	-	-	-	-	-	-	-	-	-
Unallocated Expenses									14,233,589	
Capital Outlay	118,033	78,355	135,186	607,998	486,752	249,503	105,478	1,608,280	2,871,558	587,592
Debt Service:										
Cost of Issuance for Bond Sale										
Principal	600,000	650,000	630,000	630,000	625,000	625,000	625,000	650,000	676,000	1,832,903
Interest and Other Charges	233,392	211,877	190,264	169,564	146,239	127,098	107,176	85,409	10,491	60,287
Total Expenditures	28,144,486	29,020,586	29,505,522	31,644,900	33,529,704	33,808,452	35,394,656	39,848,707	41,272,119	41,914,687
Excess (Deficiency) of Revenues Over (Under) Expenditures	120,763	149,594	1,521,738	(6,459)	(150,899)	604,826	963,026	(462,469)	590,869	(1,315,460)
Other Financing Sources (Uses)										
Insurance Proceeds								1,074,906		-
Capital Lease								2,083,000		-
ESIP								1,200,000		-
Payments to Refunded Bond Escrow Agent								(1,952,000)		-
Refunding Bond Proceeds								1,952,000		-
Transfers In	27	1	286	66,083	40,114	845	112	40,104	25,883	3,170
Transfers Out	(27)	(1)	(286)	(66,083)	(40,114)	(845)	(112)	(40,104)	(25,883)	(3,170)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	4,357,906	-	-
Net Change in Fund Balances	\$ 120,763	\$ 149,594	\$ 1,521,738	\$ (6,459)	\$ (150,899)	\$ 604,826	\$ 963,026	\$ 3,895,437	\$ 590,869	\$ (1,315,460)
Debt Service as a Percentage of Noncapital Expenditures	2.97%	2.98%	2.79%	2.58%	2.33%	2.24%	2.07%	1.92%	1.79%	4.58%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	<u>Rebates/ Refunds</u>	<u>Interest on Invest.</u>	<u>Tuition Refunds</u>	<u>Land Sale Proceeds</u>	<u>Tuition / Transportation Fees</u>	<u>Misc.</u>	<u>Total</u>
2015	\$ 16,503	\$ 1,525			\$ 122,296	\$ 53,953	\$ 194,277
2016	33,361	1,163			125,330	59,474	219,328
2017		2,926		\$ 699,725	357,987	109,020	1,169,658
2018		9,810			445,106	78,900	533,816
2019		13,461			983,026	269,621	1,266,108
2020		117,170			1,136,782	30,946	1,284,898
2021	15,796	14,917	26,192		1,255,595	271,625	1,584,125
2022		17,230			1,258,028	274,861	1,550,119
2023	3,918	226,681			1,096,788	336,949	1,664,336
2024		357,242			1,375,019	414,940	2,147,201

Source: District Records

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

Township of Little Falls

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2015	\$ 28,120,300	\$ 1,049,623,100			\$ 231,829,500	\$ 53,267,000	\$ 115,646,700	\$ 1,478,486,600	\$ 4,260,800	\$ 1,482,747,400	\$ 1,482,747,400	\$ 0.487
2016	28,060,000	1,051,777,300			229,699,200	52,554,000	115,646,700	1,477,737,200	4,443,100	1,482,180,300	1,612,426,996	0.494
2017	31,827,900	1,053,630,100			238,172,400	45,285,800	115,646,700	1,484,562,900	4,415,500	1,488,978,400	1,627,535,576	0.510
2018	29,477,900	1,063,941,800			247,834,300	44,985,800	106,501,600	1,492,741,400	4,515,700	1,497,257,100	1,625,631,202	0.490
2019	31,587,800	1,075,954,400			246,973,400	44,058,500	105,985,600	1,504,559,700	4,521,300	1,509,081,000	1,655,423,783	0.502
2020	26,087,900	1,092,644,600			233,815,500	45,395,300	105,985,600	1,503,928,900	4,522,700	1,508,451,600	1,671,623,578	0.507
2021	43,874,700	1,106,070,400			234,565,800	40,288,800	105,985,600	1,530,785,300	4,696,600	1,535,481,900	1,782,818,682	0.517
2022	44,139,100	1,124,793,300			271,228,700	40,510,500	110,354,000	1,591,025,600	4,609,700	1,595,635,300	1,799,127,024	0.582
2023	41,365,600	1,117,262,000			232,968,300	40,510,500	110,839,200	1,542,945,600	4,609,700	1,547,555,300	1,967,903,162	0.534
2024	32,301,900	1,119,730,100			231,414,600	40,510,500	110,839,200	1,534,796,300	4,609,700	1,539,406,000	2,185,132,521	0.521

Source: County Abstract of Ratables

N/A Not Available

^a Tax rates are per \$100

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

Borough of Totowa

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2015	\$ 44,758,200	\$ 1,357,951,300	\$ 900,400	\$ 2,800	\$ 612,756,900	\$ 289,562,300	N/A	\$ 2,305,931,900	\$ 2,290,124	\$ 2,308,222,024	\$ 2,156,561,331	\$ 0.404
2016	44,294,000	1,357,290,700	900,400	2,800	602,952,000	288,411,200	N/A	2,293,851,100	2,246,233	2,296,097,333	2,216,310,167	0.418
2017	40,939,100	1,356,147,900	900,400	2,800	598,416,900	274,566,700	N/A	2,270,973,800	2,380,814	2,273,354,614	2,128,007,043	0.426
2018	41,158,100	1,360,295,200	900,400	2,800	546,783,500	325,748,700	\$ 356,700	2,275,245,400	-	2,275,245,400	2,118,280,793	0.438
2019	39,230,900	1,367,903,100	900,400	2,800	563,532,600	339,352,600	2,398,200	2,313,320,600	-	2,313,320,600	2,174,893,916	0.458
2020	64,653,500	1,368,634,500	900,400	2,400	589,859,500	366,153,400	6,242,400	2,396,446,100	-	2,396,446,100	2,231,120,101	0.457
2021	60,321,800	1,369,405,200	900,400	4,100	615,337,900	377,154,700	8,642,400	2,431,766,500	-	2,431,766,500	2,264,003,817	0.707
2022	43,862,000	1,370,625,800	900,400	4,200	649,604,400	382,633,600	21,899,500	2,469,529,900	-	2,469,529,900	2,299,161,996	0.682
2023	45,335,600	1,378,184,500	900,400	4,300	658,580,400	382,704,600	22,399,500	2,488,109,300	-	2,488,109,300	2,316,459,641	0.691
2024	44,988,100	1,380,213,400	900,400	4,300	652,350,200	382,814,000	23,510,000	2,484,780,400	-	2,484,780,400	2,313,360,395	0.707

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

Borough of Woodland Park

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2015	\$ 23,857,800	\$ 1,206,336,400		\$ 1,800	\$ 297,975,400	\$ 54,483,200	\$ 60,148,600	\$ 1,642,803,200	\$ 1,171,996	\$ 1,643,975,196	\$ 1,724,271,639	\$ 0.496
2016	19,229,400	1,219,637,100		1,800	297,788,400	53,995,200	60,148,600	1,650,800,500	1,147,406	1,651,947,906	1,732,691,322	0.504
2017	17,355,200	1,245,548,400		1,800	296,629,900	53,295,700	60,148,600	1,672,979,600	1,100,480	1,674,080,080	1,802,509,345	0.510
2018	16,391,500	1,257,732,600		1,800	296,629,900	53,255,700	60,148,600	1,684,160,100	1,109,824	1,685,269,924	1,839,011,266	0.532
2019	14,786,500	1,259,332,400		1,800	298,199,600	54,477,400	63,923,600	1,690,721,300	939	1,690,722,239	1,808,328,203	0.508
2020	15,187,300	1,260,144,500		1,800	289,189,000	54,477,400	63,923,600	1,682,923,600	896	1,682,924,496	1,877,635,274	0.514
2021	15,056,500	1,261,321,400		2,100	286,201,100	54,477,400	63,923,600	1,680,982,100	891	1,680,982,991	2,029,682,248	0.548
2022	23,968,700	1,263,606,900		2,100	285,925,300	47,579,400	70,018,200	1,691,100,600	828	1,691,101,428	2,049,497,773	0.517
2023	14,053,200	1,265,877,200		2,100	278,407,000	75,448,300	70,018,200	1,703,806,000	744	1,703,806,744	2,209,279,362	0.483
2024	13,926,700	1,268,280,300		2,100	276,402,900	75,647,800	70,018,200	1,704,278,000	733	1,704,278,733	2,334,575,601	0.473

Source: County Abstract of Ratables

a Tax rates are per \$100

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

Township of Little Falls

Assessment Year	Passaic Valley Regional H.S. District No. 1	Little Falls School District	Township of Little Falls	Passaic County	Total
2015	0.487	0.922	0.822	0.844	3.076
2016	0.494	0.955	0.837	0.835	3.121
2017	0.510	0.974	0.869	0.810	3.163
2018	0.490	0.985	0.887	0.798	3.160
2019	0.502	0.997	0.911	0.771	3.181
2020	0.507	1.017	0.909	0.750	3.183
2021	0.517	1.027	0.936	0.750	3.230
2022	0.582	1.017	0.910	0.721	3.230
2023	0.534	1.061	0.978	0.709	3.282
2024	0.521	1.110	0.981	0.720	3.332

Source: Tax Duplicate, Township of Little Falls

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

Borough of Totowa

Assessment Year	Passaic Valley Regional H.S. District No. 1	Totowa School District	Borough of Totowa	Passaic County	Total
2015	0.404	0.638	0.534	0.708	2.284
2016	0.418	0.665	0.543	0.723	2.349
2017	0.426	0.691	0.554	0.688	2.359
2018	0.438	0.710	0.553	0.682	2.383
2019	0.458	0.715	0.563	0.652	2.388
2020	0.457	0.703	0.584	0.678	2.422
2021	0.439	0.707	0.594	0.639	2.379
2022	0.430	0.682	0.593	0.733	2.438
2023	0.497	0.691	0.622	0.783	2.593
2024	0.537	0.707	0.639	0.828	2.711

Source: Tax Duplicate, Borough of Totowa

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

Borough of Woodland Park

Assessment Year	Passaic Valley Regional H.S. District No. 1	Woodland Park School District	Borough of Woodland Park	Passaic County	Total
2015	0.496	0.929	0.765	0.773	2.964
2016	0.504	0.951	0.775	0.800	3.030
2017	0.510	0.971	0.804	0.794	3.079
2018	0.532	0.998	0.822	0.809	3.161
2019	0.508	1.014	0.842	0.751	3.115
2020	0.514	1.050	0.865	0.757	3.186
2021	0.548	1.067	0.886	0.745	3.246
2022	0.517	1.082	0.927	0.762	3.288
2023	0.483	1.094	0.985	0.721	3.283
2024	0.473	1.126	1.050	0.698	3.347

Source: Tax Duplicate, Borough of Woodland Park

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

Township of Little Falls

Taxpayer	2024		2015	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Inwood Owners Inc	\$ 61,650,000	3.86%		
Theta Holding Co	38,615,000	2.42%		
PAR3 LLC	14,601,900	0.92%		
Park Falls Associates	13,000,000	0.81%		
Great Notch Village	9,771,900	0.61%		
Saturn Realty	9,656,300	0.61%		
Lennar Little Falls Townhomes L	8,874,000	0.56%		
SL 101 East Main St LLC	8,500,000	0.53%		
Colf in 2019-4 IND owner-Link L	8,467,200	0.53%		
Sisco	8,433,500	0.53%		
	<u>\$ 181,569,800</u>	<u>11.38%</u>		
Inwood Owners Inc			\$ 68,500,000	4.62%
Theta Holding Co			50,055,000	3.38%
Park Falls Associates			13,285,000	0.90%
PAR3 LLC			12,432,200	0.84%
Great Notch Village			10,027,700	0.68%
Saturn Realty			9,656,300	0.65%
Sisco			8,965,100	0.60%
Andrew Realty			8,500,000	0.57%
Hilltop Manor Associates LLC			7,000,000	0.47%
Brownstone Inc			6,898,800	0.47%
			<u>\$ 195,320,100</u>	<u>13.18%</u>

Source: Municipal Tax Assessor

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

Borough of Totowa

Taxpayer	2024		2015	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
1000 Cloud Drive	\$ 82,373,100	3.31%		
701 - 703 Union Blvd.	64,573,900	2.60%		
545 Route #46	47,000,000	1.89%		
465 Route 46	44,739,400	1.80%		
700-710 Union Blvd.	41,377,100	1.66%		
50 Route 46	23,271,900	0.94%		
970 North Riverview Dr.	18,928,400	0.76%		
195-235 Route 46 West	18,500,000	0.74%		
100 Shepherds Lane	17,310,000	0.70%		
930 North Riverview Dr.	15,600,000	0.63%		
	<u>\$ 373,673,800</u>	<u>11.71%</u>		
Totowa VF LLC C/O Vornado Realty Trust			\$ 56,501,300	2.46%
Fidelity Syn. C/O Slater Companies			46,000,000	2.00%
Totowa Property Assoc. LLC			24,521,900	1.07%
930 N. Riverview Assoc. LLC C/O ATCO			24,424,700	1.06%
Abill Realty Corp.			22,365,000	0.97%
50 Madison Road LLC			18,928,400	0.82%
Norwell Land Company C/O Tax Dept			18,500,000	0.81%
Totowa Plaza Rte 46 LLC			18,355,800	0.80%
Totowa Plaza Rte 46 LLC			17,711,500	0.77%
Digital Totowa LLC			16,504,800	0.72%
			<u>\$ 263,813,400</u>	<u>11.49%</u>

Source: Municipal Tax Assessor

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

Borough of Woodland Park

Taxpayer	2024		2015	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Rose Manor Estates	\$ 58,294,100	3.45%		
Levco Route 46 Associates	35,091,000	2.08%		
1150M Woodland Park, LLC	27,868,900	1.65%		
1225 Realty, LLC	22,417,100	1.33%		
Bank of New York	21,623,100	1.28%		
DDRM West Falls Plaza, LLC	19,847,800	1.17%		
G.O.P. 1, LLC	13,250,000	0.78%		
Squirrel Wood, LLC	11,556,600	0.68%		
Lenox Plaza, LLC	10,250,000	0.61%		
Notchwood Commons, LLC	9,869,600	0.58%		
	<u>\$ 230,068,200</u>	<u>13.60%</u>		
Rose Manor Estates			\$ 58,294,100	3.53%
Levco Route 46 Assoc, c/o NY Urban			43,091,000	2.61%
The Bank of New York			26,591,200	1.61%
1225 Realty LLC			19,689,600	1.19%
G.O.P. 1, LLC			17,900,000	1.08%
DDRM West Falls Plaza, LLC			17,182,200	1.04%
Lenox Plaza, LLC			14,453,600	0.87%
G.O.P. 3, LLC			13,550,000	0.82%
G.O.P. 5, LLC			11,649,000	0.71%
The Leeward Corporation			11,556,600	0.70%
			<u>\$ 233,957,300</u>	<u>14.16%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 24,222,059	\$ 24,222,059	100.00%	-
2016	24,717,941	24,717,941	100.00%	-
2017	25,243,976	24,567,344	97.32%	676,632
2018	25,824,402	25,824,402	100.00%	-
2019	26,264,787	26,264,787	100.00%	-
2020	26,767,270	25,458,665	95.11%	1,308,605
2021	27,279,539	25,947,222	95.12%	1,332,317
2022	27,818,024	27,818,024	100.00%	-
2023	28,343,055	28,343,055	100.00%	-
2024	28,872,179	26,160,165	90.61%	2,712,014

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Population	Per Capita
	General Obligation Bonds	Capital Financing Agreements	Inter- governmental Loans	Leases Payable	Total District		
2015	\$ 6,373,000				\$ 6,373,000	38,024	\$ 168
2016	5,723,000				5,723,000	37,972	151
2017	5,093,000				5,093,000	37,972	134
2018	4,463,000				4,463,000	37,981	118
2019	3,838,000				3,838,000	37,847	101
2020	3,213,000				3,213,000	37,864	85
2021	2,588,000				2,588,000	37,572	69
2022	1,952,000	\$ 3,283,000			5,235,000	38,057	138
2023	1,276,000	3,039,903			4,315,903	38,322	113
2024	621,000	1,862,000			2,483,000	38,322 *	65

Source: District records

* Estimated

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2015	\$ 6,373,000		\$ 6,373,000	0.12%	\$ 168
2016	5,723,000		5,723,000	0.11%	151
2017	5,093,000		5,093,000	0.09%	134
2018	4,463,000		4,463,000	0.08%	118
2019	3,838,000		3,838,000	0.07%	101
2020	3,213,000		3,213,000	0.06%	85
2021	2,588,000		2,588,000	0.05%	69
2022	1,952,000		1,952,000	0.03%	51
2023	1,276,000		1,276,000	0.02%	33
2024	621,000		621,000	0.01%	16

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2023
(Unaudited)**

Direct Debt of School District as of December 31, 2023		\$ 621,000
Net Overlapping Debt of School District (1)		
Township of Little Falls	\$ 35,335,928	
Borough of Totowa	574,978	
Borough of Woodland Park	<u>25,410,544</u>	
		<u>61,321,450</u>
		61,942,450
Overlapping Debt Apportioned to the Municipality:		
Passaic County:		
County of Passaic (A)	54,425,652	
Passaic County Utilities Authority (B)	4,502,464	
Passaic Valley Sewer Commission (C)	<u>10,404,347</u>	
		<u>69,332,463</u>
Total Direct and Overlapping Debt		<u>\$ 131,274,913</u>

Source:

(1) Municipalities' 2023 Annual Debt Statement

(A) The debt for this entity was apportioned to Passaic Valley High School by dividing the municipality's 2023 equalized value by the total 2023 equalized value for Passaic County.

(B) The debt was computed based upon dividing each municipalities 2023 equalized value to the County total

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

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt Limit	\$ 167,387,678	\$ 167,142,418	\$ 165,907,941	\$ 166,489,363	\$ 166,244,103	\$ 170,329,077	\$ 173,903,561	\$ 184,672,232	\$ 125,450,333	\$ 228,064,157
Total Net Debt Applicable to Limit	<u>6,373,000</u>	<u>5,723,000</u>	<u>5,093,000</u>	<u>4,463,000</u>	<u>3,838,000</u>	<u>3,213,000</u>	<u>2,588,000</u>	<u>1,952,000</u>	<u>1,276,000</u>	<u>621,000</u>
Legal Debt Margin	<u>\$ 161,014,678</u>	<u>\$ 161,419,418</u>	<u>\$ 160,814,941</u>	<u>\$ 162,026,363</u>	<u>\$ 162,406,103</u>	<u>\$ 167,116,077</u>	<u>\$ 171,315,561</u>	<u>\$ 182,720,232</u>	<u>\$ 124,174,333</u>	<u>\$ 227,443,157</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	3.81%	3.42%	3.07%	2.68%	2.31%	1.89%	1.49%	1.06%	1.02%	0.27%

Legal Debt Margin Calculation, December 31, 2023

	2021	\$ 6,629,532,959
	2022	7,615,726,542
	2023	<u>8,561,156,238</u>
		<u>\$ 22,806,415,739</u>
Average equalized valuation of taxable property		<u>\$ 7,602,138,580</u>
3% of Equalized Valuation Basis		\$ 228,064,157
Less Net Debt		<u>621,000</u>
Remaining Borrowing Power		<u>\$ 227,443,157</u>

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

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

Township of Little Falls

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income*</u>	<u>School District Population</u>
2015	5.0	\$ 47,189	14,533
2016	4.4	47,547	14,423
2017	4.1	48,152	14,502
2018	3.8	50,570	14,563
2019	3.2	52,129	14,474
2020	8.6	55,775	14,412
2021	5.6	59,559	13,357
2022	3.6	57,067	14,044
2023	4.2	Not Available	14,399
2024	Not Available	Not Available	Not Available

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

* Passaic County Information

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

Borough of Totowa

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income*</u>	<u>School District Population</u>
2015	5.9	\$ 47,189	10,973
2016	5.3	47,547	10,904
2017	5.2	48,152	10,817
2018	5.0	50,570	10,804
2019	3.8	52,129	10,792
2020	12	55,775	10,797
2021	7.7	59,559	10917
2022	4.5	57,067	10,822
2023	4.9	Not Available	10,785
2024	Not Available	Not Available	Not Available

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

Notes: * Passaic County Information

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

Borough of Woodland Park

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income*</u>	<u>School District Population</u>
2015	6.4	\$ 47,189	12,518
2016	5.7	47,547	12,645
2017	5.4	48,152	12,834
2018	4.5	50,570	12,614
2019	3.8	52,129	12,581
2020	13.1	55,775	12,655
2021	7.6	59,559	13,298
2022	4.2	57,067	13,191
2023	5.0	Not Available	13,138
2024	Not Available	Not Available	Not Available

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

* Passaic County Information

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

	<u>2024</u>		<u>2015</u>	
		Percentage of Total Municipal Employment		Percentage of Total Municipal Employment
<u>Employer</u>	<u>Employees</u>		<u>Employees</u>	

NOT AVAILABLE

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

<u>Function/Program</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Instruction										
Regular	90	91	89	89	90	101	103	100	100	100
Special Education	10	10	9	8	9	9	10	9	8	8
Other Special Education										
Vocational										
Other Instruction										
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student and Instruction Related Services	30	23	25	30	40	32	32	27	23	22
General Administration	1	1	1	1	2	2	2	2	2	2
School Administrative Services	9	9	9	10	11	14	14	8	8	8
Other Administrative Services										-
Central Services	5	5	5	5	5	3	3	5	5	4
Administrative Information Technology	1	1	1	1	1	1	1	1	1	1
Plant Operations And Maintenance	21	22	22	22	25	24	23	23	23	22
Pupil Transportation	1	1	1	1	1	1	1	1	1	1
Other Support Services		11	11	11	11	10	10	8	8	8
Special Schools										
Food Service										
Child Care	-	-	-	-	-	-	-	-	-	-
Total	<u>168</u>	<u>174</u>	<u>173</u>	<u>178</u>	<u>195</u>	<u>197</u>	<u>199</u>	<u>184</u>	<u>179</u>	<u>176</u>

Source: District Personnel Records

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

Pupil/Teacher Ratio										
Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2015	1,345	\$ 27,193,061	\$ 20,218	7.85%	108	1:13	1,320	1,252	4.37%	94.85%
2016	1,338	28,080,354	20,987	3.80%	108	1:13	1,256	1,194	-4.85%	95.06%
2017	1,294	28,550,072	22,063	5.13%	108	1:13	1,252	1,181	-0.32%	94.33%
2018	1,276	30,237,338	23,697	7.40%	113	1:12	1,281	1,210	2.32%	94.46%
2019	1,189	32,271,713	27,142	14.54%	113	1:12	1,183	1,117	-7.65%	94.42%
2020	1,179	32,806,851	27,826	2.52%	99	1:12	1,174	1,126	-0.76%	95.91%
2021	1,045	34,557,002	33,069	18.84%	98	1:11	1,040	1,009	-11.41%	97.02%
2022	1,021	37,505,018	36,734	11.08%	98	1:11	1,016	958	-2.31%	94.29%
2023	1,033	37,714,070	36,509	-0.61%	101	1:11	1,031	972	1.48%	94.28%
2024	1,059	39,433,905	37,237	1.99%	100	1:11	1,054	989	2.23%	93.83%

Sources: District records

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

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>District Building</u>										
<u>Elementary</u>										
<u>High School</u>										
Square Feet	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000
Capacity (students)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Enrollment	1,059	1,033	1,009	1,043	1,043	1,099	1,171	1,276	1,338	1,385
Number of Schools at June 30, 2024										
Elementary =	0	0	0	0	0	0	0	0	0	0
Middle School =	0	0	0	0	0	0	0	0	0	0
Senior High School =	1	1	1	1	1	1	1	1	1	1
Other =	0	0	0	0	0	0	0	0	0	0

Source: District Records

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

**UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES**

		<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>School Facilities</u>	<u>Project #</u>										
High School	N/A	\$ 643,611	\$ 1,145,376	\$ 547,831	\$ 570,237	\$ 566,377	\$ 563,654	\$ 508,439	\$ 412,809	\$ 426,474	\$ 316,415
Total Required Maintenance for School Facilities		<u>\$ 643,611</u>	<u>\$ 1,145,376</u>	<u>\$ 547,831</u>	<u>\$ 570,237</u>	<u>\$ 566,377</u>	<u>\$ 563,654</u>	<u>\$ 508,439</u>	<u>\$ 412,809</u>	<u>\$ 426,474</u>	<u>\$ 316,415</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
INSURANCE SCHEDULE
AS OF JUNE 30, 2024**

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

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Passaic Valley Regional High School District No.1 Board of Education as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Passaic Valley Regional High School District No.1 Board of Education's basic financial statements and have issued our report thereon dated January 10, 2025.

Report on Internal Control Over Financial Reporting

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

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

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


Compliance and Other Matters

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


However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Passaic Valley Regional High School District No.1 Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 10, 2025.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Passaic Valley Regional High School District No.1 Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Passaic Valley Regional High School District No.1 Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 10, 2025



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Passaic Valley Regional High School District No. 1 Board of Education's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Passaic Valley Regional High School District No. 1 Board of Education's major federal and state programs for the fiscal year ended June 30, 2024. The Passaic Valley Regional High School District No. 1 Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Passaic Valley Regional High School District No. 1 Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

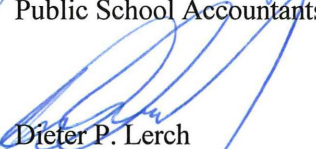
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Passaic Valley Regional High School District No. 1 Board of Education, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 10, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 10, 2025

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2023			Accounts Receivable Carryover Amount	Unearned Revenue Carryover Amount	Cash Receipts	Budgetary Expenditures	Balance, June 30, 2024			MEMO GAAP Receivable
					Accounts Receivable	Unearned Revenue	Due to Grantor					(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Agriculture Passed-Through State Department of Education															
Enterprise Fund															
National School Breakfast Program	10.553	241NJ304N1099	7/1/23-6/30/24	\$ 38,325						\$ 35,441	\$ 38,325	\$ (2,884)		\$ (2,884)	
National School Breakfast Program	10.553	231NJ304N1099	7/1/22-6/30/23	28,131	\$ (2,944)					2,944				-	
National School Lunch Program														-	
Non-Cash Assistance	10.555	N/A	7/1/23-6/30/24	28,666						28,666	28,666	-		-	
Cash Assistance	10.555	241NJ304N1099	7/1/23-6/30/24	106,759						101,197	106,759	(5,562)		(5,562)	
Cash Assistance	10.555	231NJ304N1099	7/1/22-6/30/23	163,472	(11,972)					11,972				-	
Covid Supply Chain Assistance	10.555	241NJ304N1099	7/1/23-6/30/24	28,323						28,323	28,323	-		-	
Local Food for Schools	10.185	241NJ304N1099	7/1/23-6/30/24	1,511						1,511	1,511			-	
Pandemic EBT Administrative Costs	10.649	202225900941	7/1/23-6/30/24	653	-	-	-	-	-	653	653	-	-	-	
Total Enterprise Fund					(14,916)	-	-	-	-	210,707	204,237	(8,446)	-	(8,446)	
U.S. Department of Education Passed-Through State Department of Education															
Special Revenue															
ESEA - Title I-A	84.010	S010A230030	7/1/23-9/30/24	202,349				\$ (15,393)	\$ 15,393	102,271	192,706	(115,471)	\$ 25,036	(90,435)	
ESEA - Title I-A	84.010	S010A220030	7/1/22-9/30/23	208,210	(122,251)	\$ 15,393		15,393	(15,393)	106,858	-			-	
ESEA - Title II-A	84.367A	S367A230029	7/1/23-9/30/24	28,609				(10,372)	10,372	5,000	26,460	(33,981)	12,521	(21,460)	
ESEA - Title II-A	84.367A	S367A220029	7/1/22-9/30/23	34,503	(38,257)	10,372		10,372	(10,372)	27,885				-	
ESEA - Title IV	84.424A	S424A230031	7/1/23-9/30/24	15,772				(9,599)	9,599	8,996	22,898	(16,375)	2,473	(13,902)	
ESEA - Title IV	84.424A	S424A220031	7/1/22-9/30/23	12,259	(12,259)	9,599	-	9,599	(9,599)	2,660	-	-	-	-	
Total ESEA Cluster					(172,767)	35,364	-	-	-	253,670	242,064	(165,827)	40,030	(125,797)	
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	543,308	(254,174)	92,584				254,174	92,584	-	-	-	
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	34,867	(32,721)	32,721				32,721	32,721	-	-	-	
ARP ESSER III	84.425U	S427U210027	3/13/20-9/30/24	1,221,051	(554,235)	251,144					251,144	(554,235)	-	(554,235)	
Accelerated Learning Coach	84.425U	S427U210027	3/13/20-9/30/24	85,949	(60,249)	37,649					37,649	(60,249)	-	(60,249)	
Evidence Based Summer	84.425U	S427U210027	3/13/20-9/30/24	40,000	(40,000)	28,958					28,958	(40,000)	-	(40,000)	
Evidence Based Comprehensive	84.425U	S427U210027	3/13/20-9/30/24	40,000	(7,150)	4,046					4,046	(7,150)	-	(7,150)	
NJTSS Mental Health	84.425U	S427U210027	3/13/20-9/30/24	88,501	(46,334)	334	-	-	-	-	334	(46,334)	-	(46,334)	
Total ESSER Cluster					(994,863)	447,436	-	-	-	286,895	447,436	(707,968)	-	(707,968)	
ACRSERS			7/1/23-9/30/24	159,802						79,901	159,802	(79,901)	-	(79,901)	
ACRSERS			7/1/22-9/30/23	184,517	(184,517)	-	-	-	-	184,517	-	-	-	-	
Total ACERS Cluster:					(184,517)	-	-	-	-	264,418	159,802	(79,901)	-	(79,901)	
I.D.E.A. Part B, Basic	84.027A	H027A230100	7/1/23-9/30/24	277,990						154,028	277,990	(123,962)	-	(123,962)	
SDA Emergent Grant			7/1/23-6/30/24	28,001	-	-	-	-	-	-	12,600	(28,001)	15,401	(12,600)	
Total Special Revenue					(1,352,147)	482,800	-	-	-	959,011	1,139,892	(1,105,659)	55,431	(1,050,228)	
U.S. Department of Education															
General Fund															
Medicaid Assistance Program (Semi)	93.778	2005NJ5MAP	7/1/23-6/30/24	18,766	-	-	-	-	-	18,766	18,766	-	-	-	
Total General Fund					-	-	-	-	-	18,766	18,766	-	-	-	
Total Federal Financial Awards					\$ (1,367,063)	\$ 482,800	\$ -	\$ -	\$ -	\$ 1,188,484	\$ 1,362,895	\$ (1,114,105)	\$ 55,431	\$ (1,058,674)	

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2023	Carryover Amount	Cash Received	Budgetary Expenditures	Balance, June 30, 2024			Memo Only		
								(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Accounts Receivable	Total Cumulative Expenditures	
State Department of Education													
General Fund													
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	\$ 1,063,236			\$ 968,197	\$ 1,063,236	\$ (95,039)				\$ 1,063,236	
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	991,508	\$ (79,072)		79,072							
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	140,892			128,298	140,892	(12,594)				140,892	
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	140,892	(11,233)		11,233							
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	220,287			200,596	220,287	(19,691)				220,287	
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	149,237	(11,901)	-	11,901	-	-	-	-	-	-	
Maintenance of Equity Aid	23-495-034-5120-128	7/1/22-6/30/23	694,960	(694,960)	-	694,960	-	-	-	-	-	-	
State Aid Public Cluster Total				(797,166)	-	2,094,257	1,424,415	(127,324)	-	-	-	1,424,415	
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	729,435			664,234	729,435	(65,201)				729,435	
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	251,474	(20,055)		20,055							
Non Public Transportation Reimbursement	24-495-034-5120-014	7/1/23-6/30/24	61,535				61,535	(61,535)			\$ (61,535)	61,535	
Non Public Transportation Reimbursement	23-495-034-5120-014	7/1/22-6/30/23	48,048	(48,048)	-	48,048	-	-	-	-	-	-	
Transportation Aid Cluster Total				(68,103)	-	732,337	790,970	(126,736)	-	-	(61,535)	790,970	
Extraordinary Aid	24-495-034-5120-044	7/1/23-6/30/24	1,051,233				1,051,233	(1,051,233)				1,051,233	
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	750,070	(750,070)		750,070							
On-Behalf TPAF Pension System Contributions (Normal Costs)	24-100-034-5094-006	7/1/23-6/30/24	3,583,800			3,583,800	3,583,800					3,583,800	
On-Behalf TPAF Pension System Contributions (NCGI Premium)	24-100-034-5094-006	7/1/23-6/30/24	40,871			40,871	40,871					40,871	
On-Behalf TPAF Pension System Contrib. (Post Retirement Medical)	24-100-034-5094-001	7/1/23-6/30/24	986,503			986,503	986,503					986,503	
On-Behalf TPAF Pension System Contrib. (Long Term Disability Insurance)	24-100-034-5094-006	7/1/23-6/30/24	944			944	944					944	
Reimbursed TPAF Social Security Contributions	24-100-034-5094-003	7/1/23-6/30/24	744,501			708,344	744,501	(36,157)			(36,157)	744,501	
Reimbursed TPAF Social Security Contributions	23-100-034-5094-003	7/1/22-6/30/23	724,292	(69,698)	-	69,698	-	-	-	-	-	-	
Total General Fund				(1,685,037)	-	8,966,824	8,623,237	(1,341,450)	-	-	(97,692)	8,623,237	
Debt Service Fund													
Debt Service Aid	24-495-034-5120-125	7/1/23-6/30/24	224,796	-	-	224,796	224,796	-	-	-	-	224,796	
Total Debt Service Fund				-	-	224,796	224,796	-	-	-	-	224,796	
State Department of Agriculture													
Enterprise Fund													
NJEIE Lunch and Breakfast		7/1/23-6/30/24	6,368			5,923	6,368	(445)			(445)	6,368	
National School Breakfast Program (State Share)	23-100-010-3350-023	7/1/22-6/30/23	423	(54)		54					-	-	
National School Lunch Program (State Share)	24-100-010-3360-037	7/1/23-6/30/24	6,120			5,800	6,120	(320)			(320)	6,120	
National School Lunch Program (State Share)	23-100-010-3360-037	7/1/22-6/30/23	6,705	(498)	-	498	-	-	-	-	-	-	
Total Enterprise Fund				(552)	-	12,275	12,488	(765)	-	-	(765)	12,488	
Total State Financial Assistance Subject to Single Audit Determination				\$ (1,685,589)	\$ -	\$ 9,203,895	\$ 8,860,521	\$ (1,342,215)	\$ -	\$ -	\$ (98,457)	\$ 8,860,521	
State Financial Assistance Not Subject to Major Program Determination													
General Fund													
On-Behalf TPAF Pension System Contributions (Normal Costs)	24-100-034-5094-006	7/1/23-6/30/24	(3,583,800)			(3,583,800)	(3,583,800)					(3,583,800)	
On-Behalf TPAF Pension System Contributions (NCGI Premium)	24-100-034-5094-006	7/1/23-6/30/24	(40,871)			(40,871)	(40,871)					(40,871)	
On-Behalf TPAF Pension System Contrib. (Post Retirement Medical)	24-100-034-5094-001	7/1/23-6/30/24	(986,503)			(986,503)	(986,503)					(986,503)	
On-Behalf TPAF Pension System Contrib. (Long Term Disability Insurance)	24-100-034-5094-006	7/1/23-6/30/24	(944)	-	-	(944)	(944)	-	-	-	-	(944)	
Total State Financial Assistance Subject to Major Program Determination				\$ (1,685,589)	\$ -	\$ 4,591,777	\$ 4,248,403	\$ (1,342,215)	\$ -	\$ -	\$ (98,457)	\$ 4,248,403	

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 REPORTING ENTITY

The Passaic Valley Regional High School District No. 1 Board of Education (the "Board" or the "District") received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board's Financial Statements.

NOTE 2 BASIS OF PRESENTATION

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

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board's summary of significant accounting policies are described in Note 1 to the Board's financial statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$1,121,497 for the general fund and an increase of \$166,612 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 18,766	\$ 7,501,740	\$ 7,520,506
Special Revenue Fund	1,306,504		1,306,504
Debt Service Fund		224,796	224,796
Food Service Fund	<u>204,237</u>	<u>12,488</u>	<u>216,725</u>
Total Awards and Financial Assistance	<u>\$ 1,529,507</u>	<u>\$ 7,739,024</u>	<u>\$ 9,268,531</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$744,501 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2024. The amount reported as TPAF Pension System Contributions in the amount of \$3,624,671 , TPAF Post-Retirement Medical Benefits Contributions in the amount of \$986,503 and TPAF Long-Term Disability Insurance in the amount of \$944 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2024.

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

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

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

Financial Statements

Federal Awards Section

PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Part I – Summary of Auditor’s Results

State Awards

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

Internal Control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not
considered to be material weaknesses? yes X no

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

Identification of major state programs:

GMIS Number(s)	Name of State Program
24-495-034-5120-089	Special Education Aid
24-495-034-5120-078	Equalization Aid
24-495-034-5120-084	Security Aid

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

Auditee qualified as low-risk auditee? X yes no

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There are none.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Finding 2023-1

Extraordinary Aid application be reviewed prior to submission.

Status

Corrective action has been taken.