SADDLE RIVER BOARD OF EDUCATION

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2026

Saddle River, New Jersey

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

Saddle River Board of Education

Saddle River, New Jersey

For The Fiscal Year Ended June 30, 2026

Prepared by

Business Office

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INTRODUCTORY SECTION

Saddle River School District - Wandell School
97 East Allendale Road, Saddle River, NJ 07458
201.327.0727 www.wandellschool.org Fax: 201.236.8166

October 19, 2026

Honorable President and Members
of the Board of Education
Borough of Saddle River School District
County of Bergen Saddle River, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Borough of Saddle River School District (District) for the fiscal year ended June 30, 2026, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the independent auditors' report, management's discussion and analysis (MD&A) and the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual financial statements, notes to the financial statements and required supplemental information (RSI). The statistical section includes selected financial and demographic information generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Uniform Guidance, and the State Treasury Circular OMB 15-08. Information related to this single audit, including the auditors' report on the internal control structure and compliance

with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) DESCRIPTION OF THE MUNICIPALITY: The Borough of Saddle River is located approximately 20 miles north of the George Washington Bridge in the northwestern section of Bergen County, New Jersey. Incorporated in 1894, the Borough is a small, suburban residential community, with a large number of commuters who take advantage of a reliable commuter transportation system. It is bordered on the north by Upper Saddle River, on the east by Woodcliff Lake and Hillsdale, on the south by Ho-Ho-Kus and Waldwick, and on the west by Allendale. It touches Ramsey at its extreme northwest corner. The Borough of Saddle River encompasses 4.98 square miles with a population of 3,180 people based on the 2020 Census.

The District is served by major transportation routes, including Routes 17, 502 and 507, as well as Interstates 87 and 287, along with a network of other county roads. Metropolitan airports are within easy commuting distance. Nearby rail and bus service for commuting are also available.

2) REPORTING ENTITY AND ITS SERVICES: The Saddle River School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The Saddle River Board of Education and its school constitute the District's reporting entity.

Wandell School is the District's only school and provides a full range of educational services for its Preschool through Grade Five students. A sending/receiving relationship with the Borough of Ramsey School District, located in Ramsey, New Jersey, is utilized for the district's Grades Six through Eight (initiated in September 1998) and Nine through Twelve students. In September 1998, the Saddle River School District also established a sending/receiving relationship with the Northern Highlands Regional High School District, located in Allendale, New Jersey. Under an alternative choice program, Ninth Grade students can attend either Ramsey or Northern Highlands Regional High School.

The District completed the 2025-2026 fiscal year with an average daily enrollment of 137 students. The following details the changes in the student average daily enrollment of the District over the last five years.

Average Daily Enrollment:

Fiscal Year	Student Enrollment	Percent Change
2025-26	134	6.94%
2024-25	137	16.10%
2023-24	118	6.30%
2022-23	111	5.41%
2021-22	117	12.69%

3) MAJOR INITIATIVES: In order to successfully improve upon district initiatives the following goals and objectives were undertaken for the improvement and betterment of staff, students and community:

- Continue curriculum enhancements and professional development to increase student voice and achievement.
- Completion of all long/short term facility projects

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining internal control 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). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. This internal control is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to the federal awards 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 appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, special revenue fund, and debt service 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 assignments of fund balance on June 30, 2026.

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 "Notes to Financial Statements", Note 1.

7) DEBT ADMINISTRATION: In the 2015-2016 school year, the District sold bonds in the amount of $3,097,000 (Wandell Elementary School HVAC Upgrades). In the 2019-2020 school year, the district sold bonds in the amount of $2,459,000 (2020 Referendum).

8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements", Notes I and 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

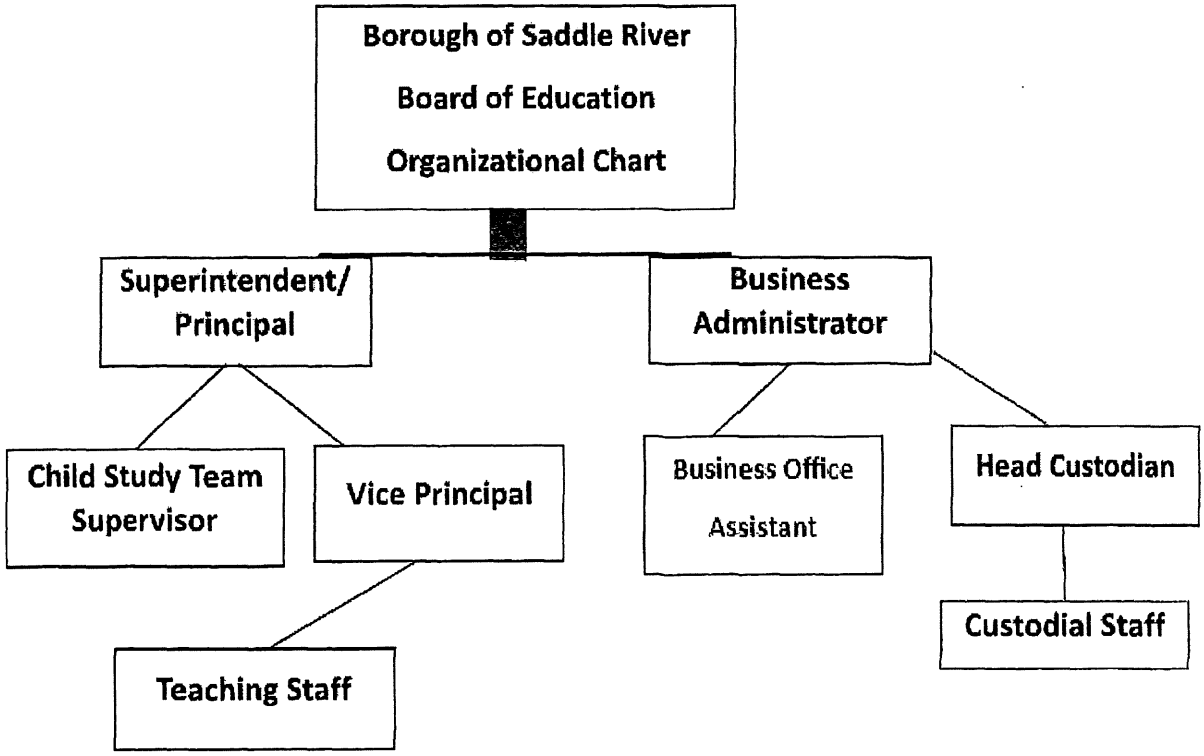
10) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Lerch, Vinci & Bliss, L.L.P. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the U.S. Uniform Guidance and New Jersey OMB Circular Letter 25-12. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

Jennifer Macones
Superintendent/Principal

Thomas O'Hern
Business Administrator/Board Secretary


Borough of Saddle River
Board of Education
Organizational Chart
Superintendent/ Principal
Business Administrator
Child Study Team Supervisor
Vice Principal
Business Office Assistant
Head Custodian
Teaching Staff
Custodial Staff

Saddle River Board of Education

Roster of Officials

June 30, 2026

Members of the Board of Education as of June 30, 2026	**Term Expires**
Douglas Holden, President	2027
Shannon Carretta, Vice-President	2026
Rosa Jasinski, Trustee	2028
Emily Kaufman, Trustee	2027
Elizabeth Salazer, Trustee	2028

Other Officials

Dr. Jennifer Macones, Superintendent	July 2025 - June 2028
Thomas O'Hern Administrator/Board Secretary	July 2025 - June 2026
Jennifer Pfohl, Treasurer	July 2025 - June 2026

SADDLE RIVER BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Audit Firm

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

Attorney

Cleary Giacobbe Alfieri Jacobs LLC
169 Ramapo Valley Road
Upper Level 105
Oakland, NJ 07436

Official Depository

TD Bank
New Jersey

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
JOHN CUIFFO, CPA, RMA, PSA

CHRISTOPHER M. VINCI, CPA, PSA
ROBERT LERCH, CPA, RMA, PSA
CHRISTINA CUIFFO, CPA, RMA, PSA
DEBRA GOLLE, CPA
TYLER NASCIMENTO, CPA, PSA
SHAHEED OGLESBY, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Saddle River Board of Education
Saddle River, New Jersey

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Saddle River Board of Education, as of and for the fiscal year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Saddle River Board of Education as of June 30, 2026, 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 Saddle River 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 Saddle River 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 Saddle River 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 Saddle River 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 Saddle River Board of Education's basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 25-12, 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 Saddle River 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 fund financial statements and schedules of expenditures of 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 October 19, 2026 on our consideration of the Saddle River 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 Saddle River 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 Saddle River 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
October 19, 2026

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

SADDLE RIVER BOARD OF EDUCATION

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2026

As management of the Saddle River Board of Education (the "Board" or "District"), we offer the residents and other readers of the accompanying financial statements this management discussion and analysis (MD&A). The MD&A provides a narrative overview and analysis of the financial statements of the Saddle River Board of Education for the fiscal year ended June 30, 2026. The purpose of this analysis is to help residents and other readers better understand what the financial statements and notes in the financial report reveal about the District's overall financial health and the factors that contributed to changes from the prior year. We encourage residents and other readers to consider this information in conjunction with the financial statements and related notes to enhance their understanding of the District's financial performance.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Saddle River Board of Education's basic financial statements. The basic financial statements consist of three components: (1) district-wide financial statements, (2) fund financial statements, and (3) the notes to the financial statements. This report also includes required supplementary information and other supplementary information intended to provide additional detail to support the basic financial statements themselves.

District-wide Financial Statements. The *district-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. The district-wide financial statements include governmental activities and business-type activities.

The *statement of net position* presents financial information on all District assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

Both district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include instruction, support services and interest on debt. The District currently has no Business-type activities.

The district-wide financial statements can be found immediately following this MD&A.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Saddle River Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Overview of the Financial Statements (Continued)

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

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

The Saddle River Board of Education maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Special Revenue Fund, and the Debt Service Fund, which are considered to be major funds.

The basic governmental fund financial statements can be found immediately following the district-wide financial statements in this report.

Proprietary Funds. There are two different types of proprietary funds.

Enterprise funds are used to report the same functions presented as *business-type activities* in the district-wide financial statements. The Saddle River Board of Education does not maintain an enterprise fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among a district's various functions. The Saddle River Board of Education does not maintain an internal service fund.

Fiduciary Funds. Fiduciary funds are used to account for resources for which the District acts as a trustee or custodian. Resources held in fiduciary funds are *not* available to support the District's own programs and therefore are *not* reported in the district-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Saddle River Board of Education does not maintain any fiduciary funds.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the financial statements. The District uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements.

The notes to the financial statements can be found immediately following the proprietary fund financial statements in this report.

Overview of the Financial Statements (Continued)

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information*. The District presents budgetary comparison schedules for the General Fund and the Special Revenue Fund; and schedules related to the accounting and reporting for pensions and post-employment benefits other than pension (OPEB) benefits to its employees.

Required supplementary information can be found immediately after the notes to the financial statements in this report.

Other Supplementary Information. The District also presents other supplementary information in this report containing various financial schedules and statistical information required by the State of New Jersey Department of Education.

Other supplementary information can be found immediately following the required supplementary information in this report.

Financial Summary and Detailed Analysis

As noted earlier, net position over time may serve as a useful indicator of a district's financial position. In the case of the Saddle River Board of Education, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $7.1 million at the close of the most recent fiscal year, an increase of $764,894 from the previous year.

A comparative summary of the District's net position as of June 30, 2026 and 2025 is as follows:

Saddle River Board of Education's Net Position
(as of June 30)

	Governmental Activities		Total	
	2026	2025 (Restated)	2026	2025 (Restated)
Assets				
Current and Other Assets	$ 5,453,189	$ 5,980,081	$ 5,453,189	$ 5,980,081
Capital Assets, net of accumulated depreciation	4,718,266	4,237,791	4,718,266	4,237,791
Total Assets	10,171,455	10,217,872	10,171,455	10,217,872
Deferred Outflows of Resources	124,561	186,585	124,561	186,585
Total Assets and Deferred Outflows of Resources	10,296,016	10,404,457	10,296,016	10,404,457
Liabilities				
Long-Term Liabilities	2,769,778	3,391,632	2,769,778	3,391,632
Other Liabilities	225,371	398,334	225,371	398,334
Total Liabilities	2,995,149	3,789,966	2,995,149	3,789,966
Deferred Inflows of Resources	183,003	261,521	183,003	261,521
Total Liabilities and Deferred Inflows of Resources	3,178,152	4,051,487	3,178,152	4,051,487
Net Position				
Net Investment in Capital Assets	2,969,266	1,996,791	2,969,266	1,996,791
Restricted	2,823,080	3,326,780	2,823,080	3,326,780
Unrestricted	1,325,518	1,029,399	1,325,518	1,029,399
Total Net Position	$ 7,117,864	$ 6,352,970	$ 7,117,864	$ 6,352,970

Financial Summary and Detailed Analysis (Continued)

By far the largest portion of the Saddle River Board of Education's net position, $2.9 million, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, net of accumulated depreciation and less any related outstanding debt that was used to acquire those assets). Accordingly, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided by other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position, $2.8 million, represents resources that are subject to restrictions on how they may be used. As of June 30, 2026, the District's unrestricted net position was a balance of $1.3 million.

Governmental activities. Current and other assets remained largely unchanged at approximately $10.2 million. Long-term liabilities, which consist of bonds, net pension and compensated absences were reduced by $621,854 to a balance of $2.8 million at June 30, 2026.

A comparative schedule of the changes in net position for fiscal years ended June 30, 2026 and 2025 is as follows:

Saddle River Board of Education's Change in Net Position
(for the fiscal year ended June 30)

	Governmental Activities		Total	
	2026	2025	2026	2025
Revenues				
Program Revenues:				
Charges for Services	$ 212,835	$ 114,530	$ 212,835	$ 114,530
Grants and Contributions	1,735,259	1,649,987	1,735,259	1,649,987
General Revenues:				
Property Taxes	10,384,012	10,136,917	10,384,012	10,136,917
Grants and Entitlements	181,554	178,661	181,554	178,661
Other	326,449	258,905	326,449	258,905
Total Revenues	12,840,109	12,339,000	12,840,109	12,339,000
Program Expenses				
Instruction	7,956,146	7,176,698	7,956,146	7,176,698
Support Services:			-	-
Pupils and Instructional Staff Services	1,874,463	1,670,439	1,874,463	1,670,439
Administrative Services	433,540	409,760	433,540	409,760
Operation and Maintenance of Facilities	705,299	1,013,106	705,299	1,013,106
Pupil Transportation Services	1,072,783	999,691	1,072,783	999,691
Interest on Debt	32,984	41,886	32,984	41,886
Total Expenses	12,075,215	11,311,580	12,075,215	11,311,580
Transfers	-	-	-	-
Increase (Decrease) in Net Position	764,894	1,027,420	764,894	1,027,420
Net Position - Beginning of Year	6,352,970	8,975,813	6,352,970	8,975,813
Prior Period Restatement	-	(3,650,263)	-	(3,650,263)
Net Position - End of Year	$ 7,117,864	$ 6,352,970	$ 7,117,864	$ 6,352,970

Financial Summary and Detailed Analysis (Continued)

Governmental Activities. During the current fiscal year, net position for governmental activities increased by $764,894, or 12%, from the prior year, resulting in an ending balance of $7.1 million as of June 30, 2026.

Revenues increased by $501,109, or 4% from the prior year. Expenses increased during the current year from $11.3 million in the prior year to $12.1 million in the current year.

As shown in the schedule below, revenues generated by the District's programs are not sufficient to cover the respective program costs. The District's total cost of services was $12.1 million, After applying program revenues consisting of charges for services and grants/contributions, the net costs of services to the District was $10.1 million. The District relies on property taxes, unrestricted state aid, investment income and other general revenues to cover the total net costs associated with the various programs.

	Total Cost of Services		Net Cost of Services	
	2026	2025	2026	2025
Instruction	$ 7,956,146	$ 7,176,698	$ 6,703,074	$ 6,005,498
Support Services				
Pupils and Instructional Staff Services	1,874,463	1,670,439	1,448,071	1,339,232
Administrative Services	433,540	409,760	427,977	405,197
Operation and Maintenance of Facilities	705,299	1,013,106	669,339	991,755
Pupil Transportation Services	1,072,783	999,691	845,676	763,495
Interest on Debt	32,984	41,886	32,984	41,886
Total	$ 12,075,215	$ 11,311,580	$ 10,127,121	$ 9,547,063

Instruction includes activities directly dealing with the teaching of pupils and the interactions between teacher and student, including extracurricular activities.

Pupils and Instructional Staff Services includes the activities involved with assisting staff with the content and process of teaching students, including curriculum and staff development.

Administrative Services includes general administration, school administration, and central services/information technology expenses associated with administrative and financial supervision of the District.

Operation and Maintenance of Facilities involves keeping the school grounds, buildings, and equipment in an effective working condition.

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

Interest on Debt involves transactions associated with the payment of interest and other related charges to debt of the District.

Financial Summary and Detailed Analysis (Continued)

Detailed Analysis of Governmental Funds

As noted earlier, the Saddle River Board of Education utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District reports four major funds individually in the governmental fund financial statements, the General Fund, the Special Revenue Fund, and the Debt Service Fund.

The following schedule presents a comparative summary of the governmental funds revenues for the fiscal years ended June 30, 2026 and 2025.

Revenue	Year Ended June 30, 2026	Year Ended June 30, 2025	Amount of Increase (Decrease)	Percent Change
Local Sources	$ 10,976,917	$ 10,580,110	$ 396,807	3.8%
State Sources	2,368,130	2,287,945	80,185	3.5%
Federal Sources	236,975	240,024	(3,049)	-1.3%
Total Revenues	$ 13,582,022	$ 13,108,079	$ 473,943	3.6%

The following schedule represents a comparative summary of governmental funds expenditures for the fiscal years ended June 30, 2026 and 2025.

Expenditures	Year Ended June 30, 2026	Year Ended June 30, 2025	Amount of Increase (Decrease)	Percent Change
Current				
Instruction	$ 8,445,842	$ 7,640,831	$ 805,011	10.5%
Support Services	4,365,495	4,296,020	69,475	1.6%
Capital Outlay	599,630	282,655	316,975	112.1%
Debt Service				
Principal	492,000	480,000	12,000	2.5%
Interest and Other	36,763	45,470	(8,707)	-19.1%
Total Expenditures	$ 13,939,730	$ 12,744,976	$ 1,194,754	9.4%

Financial Summary and Detailed Analysis (Continued)

General Fund. The General Fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balances in the general fund were $5,202,458, a decrease of $365,217 when compared to the prior year. After deducting restricted and assigned fund balances, the unassigned fund balance of the General Fund was $206,620.

Special Revenue Fund. The Special Revenue Fund is used to account for resources for the District's federal, state and local grant programs along with student activities related programs. Total revenues for the Special Revenue Fund during the fiscal year were $581,724 and expenditures were $574,215.

Debt Service Fund. The Debt Service Fund, the remaining major governmental fund, is used to account for the repayment of principal and interest on long term debt. Revenues were $528,763, consisting of property tax levy and state aid. Expenditures were $528,763, consisting of debt principal and related interest expense.

General Fund Budgetary Highlights

The District's budget is prepared according to the New Jersey Department of Education guidelines and is based on accounting for certain transactions on the budgetary basis of accounting for revenues, expenditures and encumbrances. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made through budget appropriation transfers to prevent over-expenditure in specific line-item accounts as well as the appropriation of restricted and unassigned fund balances.

For fiscal year 2026, General Fund budgetary expenditures and other financing uses exceeded budgetary revenues and other financing sources, decreasing budgetary fund balance by $286,314. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance increased $48,425 from an unassigned fund balance of $505,537 at June 30, 2025 to $553,962 at June 30, 2026. In addition, at June 30, 2026 the District had balances in its capital reserve of $2,596,074, maintenance reserve of $53,520, tuition reserve of $100,000, unemployment reserve of $40,334, assigned fund balance of $255,537 and restricted excess surplus of $1,872,879.

Significant Capital Asset and Long-term Financing Activity

Capital assets. The District's investment in capital assets for its governmental activities as of June 30, 2026, amounts to $4.7 million (net of accumulated depreciation). Depreciation charges for fiscal year 2026 amount to $210,593 for governmental activities. This investment in capital assets includes land, buildings, machinery and equipment. Auditor restated the opening balance of Capital Assets decreasing it by $3.3 Million for a correction on the value of the 2022 Roof Upgrades.

Saddle River Board of Education's Capital Assets (net of accumulated depreciation)
(as of June 30)

	Governmental Activities		Total	
	2026	2025 (Restated)	2026	2025 (Restated)
Land and Land Improvements	$ 3,483	$ 3,483	$ 3,483	$ 3,483
Building and Building Improvements	4,184,690	4,027,714	4,184,690	4,027,714
Machinery and Equipment	253,747	206,594	253,747	206,594
Construction in Progress	276,346	-	276,346	-
Total Capital Assets, Net	$ 4,718,266	$ 4,237,791	$ 4,718,266	$ 4,237,791

Long-term liabilities. At the end of the current fiscal year, the District had total long-term liabilities of $2.8 million, composed of serial bonds (including unamortized premium), net pension liability and compensated absences. As reflected in the chart below, long-term liabilities decreased by $621,854 during the 2025-26 fiscal year primarily as a result of bond principal paydowns and a reduction in the State of New Jersey's net pension liability attributable to the District.

Saddle River Board of Education's Long-Term Liabilities
(as of June 30)

	Governmental Activities	
	2026	2025 (Restated)
Bonds Payable, including unamortized premium	$ 1,749,000	$ 2,241,000
Net Pension Liability	516,577	700,183
Compensated Absences	504,201	450,449
Total Long-Term Liabilities	$ 2,769,778	$ 3,391,632

Currently known facts, decisions or conditions

The Saddle River Board of Education is aware of the following items that will impact future finances and were considered in developing the 2026-2027 fiscal year budget.

Budget

The Districts 2026-27 operating budget includes a 8.42% increase in appropriations, for a total general fund budget of $13,905,911. Budgeted health benefits increased approximately $487,108, or 64.07%, from the previous year. Surplus of $1,555,537 was included as a budgeted revenue, along with $100,000 of tuition reserve. The general fund tax levy was increased by 11.35% and additional state aid of approximately $200,000 was awarded to the District for 2026-27 fiscal year.

Health Care

Rising employee health care costs continue to be a significant factor when preparing District budgets. The District incurred an approximately 14.6% increase during the 2025-26 fiscal year, and as previously discussed, has included a 64.07% increase in the 2026-27 budget. While future costs are indeterminable at this time, it is anticipated that significant increases will continue to occur for the foreseeable future.

Union Negotiations

The Saddle River Education Association contract expired on June 30, 2026. The impact of a new contract on future budgets is not yet known.

Requests for Information

This financial report is designed to provide a general overview of the Saddle River Board of Education's finances for all those with an interest in the district's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the School Business Administrator at the Saddle River Board of Education, 97 E Allendale Road, Saddle River, NJ 07458.

BASIC FINANCIAL STATEMENTS

SADDLE RIVER BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2026

	Governmental Activities	Total
ASSETS		
Cash and Cash Equivalents	$ 5,361,585	$ 5,361,585
Receivables, net		
Receivables from Other Governments	91,604	91,604
Capital Assets, Not Being Depreciated	279,829	279,829
Capital Assets, Net of Depreciation	4,438,437	4,438,437
Total Assets	10,171,455	10,171,455
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount on Net Pension Liability	124,561	124,561
Total Deferred Outflows of Resources	124,561	124,561
Total Assets and Deferred Outflows of Resources	10,296,016	10,296,016
LIABILITIES		
Payable to State Government	30,503	30,503
Payroll Deductions and Withholdings Payable	11,377	11,377
Unearned Revenue	175,699	175,699
Accrued Interest Payable	7,792	7,792
Noncurrent Liabilities		
Due Within One Year	190,000	190,000
Due Beyond One Year	2,579,778	2,579,778
Total Liabilities	2,995,149	2,995,149
DEFERRED INFLOWS OF RESOURCES		
Deferred Amount on Net Pension Liability	183,003	183,003
Total Deferred Inflows of Resources	183,003	183,003
Total Liabilities and Deferred Inflows of Resources	3,178,152	3,178,152
NET POSITION		
Net Investment in Capital Assets	2,969,266	2,969,266
Restricted for		
Capital Projects	2,596,074	2,596,074
Other Purposes	227,006	227,006
Unrestricted	1,325,518	1,325,518
Total Net Position	$ 7,117,864	$ 7,117,864

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

SADDLE RIVER BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities						
Instruction						
Regular	$ 5,428,903	$ 212,835	$ 342,907		$ (4,873,161)	$ (4,873,161)
Special Education	2,527,243		685,709		(1,841,534)	(1,841,534)
School Sponsored Activities and Athletics			11,621		11,621	11,621
Support Services						
Student and Instruction Related Services	1,874,463		426,392		(1,448,071)	(1,448,071)
General Administrative Services	151,485				(151,485)	(151,485)
School Administrative Services	63,691		5,563		(58,128)	(58,128)
Plant Operations and Maintenance	705,299		35,960		(669,339)	(669,339)
Pupil Transportation	1,072,783		227,107		(845,676)	(845,676)
Business Services	218,364				(218,364)	(218,364)
Interest	32,984	-	-	-	(32,984)	(32,984)
Total Governmental Activities	12,075,215	212,835	1,735,259	-	(10,127,121)	(10,127,121)
Total Primary Government	$ 12,075,215	$ 212,835	$ 1,735,259	$ -	(10,127,121)	(10,127,121)
General Revenues						
Property Taxes Levied for General Purpose					10,035,028	10,035,028
Property Taxes Levied for Debt Service					348,984	348,984
State Aid - Restricted for Debt Service					181,554	181,554
Investment Earnings					157,266	157,266
Miscellaneous Income					169,183	169,183
Total General Revenues					10,892,015	10,892,015
Change in Net Position					764,894	764,894
Net Position, Beginning of Year (Restated)					6,352,970	6,352,970
Net Position, End of Year					$ 7,117,864	$ 7,117,864

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

FUND FINANCIAL STATEMENTS

SADDLE RIVER BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2026

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	$ 5,244,889	$ 116,696	$ 5,361,585
Receivables			
Intergovernmental	29,396	62,208	91,604
Total Assets	$ 5,274,285	$ 178,904	$ 5,453,189
LIABILITIES AND FUND BALANCES			
Liabilities			
Payable to State Government		$ 30,503	$ 30,503
Payroll Deductions and Withholdings Payable	$ 11,377		11,377
Unearned Revenue	60,450	115,249	175,699
Total Liabilities	71,827	145,752	217,579
Fund Balances			
Restricted Fund Balance			
Excess Surplus-Designated for Subsequent Year's Expenditures (2026/27 Budget)	1,300,000		1,300,000
Excess Surplus	572,879		572,879
Unemployment Compensation Reserve	40,334		40,334
Student Activities/PAWS		33,152	33,152
Capital Reserve	2,596,074		2,596,074
Maintenance Reserve	53,520		53,520
Tuition Reserve - Designated for Subsequent Year's Expenditures (2026/27 Budget)	100,000		100,000
Assigned Fund Balance			
Designated for Subsequent Year's Expenditures (2026/27 Budget)	255,537		255,537
Year-End Encumbrances	77,494		77,494
Unassigned Fund Balance	206,620	-	206,620
Total Fund Balances	5,202,458	33,152	5,235,610
Total Liabilities and Fund Balances	$ 5,274,285	$ 178,904	

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 $9,366,018 and the accumulated depreciation is $4,647,752.		4,718,266
Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.		
Deferred Outflows of Resources	124,561	
Deferred Inflows of Resources	(183,003)	
		(58,442)
The District has financed capital assets through the issuance of serial bonds. The interest accrual at year end is:		(7,792)
Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of the following:		
General Obligation Bonds Payable	(1,749,000)	
Compensated Absences Payable	(504,201)	
Net Pension Liability	(516,577)	
		(2,769,778)
Net Position of Governmental Activities (Exhibit A-1)		$ 7,117,864

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

EXHIBIT B-2

SADDLE RIVER BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources				
Property Tax Levy	$ 10,035,028		$ 348,984	$ 10,384,012
Tuition	212,835			212,835
Interest	157,266			157,266
Miscellaneous	169,183	$ 53,621	-	222,804
Total - Local Sources	10,574,312	53,621	348,984	10,976,917
State Sources	1,897,223	291,128	179,779	2,368,130
Federal Sources	-	236,975	-	236,975
Total Revenues	12,471,535	581,724	528,763	13,582,022
EXPENDITURES				
Current				
Regular Instruction	5,692,770	152,356		5,845,126
Special Education Instruction	2,525,515	71,089		2,596,604
School-Sponsored Activities and Athletics		4,112		4,112
Support Services and Undistributed Costs				
Student and Instruction Related Services	1,740,931	346,658		2,087,589
General Administrative Services	152,696			152,696
School Administrative Services	75,624			75,624
Plant Operations and Maintenance	778,091			778,091
Pupil Transportation	1,062,333			1,062,333
Business Services	209,162			209,162
Capital Outlay	599,630			599,630
Debt Service				
Principal			492,000	492,000
Interest	-	-	36,763	36,763
Total Expenditures	12,836,752	574,215	528,763	13,939,730
Excess (Deficiency) of Revenues Over (Under) Expenditures	(365,217)	7,509	-	(357,708)
Fund Balance, Beginning of Year	5,567,675	25,643	-	5,593,318
Fund Balance, End of Year	$ 5,202,458	$ 33,152	$ -	$ 5,235,610

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

EXHIBIT B-3

SADDLE RIVER BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)		$ (357,708)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which depreciation exceeds capital outlays in the current period.		
Capital Outlay Additions	$ 691,068	
Depreciation Expense	(210,593)	
		480,475
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.		
Principal Repayments		
General Obligation Bonds	492,000	
		492,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The details are as follows:		
Decrease in Accrued Interest	3,779	
Net Increase in Compensated Absences Payable	(53,752)	
Net Decrease in Pension Expense	200,100	
		150,127
Change in Net Position of Governmental Activities (Exhibit A-2)		$ 764,894

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

EXHIBIT B-4

SADDLE RIVER BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2026

NOT APPLICABLE

EXHIBIT B-5

SADDLE RIVER BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

NOT APPLICABLE

EXHIBIT B-6

SADDLE RIVER BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

NOT APPLICABLE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Saddle River Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of five elected officials and is responsible for the fiscal control of the District. A superintendent of schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Kindergarten through grade five (5) 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 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 Saddle River Board of Education this includes general operations and student related activities of the District.

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

B. New Accounting Standards

During fiscal year 2026, the District adopted the following GASB statements:

- GASB Statement No. 103, *Financial Reporting Model Improvements*, was 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

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

- GASB Statement No. 105, *Subsequent Events*, will be effective beginning with the fiscal year ending June 30, 2027. The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this Statement will improve financial reporting related to subsequent events that constitute recognized and nonrecognized events and (2) specifying the information items that are required to be disclosed about subsequent events. Those improvements will assist preparers and auditors in applying the requirements more consistently, thereby reducing diversity in practice and provided information that better meets the needs of financial statement users.

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

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 funds, each reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds. The District considers all of its governmental funds to be major funds.

The District reports the following major governmental funds:

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

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and 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, lease purchases 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.

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 are reported in the district-wide financial statements as "internal balances".

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

Use of Estimates

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

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

Assets	Years
Land Improvements	20
Buildings	20-50
Building Improvements	20
Heavy Equipment	10-20
Office Equipment and Furniture	7-10
Computer Equipment	5

5. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category is the deferred 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.

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 sick leave benefits. A long-term liability of accumulated 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. 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, 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. Long-Term Obligations

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

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.

9. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance

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 – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2025 audited excess surplus that was appropriated in the 2026/2027 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2026 audited excess surplus that is required to be appropriated in the 2027/2028 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/PAWS – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

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

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

Tuition Adjustment – Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of tuition revenue appropriated in the 2026/2027 budget.

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the 2026/2027 original budget certified for taxes.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

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 (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.

10. 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 board'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 not 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.

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 not subject to adjustment.

Tuition Expenditures - Tuition charges for the fiscal years 2024/2025 and 2025/2026 were based on rates established by the receiving district. These rates are not subject to change for year 2026/2027.

4. On-Behalf Payments

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts are not required to submit their budgets for voter approval that meet levy cap requirements. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot.

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 2025/2026. Also, during 2025/2026 the Board increased the original budget of the special revenue fund by $98,390. The increase was funded by the additional appropriation of grant awards and student activity revenues.

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.

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, 2026 is as follows:

Balance, July 1, 2025		$ 2,930,045
Increased by:		
Unexpended Capital Outlay Appropriations	$ 59,639	
Deposits Approved by Board Resolution	56,390	
Total Increases		116,029
		3,046,074
Decreased by:		
Withdrawal Approved by Budget		450,000
Balance, June 30, 2026		$ 2,596,074

The withdrawal from the capital reserve was for use in a facilities project, consistent with the District's Long Range Facilities Plan.

C. Maintenance Reserve

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2026 is as follows:

Balance, July 1, 2025		$ 128,520
Decreased by:		
Withdrawal Approved by Budget	$ 75,000	
Total Decreases		75,000
Balance, June 30, 2026		$ 53,520

The June 30, 2026 comprehensive maintenance plan indicated a maximum maintenance reserve amount of $166,500.

D. 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, 2026 is $1,872,879. Of this amount, $1,300,000 was designated and appropriated in the 2026/2027 original budget certified for taxes and the remaining amount of $572,879 be appropriated in the 2027/2028 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

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, 2026, the book value of the Board's deposits was $5,361,585 and bank and brokerage firm balances of the Board's deposits amounted to $6,082,605. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account	
Insured	$ 6,023,840
Uninsured and Collateralized	58,765
	$ 6,082,605

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, 2026 the Board's bank balance of $58,765 was exposed to custodial credit risk as follows:

Depository Account	
Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department not in the Board's name	$ 58,765

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; and deposit of funds in accordance with the conditions outlined in the statute.

As of June 30, 2026, 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.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2026 for the District's individual major funds including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Special Revenue Fund	Total
Receivables:			
Intergovernmental			
Federal		$ 62,208	$ 62,208
State	$ 29,396	-	29,396
Gross Receivables	29,396	62,208	91,604
Less: Allowance for Uncollectibles	-	-	-
Net Total Receivables	$ 29,396	$ 62,208	$ 91,604

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	
Unencumbered Local Funds	$ 55,662
Grant Draw Downs Reserved for Encumbrances	59,587
General Fund Tuition	60,450
Total Unearned Revenue for Governmental Funds	$ 175,699

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2026 was as follows:

	Balance, July 1, 2025 (Restated)	Increases	Transfers	Balance, June 30, 2026
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	$ 3,483			$ 3,483
Construction in Progress	-	$ 599,630	$ (323,284)	276,346
Total Capital Assets, Not Being Depreciated	3,483	599,630	(323,284)	279,829
Capital Assets, Being Depreciated:				
Building and Building Improvements	7,026,559	3,600	323,284	7,353,443
Machinery and Equipment	1,644,908	87,838	-	1,732,746
Total Assets Being Depreciated	8,671,467	91,438	323,284	9,086,189
Less Accumulated Depreciation for:				
Building and Building Improvements	(2,998,845)	(169,908)		(3,168,753)
Machinery and Equipment	(1,438,314)	(40,685)	-	(1,478,999)
Total Accumulated Depreciation	(4,437,159)	(210,593)	-	(4,647,752)
Total Assets, Being Depreciated, Net	4,234,308	(119,155)	323,284	4,438,437
Governmental Activities Capital Assets, Net	$ 4,237,791	$ 480,475	$ -	$ 4,718,266

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	$ 124,250
Special Education	14,740
Total Instruction	138,990
Support Services	
Student and Instruction Related Services	33,695
General Administrative Services	6,318
School Administrative Services	2,106
Operations and Maintenance of Plant	10,530
Pupil Transportation	10,530
Business Services	8,424
Total Support Services	71,603
Total Depreciation Expense - Governmental Activities	$ 210,593

Construction and Other Significant Commitments

The District had no active construction projects or other significant commitments as of June 30, 2026.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. 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, 2026 are comprised of the following issues:

$2,459,000, 2020 Bonds, due in annual installments of $135,000 to $204,000 through March 1, 2035, interest at 1.125% to 2.000%	$1,749,000

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,	Serial Bonds Principal	Interest	Total
2027	$ 190,000	$ 31,168	$ 221,168
2028	190,000	28,318	218,318
2029	190,000	25,468	215,468
2030	190,000	22,618	212,618
2031-2035	989,000	59,312	1,048,312
Total	$ 1,749,000	$ 166,884	$ 1,915,884

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2026 was as follows:

2.5% of Equalized Valuation Basis (Municipal)	$ 67,941,097
Less: Net Debt Issued and Authorized But Not Issued	1,749,000
Remaining Borrowing Power	$ 66,192,097

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2026, was as follows:

	Balance, July 1, 2025 (Restated)	Additions	Reductions	Balance, June 30, 2026	Due Within One Year
Governmental Activities:					
Bonds Payable	$ 2,241,000		$ 492,000	$ 1,749,000	$ 190,000
Compensated Absences*	450,449	$ 53,752	-	504,201	-
Net Pension Liability	700,183	16,494	200,100	516,577	-
Governmental Activity Long-Term Liabilities	$ 3,391,632	$ 70,246	$ 692,100	$ 2,769,778	$ 190,000

* Compensated absence liability opening balance was restated for GASB 101 implementation. Also, the change in compensated absences liability is presented as a net change.

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

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial 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 Northeast Bergen County School Board Insurance Group (NESBIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

The relationship between the Board and the insurance Group 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 Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which they were a member.

NESBIG 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 insurance fund 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 employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's restricted fund balance unemployment compensation claims in the General Fund fund for the current and previous two years:

Fiscal Year Ended June 30,	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2026	$ 3,109	$ 911	$ 6,258	$ 40,334
2025	4,101	1,111	-	42,572
2024	3,931	-	156	37,360

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, 2026, 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.

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, 2026, the District has not estimated its arbitrage earnings due to the IRS, if any.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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

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

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.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Descriptions and Benefits Provided (Continued)

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

The following represent the membership tiers for TPAF:

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

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

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

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

Other Pension Funds

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds (Continued)

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.

Plan Amendments

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. These 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.

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, 2025 is $12.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 71.84%. The collective net pension liability of the State funded TPAF at June 30, 2025 is $46.7 billion and the plan fiduciary net position as a percentage of total pension liability is 42.01%.

The total pension liabilities for the June 30, 2025 measurement date were determined based on actuarial valuations as of July 1, 2024 which were rolled forward to June 30, 2025.

Actuarial Methods and Assumptions

In the July 1, 2024 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 2026.

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, 2026 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 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 2026, 2025 and 2024 were equal to the required contributions.

During the fiscal years ended June 30, 2026, 2025 and 2024 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 accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	PERS	On-behalf TPAF	DCRP
2026	$ 57,860	$ 699,152	$ 7,181
2025	70,117	685,710	None
2024	60,498	642,409	None

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions

In addition for fiscal years 2026, 2025 and 2024 the District contributed $456, $103 and $0, respectively for PERS and the State contributed $182, $132 and $195, 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 $125,823 during the fiscal year ended June 30, 2026 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, 2024 through June 30, 2025. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2025 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2025.

At June 30, 2026, the District reported in the statement of net position (accrual basis) a liability of $516,577 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2025 and was determined by an actuarial valuation as of July 1, 2024. 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, 2025. At June 30, 2025, the District's proportionate share was 0.00420 percent, which was an decrease of 0.00095 percent from its proportionate share measured as of June 30, 2024 of 0.00515 percent.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2026, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of $142,696 for PERS. The pension contribution made by the District during the current 2025/2026 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, 2026 with a measurement date of the prior fiscal year end of June 30, 2025. 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, 2026 for contributions made subsequent to the measurement date. At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 14,729	$ 552
Changes of Assumptions	82	5,951
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		43,076
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	109,750	133,424
Total	$ 124,561	$ 183,003

At June 30, 2026, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

Year Ending June 30,	Total
2027	$ 6,224
2028	(17,695)
2029	(15,537)
2030	(28,249)
2031	(3,185)
Thereafter	-
	$ (58,442)

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, 2025 measurement date was determined by an actuarial valuation as of July 1, 2024, which was rolled forward to June 30, 2025. 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:	3.25% - 7.55% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2016 General Below-Median Income Employee mortality table with an 86.3% adjustment for males and 97.6% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Post-retirement mortality rates were based on the Pub-2016 General Below-Median Income Healthy Retiree mortality table with a 93.3% adjustment for males and 99.5% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2016 Non-Safety Disabled Retiree mortality table with a 156.9% adjustment for males and 139.0% adjustment for females, and with future improvement from the base year of 2016 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2021 to 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, 2025) 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, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	7.26%
Cash Equivalents	2.00%	3.61%
U.S. Treasuries	4.00%	3.61%
Investment Grade Credit	7.00%	5.47%
US Equity	28.00%	8.55%
Non-US Developed Markets Equity	12.75%	8.77%
Emerging Markets Equity	5.50%	10.30%
High Yield	4.50%	6.63%
Real Assets	3.00%	7.90%
Private Credit	8.00%	9.00%
Real Estate	8.00%	10.78%
Private Equity	13.00%	12.00%
International Small Cap Equity	1.25%	8.77%

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, 2025. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability as of the June 30, 2025 measurement date calculated using the discount rate of 7.00, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

2025	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the PERS Net Pension Liability	$ 707,163	$ 516,577	$ 354,147

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2025. A sensitivity analysis specific to the District's net pension liability at June 30, 2025 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

NOTE 4 OTHER INFORMATION (Continued)

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, 2024 through June 30, 2025. 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, 2025, the State's pension contribution was less 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, 2026, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of $31,845 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, 2026 the State's proportionate share of the net pension liability attributable to the District is $7,543,623. The net pension liability was measured as of June 30, 2025 and was determined by an actuarial valuation as of July 1, 2024. 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, 2025. At June 30, 2025, the State's share of the net pension liability attributable to the District was 0.01616 percent, which was an increase of 0.00125 percent from its proportionate share measured as of June 30, 2024 of 0.01491 percent.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of July 1, 2024, which was rolled forward to June 30, 2025. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.85% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2016 Teachers Above-Median Income Employee mortality table with a 94.1% adjustment for males and 84.0% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Post-retirement mortality rates were based on the Pub-2016 Teachers Above-Median Income Healthy Retiree mortality table with a 112.1% adjustment for males and 99.5% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Disability mortality rates were based on the Pub-2016 Non-Safety Disabled Retiree mortality table with a 128.0% adjustment for males and 113.7% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2021 to 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)

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, 2025) 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, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	7.26%
Cash Equivalents	2.00%	3.61%
U.S. Treasuries	4.00%	3.61%
Investment Grade Credit	7.00%	5.47%
US Equity	28.00%	8.55%
Non-US Developed Markets Equity	12.75%	8.77%
Emerging Markets Equity	5.50%	10.30%
High Yield	4.50%	6.63%
Real Assets	3.00%	7.90%
Private Credit	8.00%	9.00%
Real Estate	8.00%	10.78%
Private Equity	13.00%	12.00%
International Small Cap Equity	1.25%	8.77%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District as of the June 30, 2025 measurement date calculated using the discount rate of 7.00%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	$ 9,057,790	$ 7,543,623	$ 6,267,522

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, 2025. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2025 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, 2025. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2024:

Active Plan Members	221,900
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	154,806
Total	376,706

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, 2025 is $57.6 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, 2025 were determined based on an actuarial valuations as of July 1, 2024 which was rolled forward to June 30, 2025.

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the July 1, 2024 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of $1.50 billion to the OPEB plan in fiscal year 2025.

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, 2026, 2025 and 2024 were $210,440, $200,365 and $174,840, 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, 2024 through June 30, 2025. 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, 2026, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of $199,524. 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, 2026 the State's proportionate share of the OPEB liability attributable to the District is $9,865,720. The State's proportionate share of the OPEB liability attributable to the District was measured as of June 30, 2025 and was determined by an actuarial valuation as of July 1, 2024. 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, 2025 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2025. At June 30, 2025, the state's share of the OPEB liability attributable to the District was 0.02 percent, which was unchanged from its proportionate share measured as of June 30, 2024 of 0.02 percent.

NOTE 5 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, 2025 measurement date was determined by an actuarial valuation as of July 1, 2024, which was rolled forward to June 30, 2025. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	PERS	TPAF
Salary Increases	3.25% to 7.75% Based on Years of Service	2.75% to 5.85% Based on Years of Service

Mortality Rates

Preretirement mortality rates were based on the Pub-2016 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-2016 "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-2016 "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-2016 "General" (PERS) and "Teachers" (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2021 to June 30, 2024.

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 9.50% and decreases to a 4.50% long-term trend rate in fiscal year 2036. For post-65 medical benefits PPO, the trend is initially 25.12% and decreases to 4.50% in fiscal year 2036. For post-65 medical benefits HMO the trend is initially 29.65% and decreases to 4.50% in fiscal year 2036. For pre-Medicare prescription drug benefits, the initial trend rate is 19.00% and decreases to a 4.50% long-term trend rate in fiscal year 2036. For employer group waiver plan prescription drug benefits, this initial trend rate is 20.85% and decreases to 4.50% long-term trend rate in fiscal year 2036. For the Medicare Part B reimbursement, the trend rate is 5.00%.

NOTE 5 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, 2025 was 5.20%. 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, 2026 (measurement date June 30, 2025) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2024 Measurement Date	$ 9,943,564
Changes Recognized for the Fiscal Year:	
Service Cost	338,340
Interest on the Total OPEB Liability	412,772
Differences Between Expected and Actual Experience	1,271,544
Changes of Assumptions	(1,835,954)
Gross Benefit Payments	(274,151)
Contributions from the Member	9,605
Net Changes	$ (77,844)
Balance, June 30, 2025 Measurement Date	$ 9,865,720

Changes of assumptions and other inputs reflect a change in the discount rate from 3.93% in 2024 to 5.20% in 2025.

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, 2025.

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District as of the June 30, 2025 measurement date calculated using the discount rate of 5.20% 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 (4.20% or 1-percentage-point higher (6.20%) than the current rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
State's Proportionate Share of the OPEB Liability Attributable to the District	$ 11,355,742	$ 9,865,720	$ 8,643,433

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District as of the June 30, 2025 measurement date calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	$ 8,385,492	$ 9,865,720	$ 11,746,088

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2025. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2025 were not provided by the pension system.

NOTE 6 RESTATEMENT

During fiscal year 2026, the Saddle River Board of Education restated their compensated absences balance for the adoption of GASB 101 and a correction to the Capital Assets for the value of the new roof improvements. The Saddle River Board of Education has determined that the effect of the implementation of GASB 101 and the correction to the Capital Assets on the financial statements previously reported as of and for the fiscal year ended June 30, 2025 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2025 have been restated to reflect certain activities related to the adoption of GASB 101 and the correction to the Capital Assets. The effect of this restatement is to decrease net position of governmental activities by $3,650,263 from $10,003,233 as previously reported to $6,352,970 as of June 30, 2025.

	District-wide Net Position
	Governmental Activities
Balance June 30, 2025 - As Previously Reported	$ 10,003,233
Change in Accounting Principle (Adoption of GASB No.101)	(329,379)
Capital Asset Adjustment	(3,320,884)
Balance June 30, 2025 - As Restated	$ 6,352,970

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

SADDLE RIVER BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance with Original Budget - Final Budgets	Actual	Variance Final Budget- Actual Amounts
	Original	Final			
REVENUES					
Local Sources					
Local Property Tax Levy	$ 10,035,028	$ 10,035,028		$ 10,035,028	
Preschool Tuition	100,000	100,000	-	66,450	$ (33,550)
Tuition from Individuals - Nonresident			-	146,385	146,385
Interest			-	100,876	100,876
Interest on Capital Reserve	1,000	1,000	-	56,390	55,390
Interest on Maintenance Reserve	1,000	1,000	-		(1,000)
Miscellaneous	140,000	140,000	-	169,183	29,183
Total Local Sources	10,277,028	10,277,028	-	10,574,312	297,284
State Sources					
Special Education Aid	360,587	360,587	-	360,587	-
Transportation Aid	188,076	188,076	-	188,076	-
Security Aid	36,129	36,129	-	36,129	-
Lead Testing for Schools			-	1,775	1,775
Additional Nonpublic Transportation Aid			-	29,396	29,396
Extraordinary Aid	50,000	50,000	-	324,566	274,566
On-behalf TPAF Pension System Payments - Non-Contributory Insurance (Non-Budget)			-	8,415	8,415
On-behalf TPAF Pension System Payments - Normal Cost (Non-Budget)			-	690,737	690,737
On-behalf TPAF Pension System Payments - Post-Retirement Medical Contribution (Non-Budget)			-	210,440	210,440
On-behalf TPAF Pension System Payments - Long-Term Disability Insurance (Non-Budget)			-	182	182
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	125,823	125,823
Total State Sources	634,792	634,792	-	1,976,126	1,341,334
Total Revenues	10,911,820	10,911,820	-	12,550,438	1,638,618
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	79,260	32,260	$ (47,000)	12,567	19,693
Kindergarten	91,116	94,591	3,475	94,529	62
Grades 1-5	1,056,864	1,048,952	(7,912)	1,048,746	206
Regular Programs - Home Instruction					
Purchased Professional/Educational Services		16,324	16,324	9,093	7,231
Regular Programs - Undistributed Instruction					
Purchased Professional/Educational Services	60,570	51,029	(9,541)	50,459	570
Purchased Technical Services	279,272	255,755	(23,517)	250,721	5,034
Other Purchased Services	74,669	73,059	(1,610)	69,719	3,340
General Supplies	32,003	91,310	59,307	83,354	7,956
Textbooks	42,078	45,978	3,900	43,181	2,797
Other Objects	1,000	100	(900)	100	-
Total Regular Programs	1,716,832	1,709,358	(7,474)	1,662,469	46,889
Resource Room/Resource Center					
Salaries of Teachers	170,132	170,132	-	120,616	49,516
Other Salaries for Instruction	163,536	163,536	-	115,603	47,933
Purchased Professional - Educational Services	-	3,232	3,232	-	3,232
Total Resource Room/Resource Center	333,668	336,900	3,232	236,219	100,681
Total Special Education	333,668	336,900	3,232	236,219	100,681
School Sponsored Co/Extracurricular Activities-Instruction					
Salaries			-	(4,844)	4,844
Supplies and Materials	-	-	-	(5,031)	5,031
Total Co/Extracurricular Activities-Instruction	-	-	-	(9,875)	9,875
Total Instruction	2,050,500	2,046,258	(4,242)	1,888,813	157,445

Continued

SADDLE RIVER BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance with Original Budget - Final Budgets	Actual	Variance Final Budget- Actual Amounts
	Original	Final			
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Regular	$ 3,040,033	$ 2,904,725	$ (135,308)	$ 2,901,431	$ 3,294
Tuition to Other LEAs Within the State - Special	909,505	693,942	(215,563)	614,180	79,762
Tuition to County Voc. School Dist. - Regular	130,613	124,743	(5,870)	100,740	24,003
Tuition to CSSD & Reg. Day Schools	154,000	805,397	651,397	805,397	-
Tuition to Priv. School for the Disabled W/I State	1,022,790	754,411	(268,379)	685,625	68,786
Tuition to Priv. Sch. Disabled & Other LEAs- Special,O/S State		14,784	14,784	13,200	1,584
Tuition - Other	91,284	11,034	(80,250)	6,834	4,200
Total Undistributed Expenditures - Instruction	5,348,225	5,309,036	(39,189)	5,127,407	181,629
Health Services					
Salaries	93,433	92,133	(1,300)	91,458	675
Purchased Professional and Technical Services	3,000	3,000	-	3,000	-
Other Purchased Services	1,180	111,285	110,105	74,476	36,809
Supplies and Materials	2,513	2,235	(278)	1,085	1,150
Other Objects	-	174	174	173	1
Total Health Services	100,126	208,827	108,701	170,192	38,635
Speech, OT, PT and Related Services					
Salaries	108,799	108,799	-	106,221	2,578
Purchased Professional-Educational Services	572,418	179,806	(392,612)	129,188	50,618
Supplies and Materials	791	791	-	83	708
Total Speech, OT, PT and Related Services	682,008	289,396	(392,612)	235,492	53,904
Other Support Serv. Students - Extra. Svcs.					
Purchased Professional-Educational Services	-	220,630	220,630	209,300	11,330
Total Other Support Serv. Students - Extra. Svcs.	-	220,630	220,630	209,300	11,330
Guidance					
Supplies and Materials	2,120	2,120	-	302	1,818
Total Guidance	2,120	2,120	-	302	1,818
Child Study Teams					
Salaries of Other Professional Staff	130,746	130,746	-	130,746	-
Salaries of Secretarial and Clerical Assistants	24,334	24,334	-	24,334	-
Purchased Professional/Educational Services	126,235	149,456	23,221	104,274	45,182
Misc. Purchased Services		1,100	1,100	505	595
Supplies and Materials	19,150	39,129	19,979	5,468	33,661
Other Objects	12,000	11,079	(921)	9,551	1,528
Total Child Study Teams	312,465	355,844	43,379	274,878	80,966
Improvement of Instructional Services					
Salaries of Other Professional Staff	127,175	127,538	363	127,537	1
Salaries of Secr and Clerical Assist	70,555	73,063	2,508	73,063	-
Total Improvement of Instructional Services	197,730	200,601	2,871	200,600	1

Continued

SADDLE RIVER BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance with Original Budget - Final Budgets	Actual	Variance Final Budget- Actual Amounts
	Original	Final			
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Educational Media Services/School Library					
Salaries	$ 95,714	$ 150,899	$ 55,185	$ 124,195	$ 26,704
Purchased Professional and Technical Services		994	994		994
Supplies and Materials	4,635	7,362	2,727	7,113	249
Other Objects	-	580	580	580	-
Total Educational Media Serv./School Library	100,349	159,835	59,486	131,888	27,947
Instructional Staff Training Services					
Other Purchased Services	30,250	24,055	(6,195)	(1,580)	25,635
Total Instructional Staff Training Services	30,250	24,055	(6,195)	(1,580)	25,635
Support Services General Administration					
Salaries	24,700	25,173	473	25,172	1
Legal Services	113,491	119,018	5,527	30,103	88,915
Audit Fees	30,000	34,600	4,600	26,800	7,800
Architectural/Engineering Services	20,000	20,000	-	7,020	12,980
BOE Other Purchased Services	1,500	1,500	-	1,350	150
Miscellaneous Purchased Services	11,750	24,061	12,311	20,240	3,821
Travel		1,574	1,574	1,349	225
General Supplies	1,200	8,194	6,994	7,413	781
BOE Membership Dues and Fees	19,625	17,036	(2,589)	17,035	1
Total Support Services General Administration	222,266	251,156	28,890	136,482	114,674
Support Services School Administration					
Salaries of Principals/Assistant Principals	34,410	34,421	11	34,421	-
Supplies and Materials	219	8,999	8,780	8,751	248
Other Objects	4,838	2,530	(2,308)	1,834	696
Total Support Services School Administration	39,467	45,950	6,483	45,006	944
Central Services					
Salaries	81,652	63,345	(18,307)	63,345	-
Purchased Professional Services	2,650	106,765	104,115	104,960	1,805
Travel - All Other			-		-
Misc. Purchased Services		5,980	5,980	5,980	-
Supplies and Materials	4,000	4,040	40	3,404	636
Other Objects	5,875	3,125	(2,750)	365	2,760
Total Central Services	94,177	183,255	89,078	178,054	5,201
Required Maintenance for School Facilities					
Cleaning, Repair and Maintenance	140,073	87,466	(52,607)	69,762	17,704
General Supplies	17,000	8,000	(9,000)	7,554	446
Total Required Maintenance for School Fac.	157,073	95,466	(61,607)	77,316	18,150
Custodial Services					
Salaries	390,738	285,803	(104,935)	285,803	-
Cleaning, Repair, and Maintenance Svc.	1,100	9,510	8,410	7,444	2,066
Other Purchased Property Services		3,500	3,500	2,999	501
Insurance	137,500	112,189	(25,311)	108,121	4,068
General Supplies	22,979	98,644	75,665	25,742	72,902
Other Objects	1,190	3,425	2,235	3,425	-
Energy (Electricity)	80,000	80,000	-	64,232	15,768
Energy (Natural Gas)	49,412	45,412	(4,000)	31,600	13,812
Total Custodial Services	682,919	638,483	(44,436)	529,366	109,117

Continued

SADDLE RIVER BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance with Original Budget - Final Budgets	Actual	Variance Final Budget- Actual Amounts
	Original	Final			
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Care and Upkeep of Grounds					
Cleaning, Repair, and Maintenance Svc.	$ 31,000	$ 30,250	$ (750)	$ 28,868	$ 1,382
General Supplies	9,400	2,500	(6,900)	2,188	312
Total Care and Upkeep of Grounds	40,400	32,750	(7,650)	31,056	1,694
Security					
General Supplies	1,500	1,500	-	-	1,500
Total Security	1,500	1,500	-	-	1,500
Student Transportation Services					
Salaries for Pupil Transportation (Bet Home & Sch) Regular		1,200	1,200	269	931
Management Fee - ESC & CTSA Trans. Program	18,500	10,231	(8,269)	3,832	6,399
Contracted Serv.-Aid in Lieu of Payments-Non Public Schools	109,157	64,457	(44,700)	61,793	2,664
Contracted Services (Bet. Home & Sch) -Vendors		19,043	19,043	19,043	-
Contracted Services (Bet. Home & Sch) -Joint Agree.	552,126	543,595	(8,531)	542,877	718
Contracted Services (Spl. Ed. Students) -Joint Agree.	382,615	434,415	51,800	434,387	28
Other Objects	2,000	2,000	-	-	2,000
Total Student Transportation Services	1,064,398	1,074,941	10,543	1,062,201	12,740
Unallocated Benefits - Employee Benefits					
Group Insurance	50,000	96	(49,904)		96
Social Security Contributions	75,190	75,190	-	55,179	20,011
Other Retirement Contributions - PERS	63,860	80,000	16,140	65,041	14,959
Unemployment Compensation	30,000		(30,000)		-
Workmen's Compensation	32,300	32,300	-	20,126	12,174
Health Benefits	753,697	800,331	46,634	758,265	42,066
Tuition Reimbursement	8,500	8,500	-		8,500
Unused Sick Payments to Terminated/ Retired Staff	20,000	20,000	-	-	20,000
Total Unallocated Benefits - Employee Benefits	1,033,547	1,016,417	(17,130)	898,611	117,806
Undistributed Expenditures - Food Service					
Transfers to Cover Deficit (Enterprise Fund)	-	3,000	3,000	2,289	711
Total Undistributed Expenditures - Food Service	-	3,000	3,000	2,289	711
On-behalf TPAF Pension System Payments - Non-Contributory Insurance (Non-Budget)				8,415	(8,415)
On-behalf TPAF Pension System Payments - Normal Cost (Non-Budget)				690,737	(690,737)
On-behalf TPAF Pension System Payments - Post-Retirement Medical Contribution (Non-Budget)				210,440	(210,440)
On-behalf TPAF Pension System Payments - Long-Term Disability Insurance (Non-Budget)				182	(182)
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	125,823	(125,823)
Total On-Behalf Contributions/Reimbursements	-	-	-	1,035,597	(1,035,597)
Total Undistributed Expenditures	10,109,020	10,113,262	4,242	10,344,457	(231,195)
Total Expenditures - Current Expenditures	12,159,520	12,159,520	-	12,233,270	(73,750)

Continued

SADDLE RIVER BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance with Original Budget - Final Budgets	Actual	Variance Final Budget- Actual Amounts
	Original	Final			
CAPITAL OUTLAY					
Facilities Acquisition and Construction Serv.					
Construction Services	$ 660,313	$ 660,313	$ -	$ 599,630	$ 60,683
Assessment for Debt Service on SDA Funding	3,852	3,852	-	3,852	-
Total Capital Outlay	664,165	664,165	-	603,482	60,683
Total Expenditures	12,823,685	12,823,685	-	12,836,752	(13,067)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,911,865)	(1,911,865)	-	(286,314)	1,625,551
Fund Balance, Beginning of Year	5,836,114	5,836,114	-	5,836,114	-
Fund Balance, End of Year	$ 3,924,249	$ 3,924,249	$ -	$ 5,549,800	$ 1,625,551

Recapitulation of Fund Balance:		
Restricted Fund Balance		
Excess Surplus-Designated for Subsequent Year's Expenditures-2026/2027 Budget		$ 1,300,000
Excess Surplus-2027/2028 Budget		572,879
Unemployment Compensation		40,334
Capital Reserve		2,596,074
Maintenance Reserve		53,520
Tuition Reserve - Designated for Subsequent Year's Expenditures-2026/2027 Budget		100,000
Assigned Fund Balance		
Designated for Subsequent Year's Expenditures- 2026/2027 Budget		255,537
Year-End Encumbrances		77,494
Unassigned Fund Balance		553,962
Reconciliation to Governmental Funds Statements (GAAP):		5,549,800
Less: Extraordinary Aid Not Recognized on GAAP Basis	$ (324,566)	
State Aid Not Recognized on GAAP Basis	(22,776)	
		(347,342)
Fund Balance Per Governmental Funds (GAAP)		$ 5,202,458

SADDLE RIVER BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance with Original Budget - Final Budget	Actual	Variance Final Budget - Actual Amounts
	Original	Final			
REVENUES					
Intergovernmental					
State	$ 222,339	$ 326,429	$ 104,090	$ 290,876	$ (35,553)
Federal	250,526	244,826	(5,700)	221,312	(23,514)
Local Sources					
Miscellaneous	6,000	6,000	-	102,621	96,621
Total Revenues	478,865	577,255	98,390	614,809	37,554
EXPENDITURES					
Instruction					
Salaries of Teachers	24,971	25,070	99	25,240	(170)
Purchased Professional/Technical Services	92,063	124,802	32,739	107,382	17,420
Tuition	51,582	44,035	(7,547)	44,035	-
Other Purchased Services	393	5,073	4,680	4,680	393
General Supplies	31,470	9,897	(21,573)	63,500	(53,603)
Textbooks	15,178	24,028	8,850	8,895	15,133
Student Accounts	6,000	6,000	-	38,323	(32,323)
Total Instruction	221,657	238,905	17,248	292,055	(53,150)
Support Services					
Personal Services- Employee Benefits	15,982	16,357	375	-	16,357
Other Purchased Professional and Technical Services	168,574	219,903	51,329	213,155	6,748
Other Purchased Services	72,652	102,090	29,438	102,090	-
Total Support Services	257,208	338,350	81,142	315,245	23,105
Total Expenditures	478,865	577,255	98,390	607,300	(30,045)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	7,509	7,509
Fund Balances, Beginning of Year	15,132	15,132	-	25,643	10,511
Fund Balances, End of Year	$ 15,132	$ 15,132	$ -	$ 33,152	$ 18,020

Recapitulation of Fund Balance:

Restricted Fund Balance	
Student Activities	$ 5,907
PAWS	27,245
Total Fund Balance	$ 33,152

SADDLE RIVER BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

1. Basis of Presentation - Budgetary Comparison Schedules

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. Encumbrances are commitments related to unperformed (executory) contracts for goods and services (e.g. purchase orders and contracts). Unencumbered appropriations lapse at fiscal year end and for the General Fund valid encumbrances (those for which the goods or services under the executory contract is expected to be received in the next fiscal year) are reported as committed or assigned fund balance at year end and are reappropriated and became part of the subsequent year's original budget.

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 valid encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	$ 12,550,438	(C-2)	$ 614,809
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized :				
Encumbrance, June 30, 2025				26,502
Encumbrance, June 30, 2026				(59,587)
State Aid payments recognized for GAAP statements, not recognized for GAAP statements (2024/2025 State Aid)		268,439		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (2025/2026 State Aid)		(347,342)		-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. (Exhibit B-2)		$ 12,471,535		$ 581,724
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	$ 12,836,752	(C-2)	$ 607,300
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for *budgetary* purposes, but in the year the supplies are received for financial reporting purposes -				
Encumbrance, June 30, 2025				26,502
Encumbrance, June 30, 2026		-		(59,587)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds (Exhibit B-2)		$ 12,836,752		$ 574,215

SADDLE RIVER BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULES
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

2 Non-Budgeted Revenue and Appropriation Line Accounts

Certain non-budgeted transactions are reflected in the budgetary comparison schedules to be consistent with the governmental fund's statement of revenues, expenditures and changes in fund balances which are prepared in accordance with generally accepted accounting principles. These non-budgeted revenue and expenditure transactions include on-behalf TPAF contributions and reimbursements. The variances reported for these non-budgeted transactions do not represent excesses of deficits in budget revenues or appropriations respectively.

3. General Fund Budgetary Highlights

Original budget compared to final budget. During fiscal year 2026, there was no need for any significant amendments to increase either the original budget revenues or the original budgeted appropriations. Additionally, there was a need to make budget transfers to reallocate appropriations among budget line item accounts when the District became aware of possible expenditures over appropriations. Generally, the transfer of appropriations between budget line accounts was not significant. The exception was the appropriations for Tuition to CSSD & Regular Day School, which was increased $651,397 to $805,397.

There were no significant differences between anticipated budget revenues and actual revenues for fiscal Year 2026.

4. Special Revenue Fund Budgetary Highlights

Intergovernmental revenues from Federal or State sources were less than the final budget amounts due to grant program revenue being realized for the same amount as grant program expenditures. Grant program expenditures were less than final budget appropriations with no notable significant variances.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORAMTION
AND
OTHER POST-EMPLOYMENT BENEFITS INFORMATION

SADDLE RIVER 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*

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's Proportion of the Net Position Liability (Asset)	0.42000%	0.00515%	0.00450%	0.00434%	0.00335%	0.00788%	0.00812%	0.00842%	0.00909%	0.00922%
District's Proportionate Share of the Net Pension Liability (Asset)	$ 516,577	$ 700,183	$ 651,962	$ 654,565	$ 397,420	$ 1,285,585	$ 1,463,422	$ 1,658,969	$ 2,115,300	$ 2,731,528
District's Covered Payroll	$ 362,119	$ 339,158	$ 354,432	$ 341,104	$ 292,285	$ 505,376	$ 631,558	$ 576,732	$ 591,694	$ 620,553
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	143%	206%	184%	192%	136%	254%	232%	288%	357%	440%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.84%	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%

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

EXHIBIT L-2

SADDLE RIVER BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Ten Fiscal Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	$ 57,404	$ 70,117	$ 60,498	$ 54,696	$ 39,288	$ 86,241	$ 79,001	$ 83,808	$ 84,181	$ 81,934
Contributions in Relation to the Contractually Required Contribution	57,404	70,117	60,498	54,696	39,288	86,241	79,001	83,808	84,181	81,934
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 367,395	$ 362,119	$ 339,158	$ 354,432	$ 341,104	$ 292,285	$ 505,376	$ 631,558	$ 576,732	$ 591,694
Contributions as a Percentage of Covered Payroll	16%	19%	18%	15%	12%	30%	16%	13%	15%	14%

SADDLE RIVER 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*

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
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)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	7,543,623	7,366,964	7,912,407	8,618,781	8,171,904	10,858,582	11,310,525	12,519,449	12,290,769	15,821,840
Total	$ 7,543,623	$ 7,366,964	$ 7,912,407	$ 8,618,781	$ 8,171,904	$ 10,858,582	$ 11,310,525	$ 12,519,449	$ 12,290,769	$ 15,821,840
District's Covered Payroll	$ 1,925,768	$ 1,953,861	$ 1,938,766	$ 1,763,202	$ 1,682,796	$ 1,966,472	$ 1,821,184	$ 1,782,220	$ 1,950,336	$ 2,008,027
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	42.01%	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%

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

SADDLE RIVER 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, 2026

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 4.

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

Postemployment Health Benefit Plan

Last Nine Fiscal Years*

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability									
Service Cost	$ 338,340	$ 293,121	$ 324,731	$ 407,460	$ 535,145	$ 292,329	$ 300,150	$ 381,641	$ 464,972
Interest on Total OPEB Liability	412,772	327,319	296,330	220,057	272,436	274,160	332,856	365,469	312,843
Changes of Benefit Terms	-	-	-	-	(11,178)				
Differences Between Expected and Actual Experiences	1,271,544	406,662	(304,332)	(387,424)	(2,974,514)	2,527,553	(1,284,262)	(1,085,422)	
Changes of Assumptions	(1,835,954)	743,911	16,959	(2,227,537)	10,361	2,352,275	114,041	(965,504)	(1,312,508)
Gross Benefit Payments	(274,151)	(249,978)	(230,994)	(217,973)	(214,603)	(224,187)	(234,788)	(224,977)	(183,452)
Contribution from the Member	9,605	8,560	7,594	6,993	6,965	6,795	6,960	7,776	6,755
Net Change in Total OPEB Liability	(77,844)	1,529,595	110,288	(2,198,424)	(2,375,388)	5,228,925	(765,043)	(1,521,017)	(711,390)
Total OPEB Liability - Beginning	9,943,564	8,413,969	8,303,681	10,502,105	12,877,493	7,648,568	8,413,611	9,934,628	10,646,018
Total OPEB Liability - Ending	$ 9,865,720	$ 9,943,564	$ 8,413,969	$ 8,303,681	$ 10,502,105	$ 12,877,493	$ 7,648,568	$ 8,413,611	$ 9,934,628
District's Proportionate Share of OPEB Liability	$0	$0	$0	$0	$0	$0	$0	$0	$0
State's Proportionate Share of OPEB Liability	9,865,720	9,943,564	8,413,969	8,303,681	10,502,105	12,877,493	7,648,568	8,413,611	9,934,628
Total OPEB Liability - Ending	$ 9,865,720	$ 9,943,564	$ 8,413,969	$ 8,303,681	$ 10,502,105	$ 12,877,493	$ 7,648,568	$ 8,413,611	$ 9,934,628
District's Covered Payroll	$ 2,287,887	$ 2,293,019	$ 2,293,019	$ 2,293,198	$ 2,104,306	$ 1,975,081	$ 2,471,848	$ 2,452,742	$ 2,358,952
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%

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

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

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

SADDLE RIVER 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, 2026

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

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

EXHIBIT E-1

SADDLE RIVER BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	IDEA Part B Basic	IDEA Part B Preschool	ESEA Title I	ESEA Title II-A	ESEA Title IV	Page 1 Total
REVENUES						
Intergovernmental						
State						
Federal	$ 179,121	$ 4,680	$ 25,240	$ 4,666	$ 7,605	$ 221,312
Local	-	-	-	-	-	-
Total Revenues	$ 179,121	$ 4,680	$ 25,240	$ 4,666	$ 7,605	$ 221,312
EXPENDITURES						
Instruction						
Salaries of Teachers			$ 25,240			$ 25,240
Purchased Professional and Technical Services						-
Tuition	$ 44,035					44,035
Other Purchased Services		$ 4,680				4,680
General Supplies	6,711					6,711
Textbooks						-
Student Activities	-	-	-	-	-	-
Total Instruction	50,746	4,680	25,240	-	-	80,666
Support Services						
Personal Services- Employee Benefits						-
Other Purchased Professional and Technical Services	128,375			$ 4,666	$ 7,605	140,646
Other Purchased Services						-
General Supplies	-	-	-	-	-	-
Total Support Services	128,375	-	-	4,666	7,605	140,646
Total Expenditures	$ 179,121	$ 4,680	$ 25,240	$ 4,666	$ 7,605	$ 221,312
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ -	$ -	$ -	$ -

EXHIBIT E-1a

SADDLE RIVER BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Security	Nonpublic Technology	Nonpublic Auxiliary Services: Compensatory Education	Nonpublic Auxiliary Services: ESL	Nonpublic Handicapped Services: Corrective Speech	Nonpublic Handicapped Services: Exam. & Classification	Nonpublic Handicapped Services: Supplemental Instruction	Miscellaneous Local Donations	PAWS	Student Activities	Page 1 Totals	Grand Total
REVENUES														
Intergovernmental														
State	$ 8,895	$ 72,509	$ 102,090	$ 17,093	$ 3,695	$ 3,439	$ 16,368	$ 42,833	$ 23,954					$ 290,876
Federal													$ 221,312	221,312
Local	-	-	-	-	-	-	-	-	-	$ 56,789	$ 44,435	$ 1,397	-	102,621
Total Revenues	$ 8,895	$ 72,509	$ 102,090	$ 17,093	$ 3,695	$ 3,439	$ 16,368	$ 42,833	$ 23,954	$ 56,789	$ 44,435	$ 1,397	$ 221,312	$ 614,809
EXPENDITURES														
Instruction														
Salaries of Teachers													$ 25,240	$ 25,240
Purchased Professional and Technical Services				$ 17,093	$ 3,695	$ 3,439	$ 16,368	$ 42,833	$ 23,954				-	107,382
Tuition													44,035	44,035
Other Purchased Services													4,680	4,680
General Supplies										$ 56,789			6,711	63,500
Textbooks	$ 8,895												-	8,895
Student Accounts	-	-	-	-	-	-	-	-	-	-	$ 37,058	$ 1,265	-	38,323
Total Instruction	8,895	-	-	17,093	3,695	3,439	16,368	42,833	23,954	56,789	37,058	1,265	80,666	292,055
Support Services														
Personal Services- Employee Benefits													-	-
Other Purchased Professional and Technical Services		$ 72,509											140,646	213,155
Other Purchased Services			102,090										-	102,090
General Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Support Services	-	72,509	102,090	-	-	-	-	-	-	-	-	-	140,646	315,245
Total Expenditures	$ 8,895	$ 72,509	$ 102,090	$ 17,093	$ 3,695	$ 3,439	$ 16,368	$ 42,833	$ 23,954	$ 56,789	$ 37,058	$ 1,265	$ 221,312	$ 607,300
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	7,377	132	-	7,509
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	19,868	5,775	-	25,643
Fund Balance, June 30	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 27,245	$ 5,907	$ -	$ 33,152

CAPITAL PROJECTS FUND

(NOT APPLICABLE)

ENTERPRISE FUND

EXHIBIT G-1

SADDLE RIVER BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2026

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

LONG-TERM DEBT

SADDLE RIVER BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

Purpose	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance, July 1, 2025	Matured	Balance, June 30, 2026
General Improvements - 2020	3/5/2020	$ 2,459,000	3/1/2027-3/1/2030	$ 190,000	1.500-1.750 %			
			3/1/2031-3/1/2033	195,000	1.750-2.000			
			3/1/2034	200,000	2.000			
			3/1/2035	204,000	2.000	$ 1,884,000	$ 135,000	$ 1,749,000
General Improvements - 2015	7/15/2015	3,097,000	7/15/2025	$ 357,000	2.000 %	357,000	357,000	-
						$ 2,241,000	$ 492,000	$ 1,749,000
					Paid by Budget Appropriation		$ 492,000	

SADDLE RIVER BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

NOT APPLICABLE

EXHIBIT I-3

SADDLE RIVER BOARD OF EDUCATION
LONG-TERM DEBT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Property Tax Levy	$ 348,984		$ 348,984	$ 348,984	
State Aid	179,779	-	179,779	179,779	-
Total Revenues	528,763	-	528,763	528,763	-
EXPENDITURES					
Regular Debt Service					
Principal	492,000		492,000	492,000	
Interest	36,763	-	36,763	36,763	-
Total Expenditures	528,763	-	528,763	528,763	-
Net Change in Fund Balance	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	$ -	$ -	$ -	$ -	$ -

STATISTICAL SECTION

This part of the Saddle River 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 government'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 government'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 government's current levels of outstanding debt and the government'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 government'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 government's financial report relates to the services the government provides and the activities it performs.	J-16 to J-20

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

EXHIBIT J-1

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

	Fiscal Year Ended June 30,									
	2017	2018	2019	2020	2021	2022	2023	2024	2025 (Restated)	2026
Governmental Activities										
Net Investment in Capital Assets	$ 2,084,324	$ 2,132,102	$ 2,453,134	$ 2,579,421	$ 2,718,562	$ 3,419,490	$ 4,186,242	$ 4,913,079	$ 5,317,675	$ 2,969,266
Restricted	957,297	896,467	723,253	1,119,860	1,593,497	3,018,362	3,478,496	3,459,975	3,326,780	2,823,080
Unrestricted	(1,371,392)	(1,221,585)	(1,192,036)	(785,878)	64,667	475,102	384,191	602,759	1,029,399	1,325,518
Total Governmental Activities Net Position	$ 1,670,229	$ 1,806,984	$ 1,984,351	$ 2,913,403	$ 4,376,726	$ 6,912,954	$ 8,048,929	$ 8,975,813	$ 9,673,854	$ 7,117,864
Business-Type Activities										
Investment in Capital Assets	$ 9,552	$ 7,923	$ 6,294	$ 4,665	$ 3,036	$ -	$ -	$ -	$ -	$ -
Restricted										
Unrestricted	3,449	1,268	5,850	5,288	(113)	-	-	-	-	-
Total Business-Type Activities Net Position	$ 13,001	$ 9,191	$ 12,144	$ 9,953	$ 2,923	$ -	$ -	$ -	$ -	$ -
District-Wide										
Net Investment in Capital Assets	$ 2,093,876	$ 2,140,025	$ 2,459,428	$ 2,584,086	$ 2,721,598	$ 3,419,490	$ 4,186,242	$ 4,913,079	$ 5,317,675	$ 2,969,266
Restricted	957,297	896,467	723,253	1,119,860	1,593,497	3,018,362	3,478,496	3,459,975	3,326,780	2,823,080
Unrestricted	(1,367,943)	(1,220,317)	(1,186,186)	(780,590)	64,554	475,102	384,191	602,759	1,029,399	1,325,518
Total District Net Position	$ 1,683,230	$ 1,816,175	$ 1,996,495	$ 2,923,356	$ 4,379,649	$ 6,912,954	$ 8,048,929	$ 8,975,813	$ 9,673,854	$ 7,117,864

Source: School District's financial statements

EXHIBIT J-2

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

	Fiscal Year Ended June 30,									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Expenses										
Governmental Activities										
Instruction										
Regular	$ 5,859,931	$ 6,029,160	$ 6,122,752	$ 5,879,745	$ 5,776,724	$ 5,151,135	$ 5,821,928	$ 5,310,507	$ 5,229,457	$ 5,428,903
Special Education	906,186	1,066,104	1,192,425	1,198,006	1,134,427	1,338,517	1,559,104	1,942,651	1,905,279	2,527,243
Other Instruction	10,000					-		-	-	-
School Sponsored Activities And Athletics	13,781	10,032	116,017		19,631	355	1,880	31,080	41,962	-
Support Services:										
Student & Instruction Related Services	2,142,416	2,169,803	1,828,634	1,782,548	1,925,037	1,750,610	1,614,810	1,670,246	1,670,439	1,874,463
School Administrative Services	55,279	57,279	45,734	65,291	88,339	44,733	51,039	69,468	63,614	63,691
General Administration	66,680	101,312	145,875	138,417	156,237	132,651	157,441	293,437	238,913	151,485
Plant Operations And Maintenance	519,377	538,621	544,014	386,274	495,459	514,905	679,359	888,498	1,013,106	705,299
Pupil Transportation	515,661	547,330	538,580	429,915	511,464	668,504	852,545	990,616	999,691	1,072,783
Other Support Services	316,301	243,333	220,746	207,779	303,913	77,813	63,792	189,740	107,233	218,364
Interest On Long-Term Debt	50,061	46,526	42,844	47,925	73,740	67,023	58,718	50,467	41,886	32,984
Total Governmental Activities Expenses	10,455,673	10,809,500	10,797,621	10,135,900	10,484,971	9,746,246	10,860,616	11,436,710	11,311,580	12,075,215
Business-Type Activities:										
Food Service	70,844	75,367	78,244	67,733	26,465	2,923	-	-	-	-
Total Business-Type Activities Expense	70,844	75,367	78,244	67,733	26,465	2,923	-	-	-	-
Total District Expenses	$ 10,526,517	$ 10,884,867	$ 10,875,865	$ 10,203,633	$ 10,511,436	$ 9,749,169	$ 10,860,616	$ 11,436,710	$ 11,311,580	$ 12,075,215
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	$ 52,038	$ 119,095	$ 149,994	$ 119,795	$ 117,625	$ 177,650	$ 108,693	$ 251,674	$ 114,530	$ 212,835
Operating Grants And Contributions	2,204,762	2,323,674	2,061,916	1,745,183	2,294,264	2,148,504	1,893,819	1,793,128	1,649,987	1,735,259
Capital Grants And Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	2,256,800	2,442,769	2,211,910	1,864,978	2,411,889	2,326,154	2,002,512	2,044,802	1,764,517	1,948,094
Business-Type Activities:										
Charges For Services										
Food Service	71,832	71,557	81,197	65,542	19,435	-	-	-	-	-
Operating Grants And Contributions										
Capital Grants And Contributions	-	-	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	71,832	71,557	81,197	65,542	19,435	-	-	-	-	-
Total District Program Revenues	$ 2,328,632	$ 2,514,326	$ 2,293,107	$ 1,930,520	$ 2,431,324	$ 2,326,154	$ 2,002,512	$ 2,044,802	$ 1,764,517	$ 1,948,094
Net (Expense)/Revenue										
Governmental Activities	$ (8,198,873)	$ (8,366,731)	$ (8,585,711)	$ (8,270,922)	$ (8,073,082)	$ (7,420,092)	$ (8,858,104)	$ (9,391,908)	$ (9,547,063)	$ (10,127,121)
Business-Type Activities	988	(3,810)	2,953	(2,191)	(7,030)	(2,923)	-	-	-	-
Total District-Wide Net Expense	$ (8,197,885)	$ (8,370,541)	$ (8,582,758)	$ (8,273,113)	$ (8,080,112)	$ (7,423,015)	$ (8,858,104)	$ (9,391,908)	$ (9,547,063)	$ (10,127,121)

EXHIBIT J-2

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

	Fiscal Year Ended June 30,									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied	$ 8,235,981	$ 8,368,885	$ 8,581,462	$ 9,029,612	$ 9,248,845	$ 9,513,748	$ 9,688,424	$ 9,876,543	$ 10,136,917	$ 10,384,012
State Aid - Restricted/Unrestricted	85,689	121,119	116,184	115,750	117,594	202,281	177,506	178,146	178,661	181,554
Investment Earnings	2,213	5,737	20,031	14,544	7,353	5,352	80,724	195,786	175,982	157,266
Miscellaneous Income	11,209	7,745	45,401	40,068	124,765	234,939	47,425	68,317	82,923	169,183
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	8,335,092	8,503,486	8,763,078	9,199,974	9,498,557	9,956,320	9,994,079	10,318,792	10,574,483	10,892,015
Business-Type Activities:										
Investment Earnings	2									
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	2	-	-	-	-	-	-	-	-	-
Total District-Wide	$ 8,335,094	$ 8,503,486	$ 8,763,078	$ 9,199,974	$ 9,498,557	$ 9,956,320	$ 9,994,079	$ 10,318,792	$ 10,574,483	$ 10,892,015
Change in Net Position										
Governmental Activities	$ 136,219	$ 136,755	$ 177,367	$ 929,052	$ 1,425,475	$ 2,536,228	$ 1,135,975	$ 926,884	$ 1,027,420	$ 764,894
Business-Type Activities	990	(3,810)	2,953	(2,191)	(7,030)	(2,923)	-	-	-	-
Total District	$ 137,209	$ 132,945	$ 180,320	$ 926,861	$ 1,418,445	$ 2,533,305	$ 1,135,975	$ 926,884	$ 1,027,420	$ 764,894

Source: District financial statements

EXHIBIT J-3

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

	Fiscal Year Ended June 30,									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
General Fund										
Restricted	$ 1,116,790	$ 1,192,200	$ 1,338,677	$ 1,929,132	$ 3,037,885	$ 3,397,261	$ 4,035,103	$ 4,259,071	$ 5,051,137	$ 4,662,807
Committed	-	-	-	-	-					
Assigned	142,923	221,817	223,151	380,089	359,332	908,039	616,647	654,126	279,440	333,031
Unassigned	182,661	221,066	181,359	169,499	279,130	349,356	249,747	239,296	237,098	206,620
Total General Fund	$ 1,442,374	$ 1,635,083	$ 1,743,187	$ 2,478,720	$ 3,676,347	$ 4,654,656	$ 4,901,497	$ 5,152,493	$ 5,567,675	$ 5,202,458
All Other Governmental Funds										
Reserved										
Unreserved										
Restricted	$ 356,486	$ 295,656	$ 123,141	$ 1,705,296	$ 763,272	$ 511,436	$ 320,211	$ 77,722	$ 25,643	$ 33,152
Total All Other Governmental Funds	$ 356,486	$ 295,656	$ 123,141	$ 1,705,296	$ 763,272	$ 511,436	$ 320,211	$ 77,722	$ 25,643	$ 33,152

Source: District financial statements

EXHIBIT J-4

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

	Fiscal Year Ended June 30,									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Revenues										
Tax Levy	$ 8,235,981	$ 8,368,885	$ 8,581,462	$ 9,029,612	$ 9,248,845	$ 9,513,748	$ 9,688,424	$ 9,876,543	$ 10,136,917	$ 10,384,012
Tuition Charges	52,038	119,095	149,994	119,795	117,625	177,650	108,693	251,674	114,530	212,835
Interest Earnings	2,213	5,737	20,031	14,544	7,353	5,352	80,724	195,786	175,982	157,266
Miscellaneous	192,279	164,846	150,615	58,926	154,653	359,910	133,166	177,203	152,681	222,804
State Sources	1,027,114	1,200,756	1,386,401	1,382,446	1,579,517	1,974,284	2,075,584	2,246,806	2,287,945	2,368,130
Federal Sources	98,518	83,815	97,757	134,737	165,127	415,284	417,714	195,782	240,024	236,975
Total Revenue	9,608,143	9,943,134	10,386,260	10,740,060	11,273,120	12,446,228	12,504,305	12,943,794	13,108,079	13,582,022
Expenditures										
Instruction										
Regular Instruction	5,106,832	5,336,846	5,626,246	5,521,279	5,283,710	5,421,436	5,953,672	5,435,579	5,629,684	5,845,126
Special Education Instruction	826,022	984,268	1,141,011	1,161,651	1,096,801	1,376,292	1,638,468	2,006,737	1,969,185	2,596,604
Other Instruction	10,000					-	-	-	-	-
School Sponsored Activities and Athletics	11,800	8,704	5,642		19,631	355	1,880	31,080	41,962	4,112
Support Services:										
Student and Inst. Related Services	1,725,234	1,773,380	1,727,665	1,671,198	1,721,205	1,942,745	1,778,080	1,828,076	1,861,954	2,087,589
General Administration	57,238	88,450	137,602	132,737	148,802	150,475	161,274	294,462	238,493	152,696
School Administrative Services	41,275	35,779	37,652	57,521	73,582	50,323	55,156	58,789	63,794	75,624
Plant Operations And Maintenance	459,008	484,064	529,017	392,939	488,595	659,685	801,889	985,513	1,013,818	778,091
Pupil Transportation	497,514	528,045	525,031	416,436	497,985	679,775	836,331	974,129	986,239	1,062,333
Other Support Services	278,512	211,603	208,810	214,469	298,899	129,490	68,834	210,377	131,722	209,162
Capital Outlay	306,213	26,957	172,461	972,702	1,040,736	753,790	631,028	586,586	282,655	599,630
Debt Service:										
Principal	230,000	285,000	295,000	300,000	310,000	485,000	460,000	470,000	480,000	492,000
Interest and Other Charges	77,785	48,159	44,534	40,440	75,419	70,389	62,077	53,959	45,470	36,763
Total Expenditures	9,627,433	9,811,255	10,450,671	10,881,372	11,055,365	11,719,755	12,448,689	12,935,287	12,744,976	13,939,730
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,290)	131,879	(64,411)	(141,312)	217,755	726,473	55,616	8,507	363,103	(357,708)
Other Financing Sources (Uses)										
Proceeds From Bond Sale	-	-	-	2,459,000						
Transfers In		44,500	27,558	846			-	24,783		-
Transfers Out	-	(44,500)	(27,558)	(846)	-	-	-	(24,783)	-	-
Total Other Financing Sources (Uses)	-	-	-	2,459,000	-	-	-	-	-	-
Net Change in Fund Balances	$ (19,290)	$ 131,879	$ (64,411)	$ 2,317,688	$ 217,755	$ 726,473	$ 55,616	$ 8,507	$ 363,103	$ (357,708)
Debt Service as a Percentage of Noncapital Expenditures	3.30%	3.41%	3.30%	3.44%	3.85%	5.06%	4.42%	4.24%	4.22%	3.96%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District financial statements

SADDLE RIVER BOARD OF EDUCATION
GENERAL FUND
MISCELLANEOUS REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
General Fund										
Interest on Investments	$ 2,213	$ 5,737	$ 20,031	$ 14,544	$ 7,353	$ 5,352	$ 80,724	$ 195,786	$ 175,982	$ 157,266
Prior Years' Refunds	3,157		86	1,085						4,246
Rentals	25	5,913	966							
Insurance Refund										
Cancelled Invalid Accounts Payables					110,954	-				150,036
Miscellaneous	8,027	1,832	44,349	38,137	13,811	154,290	47,425	68,317	82,923	14,901
Total Miscellaneous	13,422	13,482	65,432	53,766	132,118	159,642	128,149	264,103	258,905	326,449
Tuition	52,038	119,095	149,994	119,795	117,625	177,650	108,693	251,674	114,530	212,835
Total General Fund	$ 65,460	$ 132,577	$ 215,426	$ 173,561	$ 249,743	$ 337,292	$ 236,842	$ 515,777	$ 373,435	$ 539,284

Source: District records.

SADDLE RIVER BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate [a]
2017	$ 58,047,400	$ 2,166,117,000	$ 8,788,600	$ 127,100	$ 57,119,200			$ 2,290,199,300		$ 2,290,199,300	$ 2,510,353,016	0.362
2018	56,153,200	2,422,376,800	17,310,800	47,200	72,190,800			2,568,078,800		2,568,078,800	2,515,794,419	0.331
2019	53,475,000	2,431,851,000	21,259,000	49,556	72,133,200			2,578,767,756		2,578,767,756	2,466,604,089	0.342
2020	53,031,100	2,428,974,000	23,004,500	49,556	72,133,200			2,577,192,356		2,577,192,356	2,526,430,746	0.356
2021	53,195,700	2,422,647,200	24,309,500	49,556	72,133,200			2,572,335,156		2,572,335,156	2,484,414,434	0.367
2022	51,248,200	2,419,041,500	29,617,100	49,556	72,133,200			2,572,089,556		2,572,089,556	2,468,191,362	0.373
2023	49,016,000	2,424,089,400	29,656,900	49,556	63,638,000			2,566,449,856		2,566,449,856	2,516,112,309	0.382
2024	48,636,200	2,436,049,900	29,656,900	49,556	62,138,000			2,576,530,556		2,576,530,556	2,539,179,568	0.388
2025	45,535,800	2,449,397,000	29,656,900	51,150	63,492,400			2,588,133,250		2,588,133,250	2,680,808,097	0.391
2026	39,982,600	2,481,151,800	30,180,400	51,150	63,492,400			2,614,858,350		2,614,858,350	2,986,842,682	0.412

Source: County Abstract of Ratables

a Tax rates are per $100

SADDLE RIVER BOARD OF EDUCATION
PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS
PER $100 OF ASSESSED VALUATION
LAST TEN YEARS
(Unaudited)

Assessment Year	Saddle River School District	Borough Saddle River	Bergen County	Total
2017	$0.362	$0.376	$0.275	$1.013
2018	0.331	0.335	0.240	0.906
2019	0.342	0.346	0.233	0.921
2020	0.356	0.361	0.242	0.959
2021	0.367	0.376	0.242	0.985
2022	0.373	0.401	0.220	0.994
2023	0.382	0.405	0.234	1.021
2024	0.388	0.419	0.229	1.036
2025	0.391	0.433	0.232	1.056
2026	0.412	0.444	0.261	1.117

Source: Abstract of Ratables, County Board of Taxation

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

2026			2017		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Sunrise Senior Living, Inc.	$ 17,246,000	0.66%			
Grand Prix Saddle River, LLC	17,000,000	0.65%			
Avalon Saddle River, LLC	11,000,000	0.42%			
Individual	10,923,000	0.42%			
Individual	8,566,700	0.33%			
Individual	8,500,000	0.33%			
Individual	8,423,400	0.32%			
8 Trailside PL, LLC	7,851,600	0.30%			
Individual	7,500,000	0.29%			
Individual	6,971,000	0.27%			
	$103,981,700	3.98%			
			Individual	$ 17,836,000	0.82%
			Innkeepers Inn/Marriott	17,400,000	0.80%
			Fox Hedge Manor, LLC	12,000,000	0.55%
			Individual	11,891,600	0.54%
			Individual	10,632,400	0.49%
			Prudence Group, LLC	9,984,500	0.46%
			Marriott/Brighton Gardens	8,372,500	0.38%
			Individual	7,375,000	0.34%
			Individual	7,031,700	0.32%
			Individual	6,357,000	0.29%
				$ 108,880,700	4.99%

Source: Tax Assessor

SADDLE RIVER 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	
2017	$ 8,235,971	$ 8,235,891	100.00%	
2018	8,368,885	8,368,885	100.00%	
2019	8,581,462	8,581,462	100.00%	
2020	9,029,612	9,029,612	100.00%	
2021	9,248,845	9,248,845	100.00%	
2022	9,513,748	9,513,748	100.00%	
2023	9,688,424	9,688,424	100.00%	
2024	9,876,543	9,876,543	100.00%	
2025	10,136,917	10,136,917	100.00%	
2026	10,384,012	10,384,012	100.00%	

Source: District financial records.

SADDLE RIVER BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Population	Per Capita
2017	$ 2,867,000					$ 2,867,000	3,207	894
2018	2,582,000					2,582,000	3,214	803
2019	2,287,000					2,287,000	3,173	721
2020	4,446,000					4,446,000	3,155	1,409
2021	4,136,000					4,136,000	3,351	1,234
2022	3,651,000					3,651,000	3,354	1,089
2023	3,191,000					3,191,000	3,368	947
2024	2,721,000					2,721,000	3,443	790
2025	2,241,000					2,241,000	3,430	653
2026	1,749,000					1,749,000	3,430 *	510

Source: District records

* Estimate

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2017	$ 2,867,000		$ 2,867,000	0.125%	894
2018	2,582,000		2,582,000	0.101%	803
2019	2,287,000		2,287,000	0.089%	721
2020	4,446,000		4,446,000	0.173%	1,409
2021	4,136,000		4,136,000	0.161%	1,234
2022	3,651,000		3,651,000	0.142%	1,089
2023	3,191,000		3,191,000	0.124%	947
2024	2,721,000		2,721,000	0.106%	790
2025	2,241,000		2,241,000	0.087%	653
2026	1,749,000		1,749,000	0.067%	510

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

SADDLE RIVER BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
AS OF DECEMBER 31, 2025
(Unaudited)

	Total Debt
Municipal Debt: (1)	
Saddle River School District	$ 1,884,000
Borough of Saddle River	19,226,688
Total Direct Debt	21,110,688
Overlapping Debt Apportioned to the Municipalities: (2)	
County of Bergen	19,439,097
Total Overlapping Debt	19,439,097
Total Direct and Overlapping Debt	$ 40,549,785

Source:
(1) Borough of Saddle River's Annual Debt Statement - December 31, 2025

(2) Bergen County Annual Debt Statement - December 31, 2025

SADDLE RIVER BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2026

	Equalized valuation basis
2025	$ 2,955,839,710
2024	2,668,320,791
2023	2,528,771,166
Average equalized valuation of taxable property	$ 2,717,643,889
Debt Limit (2.5% of average equalized valuation)	67,941,097 a
Total Net Debt Applicable to Limit	1,749,000
Legal Debt Margin	$ 66,192,097

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Debt Limit	$ 63,010,392	$ 62,628,634	$ 61,753,484	$ 62,000,626	$ 62,265,877	$ 62,366,665	$ 62,314,180	$ 62,648,954	$ 64,318,784	$ 67,941,097
Total Net Debt Applicable to Limit	2,867,091	2,582,091	2,287,091	4,446,937	4,136,937	3,651,000	3,191,000	2,721,000	2,241,000	1,749,000
Legal Debt Margin	$ 60,143,301	$ 60,046,543	$ 59,466,393	$ 57,553,689	$ 58,128,940	$ 58,715,665	$ 59,123,180	$ 59,927,954	$ 62,077,784	$ 66,192,097
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.55%	4.12%	3.70%	7.17%	6.64%	5.85%	5.12%	4.34%	3.48%	2.57%

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

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

SADDLE RIVER BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(Unaudited)

Year Ended December 31,	Unemployment Rate	Per Capita Income(1)	Population(2)
2016	3.10%	$ 77,901	3,207
2017	2.60%	81,203	3,214
2018	2.30%	85,951	3,197
2019	2.30%	89,456	3,173
2020	7.00%	91,972	3,155
2021	4.40%	97,343	3,351
2022	3.30%	97,138	3,354
2023	3.10%	102,229	3,368
2024	2.90%	106,211	3,443
2025	3.10%	N/A	3,430

(1) Represents county information vs. municipality
(2) Represents estimates as of July 1
N/A Information not available

Source: Data regarding unemployment rate, per capita income and school district population was provided by the State Department of Education.

EXHIBIT J-15

SADDLE RIVER BOARD OF EDUCATION
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

	2026		2017	
Employer	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

NOT AVAILABLE

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

Function/Program	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Instruction										
Regular										
Special Education										
Other Special Education										
Vocational										
Other Instruction										
Nonpublic School Programs					INFORMATION NOT AVAILABLE					
Adult/Continuing Education Programs										
Support Services:										
Student and Instruction Related Services										
General Administration										
School Administrative Services										
Other Administrative Services										
Central Services										
Administrative Information Technology										
Plant Operations And Maintenance										
Pupil Transportation										
Other Support Services										
Special Schools										
Food Service										
Child Care	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

Source: District Personnel Records

SADDLE RIVER BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Enrollment [a]	Operating Expenditures [b]	Cost Per Pupil [c]	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2017	150.0	$ 8,501,331	$ 56,676	8.53%	20	1:08			150.0	147	-14.48%	97.89%
2018	147.0	7,784,412	52,955	-6.56%	18	1:08			147.0	144	-2.00%	97.96%
2019	162.0	9,272,580	57,238	8.09%	18	1:09			162.0	158	10.20%	97.53%
2020	145.0	8,921,756	61,529	7.50%	21	1:07			145.0	138	-10.49%	95.17%
2021	134.0	8,846,546	66,019	7.30%	21	1:07			134.0	134	-7.59%	100.00%
2022	117.0	9,424,112	80,548	22.01%	21	1:07			116.9	108	-12.76%	92.39%
2023	111.0	10,350,150	93,245	15.76%	21	1:07			111.0	111	-5.05%	100.00%
2024	118.0	10,873,775	92,151	-1.17%	21	1:07			118.0	118	6.31%	100.00%
2025	137.0	10,920,304	79,710	-13.50%	21	1:07			114.7	109	-2.80%	95.03%
2026	133.0	11,775,740	88,539	11.08%	21	1:07			137.0	129	19.44%	94.16%

Sources: District records

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

EXHIBIT J-18

SADDLE RIVER BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
District Building										
Elementary										
Square Feet	40,526	40,526	40,526	40,526	40,526	40,526	40,526	40,526	40,526	40,526
Enrollment	150.0	147.0	162.0	145.0	134.0	117.0	111.0	118.0	137.0	133.0

Number of Schools at June 30, 2026
Elementary = 1
Middle School = 0
Senior High School = 0
Other = 0

Source: District Records

SADDLE RIVER BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(Unaudited)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
School Facilities										
Wandell Elementary School	$ 41,070	$ 38,552	$ 28,074	$ 46,085	$ 56,080	$ 55,689	$ 84,414	$ 166,500	$ 178,803	$ 77,316
Grand Total	$ 41,070	$ 38,552	$ 28,074	$ 46,085	$ 56,080	$ 55,689	$ 84,414	$ 166,500	$ 178,803	$ 77,316

Source: School District's Financial Statements

SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2026
(Unaudited)

	Coverage	Deductible
School Package Policy		
Property - Blanket Building & Contents	$ 12,995,673	$ 5,000
Earthquake/Flood (outside Zones A & V)	5,000,000	50,000
Flood (Zones A & V)	1,000,000	500,000
Commercial General Liability - Each Occurrence	1,000,000	
Commercial General Liability - General Aggregate	2,000,000	
Comprehensive Automobile Liability	1,000,000	1,000
Employer's Liability	1,000,000	1,000
Commercial Umbrella	9,000,000	10,000
Employee Theft	100,000/400,000	5,000/1,000
Environmental	2,000,000/4,000,000	15,000
Excess Umbrella	64,000,000	
Workers Compensation	1,000,000	
Travel Accident	100,000	
Officials' Bonds -		
Treasurer of School Money	180,000	
School Business Administrator	100,000	

Source: District records.

*Note: The District is part of the Northeast Bergen County School Board Insurance Group. The above coverages are the combined amounts for all the school districts under master policies with insurance companies.

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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JOHN CUIFFO, CPA, RMA, PSA

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DEBRA GOLLE, CPA
TYLER NASCIMENTO, CPA, PSA
SHAHEED OGLESBY, 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 Education
Saddle River Board of Education
Saddle River, 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 and each major fund, of the Saddle River Board of Education as of and for the fiscal year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise the Saddle River Board of Education's basic financial statements and have issued our report thereon dated October 19, 2026.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Saddle River 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 Saddle River Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated October 19, 2026.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Saddle River 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 Saddle River Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lerch Vinci & Bliss LLP
LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
October 19, 2026

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

EXHIBIT K-2

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
JOHN CUIFFO, CPA, RMA, PSA

CHRISTOPHER M. VINCI, CPA, PSA
ROBERT LERCH, CPA, RMA, PSA
CHRISTINA CUIFFO, CPA, RMA, PSA
DEBRA GOLLE, CPA
TYLER NASCIMENTO, CPA, PSA
SHAHEED OGLESBY, CPA, PSA

REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 25-12

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Saddle River Board of Education
Saddle River, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Saddle River Board of Education's compliance with the types of compliance requirements identified as subject to audit in the New Jersey OMB Circular 25-12 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Saddle River Board of Education's major state programs for the fiscal year ended June 30, 2026. The Saddle River Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Saddle River Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2026.

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 New Jersey OMB Circular 25-12, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, 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 Saddle River 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 Saddle River 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 Saddle River Board of Education's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Saddle River Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB Circular 25-12 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 Saddle River Board of Education's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB Circular 25-12, 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 Saddle River 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 Saddle River 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 and New Jersey OMB Circular 25-12, but not for the purpose of expressing an opinion on the effectiveness of the Saddle River Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 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 25-12. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 25-12

We have audited the financial statements of the governmental activities and each major fund of the Saddle River Board of Education, as of and for the fiscal year ended June 30, 2026, 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 October 19, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 25-12 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 state financial assistance is 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
October 19, 2026

SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

State Grantor/Program Title	Federal AL Number	FAIN Number	Project Period	Award Amount	Balance, July 1, 2025	Carryover Amount	Cash Received	Budgetary Expenditures	Carryover Receivables	Receivable Adjustment	Balance, June 30, 2026 (Accounts Receivable)	Balance, June 30, 2026 Unearned Revenue	Balance, June 30, 2026 Due to Grantor	Memo GAAP Receivable
U.S. Department of Education														
Passed -through State Department of Education														
Special Revenue Fund:														
ESEA Title I- A	84.010	S010A250030	7/1/25-6/30/26	$ 25,070		$ 170	$ 25,070	$ 25,240	$ (170)	$ 170				
ESEA Title I- A	84.010	S010A240030	7/1/24-6/30/25	51,441	$ 112	(170)	58		170	(170)				
ESEA Title II-A	84.367	S367A250029	7/1/25-6/30/26	7,128			4,066	4,666	-		$ (3,062)	$ 2,462		$ (600)
ESEA Title II-A	84.367	S367A240029	7/1/24-6/30/25	9,361	(831)		831		-					
ESEA Title IV	84.424	S424A250031	7/1/25-6/30/26	10,000			1,776	7,605			(8,224)	2,395		(5,829)
ESEA Title IV	84.424	S424A240031	7/1/24-6/30/25	10,000	(2,990)	-	2,990	-	-	-	-	-	-	-
Total Special Education (ESEA) Cluster					(3,709)	-	34,791	37,511	-	-	(11,286)	4,857	-	(6,429)
IDEA Part B, Basic	84.027	H027A250100	7/1/25-6/30/26	128,583		54,408	68,934	179,121	(54,408)	54,408	(59,649)	3,870		(55,779)
IDEA Part B, Basic	84.027	H027A240100	7/1/24-6/30/25	120,540	(27,888)	(54,408)	82,296		54,408	(54,408)				
IDEA Part B, Preschool	84.173	H173A250114	7/1/25-6/30/26	4,680			4,680	4,680			-	-		-
IDEA Part B, Preschool	84.173	H173A240114	7/1/24-6/30/25	4,533	(393)	-	393	-	-	-	-	-	-	-
Total Special Education (IDEA) Cluster					(28,281)	-	156,303	183,801	-	-	(59,649)	3,870	-	(55,779)
Total Special Revenue Fund/Department of Education					(31,990)	-	191,094	221,312	-	-	(70,935)	8,727	-	(62,208)
Total Federal Awards					$ (31,990)	$ -	$ 191,094	$ 221,312	$ -	$ -	$ (70,935)	$ 8,727	$ -	$ (62,208)

Note: The District is not subject to a Federal Single Audit.

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

SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2025 (Accounts Receivable)	Balance, July 1, 2025 Unearned Revenue	Balance, July 1, 2025 Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Balance, June 30, 2026 (Accounts Receivable)	Balance, June 30, 2026 Unearned Revenue	Balance, June 30, 2026 Due to Grantor	MEMO GAAP Receivable	MEMO Combined Total Expenditures
State Department of Education														
General Fund:														
Transportation Aid	26-495-034-5120-014	7/1/25-6/30/26	$ 188,076				$ 180,751	$ 188,076		$ (7,325)				$ 188,076
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	202,394	$ (17,240)			17,240							
Additional Nonpublic Transportation Aid	26-495-034-5120-014	7/1/25-6/30/26	29,396					29,396		(29,396)			$ (29,396)	29,396
Additional Nonpublic Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	34,091	(34,091)	-	-	34,091	-	-	-	-	-	-	-
Total Transportation Aid Cluster				(51,331)	-	-	232,082	217,472	-	(36,721)	-	-	(29,396)	217,472
State Aid Public:														
Special Education Aid	26-495-034-5120-089	7/1/25-6/30/26	360,587				346,543	360,587		(14,044)				360,587
Special Education Aid	25-495-034-5120-089	7/1/24-6/30/25	319,977	(27,256)			27,256							-
Security Aid	26-495-034-5120-084	7/1/25-6/30/26	36,129				34,722	36,129		(1,407)				36,129
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	29,320	(2,497)	-	-	2,497	-	-	-	-	-	-	-
Total State Aid Public Aid Cluster				(29,753)	-	-	411,018	396,716	-	(15,451)	-	-	-	396,716
Lead Testing for Schools		7/1/25-6/30/26	1,775				1,775	1,775						1,775
Extraordinary Special Education Costs Aid	26-100-034-5120-473	7/1/25-6/30/26	324,566					324,566		(324,566)				324,566
Extraordinary Special Education Costs Aid	25-100-034-5120-473	7/1/24-6/30/25	221,446	(221,446)			221,446							-
On-Behalf TPAF Pension Contribution - Non Contrib. Ins.	26-495-034-5094-004	7/1/25-6/30/26	8,415				8,415	8,415						8,415
On-Behalf TPAF Pension Contribution	26-495-034-5094-002	7/1/25-6/30/26	690,737				690,737	690,737						690,737
On-Behalf TPAF Post Retirement Medical	26-495-034-5094-001	7/1/25-6/30/26	210,440				210,440	210,440						210,440
On-Behalf TPAF Long Term Disability Insurance	26-495-034-5094-004	7/1/25-6/30/26	182	-	-	-	182	182	-	-	-	-	-	182
Total On-Behalf TPAF Contributions				-	-	-	909,774	909,774	-	-	-	-	-	909,774
Reimbursed TPAF Social Security Contribution	26-495-034-5094-003	7/1/25-6/30/26	125,823	-	-	-	125,823	125,823	-	-	-	-	-	125,823
Total General Fund				(302,530)	-	-	1,901,918	1,976,126	-	(376,738)	-	-	(29,396)	1,976,126
Special Revenue Fund:														
N.J. Nonpublic Aid														
Auxiliary Services														
Compensatory Education	26-100-034-5120-067	7/1/25-6/30/26	4,763				4,763	3,695				$ 1,068		3,695
Compensatory Education	25-100-034-5120-067	7/1/24-6/30/25	9,970			$ 5,809			$ 5,809					-
ESL	26-100-034-5120-067	7/1/25-6/30/26	7,054				7,054	3,439				3,615		3,439
ESL	25-100-034-5120-067	7/1/24-6/30/25	9,712	-	-	4,326	-	-	4,326	-	-	-	-	-
Total Auxiliary Services (Chap. 192) Cluster				-	-	10,135	11,817	7,134	10,135	-	-	4,683	-	7,134
N.J. Nonpublic Aid														
Handicapped Services														
Examination & Classification	26-100-034-5120-066	7/1/25-6/30/26	43,593				43,593	42,833				760		42,833
Examination & Classification	25-100-034-5120-066	7/1/24-6/30/25	46,835			22,762			22,762					-
Supplemental Instruction	26-100-034-5120-066	7/1/25-6/30/26	29,736				29,736	23,954				5,782		23,954
Supplemental Instruction	25-100-034-5120-066	7/1/24-6/30/25	21,724			3,469			3,469					-
Corrective Speech	26-100-034-5120-066	7/1/25-6/30/26	20,460	-	-	-	20,460	16,368	-	-	-	4,092	-	16,368
Total Handicapped Services (Chap. 193) Cluster				-	-	26,231	93,789	83,155	26,231	-	-	10,634	-	83,155
Textbook Aid	26-100-034-5120-064	7/1/25-6/30/26	24,028				24,028	8,895				15,133		8,895
Textbook Aid	25-100-034-5120-064	7/1/24-6/30/25	18,973			6,666			6,666			-		-
Technology	26-100-034-5120-064	7/1/25-6/30/26	17,146				17,146	17,093				53		17,093
Technology	25-100-034-5120-064	7/1/24-6/30/25	18,179			1			1			-		-
Nursing	26-100-034-5120-070	7/1/25-6/30/26	72,509				72,509	72,509				-		72,509
Nursing	25-100-034-5120-070	7/1/24-6/30/25	57,590			1,728			1,728			-		-
Security	26-100-034-5120-509	7/1/25-6/30/26	102,090	-	-	-	102,090	102,090	-	-	-	-	-	102,090
Total Non Public Cluster				-	-	8,395	215,773	200,587	8,395	-	-	15,186	-	200,587
Total Special Revenue Fund/Department of Education				-	-	44,761	321,379	290,876	44,761	-	-	30,503	-	290,876
Debt Service Fund														
Debt Service Aid - Type II	26-495-34-5120-017	7/1/25-6/30/26	179,779	-	-	-	179,779	179,779	-	-	-	-	-	179,779
Total State Financial Assistance Subject to Single Audit Determination				$ (302,530)	$ -	$ 44,761	$ 2,403,076	$ 2,446,781	$ 44,761	$ (376,738)	$ -	$ 30,503	$ (29,396)	$ 2,446,781

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

SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2025 (Accounts Receivable)	Balance, July 1, 2025 Unearned Revenue	Balance, July 1, 2025 Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Balance, June 30, 2026 (Accounts Receivable)	Balance, June 30, 2026 Unearned Revenue	Balance, June 30, 2026 Due to Grantor	MEMO GAAP Receivable	MEMO Combined Total Expenditures
State Financial Assistance Not Subject to Major Program Determination														
General Fund														
Less:														
On-Behalf TPAF Pension Contribution - Non Contrib. Ir	26-495-034-5094-004	7/1/25-6/30/26	8,415				$ (8,415)	$ (8,415)						$ (8,415)
On-Behalf TPAF Pension Contribution	26-495-034-5094-002	7/1/25-6/30/26	690,737				(690,737)	(690,737)						(690,737)
On-Behalf TPAF Post Retirement Medical	26-495-034-5094-001	7/1/25-6/30/26	210,440				(210,440)	(210,440)						(210,440)
On-Behalf TPAF Long Term Disability Insurance	26-495-034-5094-004	7/1/25-6/30/26	182	-	-	-	(182)	(182)	-	-	-	-	-	(182)
Total State Financial Assistance Subject to Major Program Determination				$ (302,530)	$ -	$ 44,761	$ 1,493,302	$ 1,537,007	$ 44,761	$ (376,738)	$ -	$ 30,503	$ (29,396)	$ 1,537,007

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

SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

NOTE 1 REPORTING ENTITY

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

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the "Schedules") present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 25-12 *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 $78,903 for the general fund and a decrease of $33,085 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	Federal	State	Total
General Fund		$ 1,897,223	$ 1,897,223
Special Revenue Fund	$ 236,975	291,128	528,103
Debt Service Fund	-	179,779	179,779
Total Financial Assistance	$ 236,975	$ 2,368,130	$ 2,605,105

SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 OTHER INFORMATION

TPAF Social Security contributions in the amount of $125,823 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, 2026. The amount reported as TPAF Pension System Contributions in the amount of $699,152, TPAF Post-Retirement Medical Benefits Contributions in the amount of $210,440 and TPAF Long-Term Disability Insurance in the amount of $182 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2026.

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 15 percent de minimis indirect cost rate allowed under the Uniform Guidance.

SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

Part I – Summary of Auditor's Results

Financial Statement Section

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

Federal Awards Section

Not Applicable

SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

Part I – Summary of Auditor's Results

State Awards Section

Internal Control over compliance:

1) Material weakness(es) identified? _____ yes ___X___ no

2) Were significant deficiencies identified that were not considered to be material weaknesses? _____ yes ___X___ none reported

Type of auditors' report on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? _____ yes ___X___ no

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
26-495-034-5120-089	Special Education Aid
26-495-034-5120-084	Security Aid

Dollar threshold used to distinguish between Type A and Type B programs: $ 1,000,000

Auditee qualified as low-risk auditee? ___X___ yes _____ no

SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

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 basic financial statements in accordance with *Government Auditing Standards.*

There are none.

SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 25-12.

CURRENT YEAR FEDERAL AWARDS

Not Applicable

EXHIBIT K-6

SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 25-12.

CURRENT YEAR STATE AWARDS

There are none.