

NEW ISSUE – Book-Entry Only

**Rating: S&P: “AA+”
See “RATING” herein**

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance with certain covenants described herein, interest on the Bonds (as herein defined) (i) is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the Federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Bond Counsel is further of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, as amended. See "TAX EXEMPTION" herein.

\$20,275,000*
REFUNDING SCHOOL BONDS, SERIES 2025
THE BOARD OF EDUCATION OF THE
BOROUGH OF GLEN ROCK
IN THE COUNTY OF BERGEN, NEW JERSEY
(New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended)

NON-CALLABLE

Dated: Date of Delivery

Due: September 1, as shown on inside cover

The \$20,275,000* aggregate principal amount of Refunding School Bonds, Series 2025 (the "Bonds"), of The Board of Education of the Borough of Glen Rock in the County of Bergen, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) are valid and legally binding general obligations of the Board, and unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable real property within the School District for the payment of the Bonds and the interest thereon without limitation as to rate or amount. Payment of the principal of and interest on the Bonds is also secured under the provisions of the New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended.

The Bonds will be issued as fully registered bonds in book-entry only form (without certificates) in the form of one certificate for the aggregate principal amount of the Bonds maturing in each year and when issued will be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York ("DTC"). Individual purchases may be made in the principal amount of \$1,000 each or any integral multiple thereof with a minimum purchase of \$5,000 required, through book-entries made on the books and records of DTC and its participants. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds shall bear interest from their date of delivery, which interest shall be payable semi-annually on the first day of March and September in each year, commencing March 1, 2026, until maturity. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each immediately preceding February 15 and August 15 (the "Record Dates" for the payment of interest on the Bonds).

The Bonds are not subject to redemption prior to their stated maturities.

The Bonds are offered when, as and if issued and delivered to the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by the law firm of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Board, and certain other conditions described herein. Certain legal matters will be passed upon for the Board by Schenck, Price, Smith & King, LLP, Florham Park, New Jersey, General Counsel to the Board. Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, served as Municipal Advisor to the Board in connection with the issuance of the Bonds. Delivery of the Bonds in definitive form to DTC in Jersey City, New Jersey, is anticipated to occur on or about December 9, 2025.

ELECTRONIC SUBMISSIONS FOR THE BONDS, IN ACCORDANCE WITH THE FULL NOTICE OF SALE, MUST BE MADE VIA PARITY PRIOR TO 11:00 A.M. EASTERN STANDARD TIME ON NOVEMBER 18, 2025. FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY, VIEW THE FULL NOTICE OF SALE POSTED AT WWW.MUNIHUB.COM.

* Preliminary, subject to change.

\$20,275,000*
**THE BOARD OF EDUCATION OF THE
BOROUGH OF GLEN ROCK
IN THE COUNTY OF BERGEN, NEW JERSEY
REFUNDING SCHOOL BONDS, SERIES 2025**

(New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended)

NON-CALLABLE

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,
YIELDS AND CUSIP NUMBERS**

<u>Maturity (September 1)</u>	<u>Principal Amounts*</u>	<u>Interest Rates</u>	<u>Yields</u>	<u>CUSIP Numbers**</u>
2026	\$2,225,000			377784__
2027	2,310,000			377784__
2028	2,395,000			377784__
2029	2,485,000			377784__
2030	2,565,000			377784__
2031	2,670,000			377784__
2032	2,765,000			377784__
2033	2,860,000			377784__

* Preliminary, subject to change.

** A registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Board does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

**THE BOARD OF EDUCATION OF THE
BOROUGH OF GLEN ROCK
IN THE COUNTY OF BERGEN, NEW JERSEY**

BOARD MEMBERS

President – Dr. Damali Robinson
Vice President – Elizabeth Calvez

Stephanie Carosella
Boaz Cohen
Daniel Corey
Edmund Hayward
Christine Parlamis
Karyn Stevenson
Vacancy

SUPERINTENDENT

Dr. Brett Charleston

BUSINESS ADMINISTRATOR/BOARD SECRETARY

James Canellas

BOARD ATTORNEY

Schenck, Price, Smith & King, LLP
Florham Park, New Jersey

BOARD AUDITOR

Lerch, Vinci & Bliss, LLP
Fair Lawn, New Jersey

MUNICIPAL ADVISOR

Phoenix Advisors,
a division of First Security Municipal Advisors, Inc.
Hamilton, New Jersey

BOND COUNSEL

Wilentz, Goldman & Spitzer, P.A.
Woodbridge, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Board to give any information or to make any representations with respect to the Bonds, other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Board. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

The information contained herein has been provided by the Board, DTC and other sources deemed reliable by the Board; however, such information is not guaranteed as to its accuracy or completeness and such information is not to be construed as a representation or warranty by the Board, as to information from sources other than itself. The Board has not confirmed the accuracy or completeness of information relating to DTC, which information has been provided by DTC.

This Official Statement is not to be construed as a contract or agreement among the Board, the Underwriter and the owners of any of the Bonds. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to the Constitution of the State of New Jersey, laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents or laws are qualified in their entirety by reference to the particular source, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Board during normal business hours.

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety.

In order to facilitate the distribution of the Bonds, the Underwriter may engage in transactions intended to stabilize the price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

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OFFICIAL STATEMENT

OF

THE BOARD OF EDUCATION OF THE BOROUGH OF GLEN ROCK IN THE COUNTY OF BERGEN, NEW JERSEY

\$20,275,000*
REFUNDING SCHOOL BONDS, SERIES 2025
(NEW JERSEY SCHOOL BOND RESERVE ACT, 1980 N.J. Laws c. 72, as amended)

NON-CALLABLE

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by The Board of Education of the Borough of Glen Rock in the County of Bergen, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) in connection with the offering, sale and issuance of its \$20,275,000* aggregate principal amount of Refunding School Bonds, Series 2025 (the "Bonds"). This Official Statement has been executed by and on behalf of the Board by the Business Administrator/Board Secretary and its distribution and use in connection with the offering and sale of the Bonds have been authorized by the Board.

This Official Statement contains specific information relating to the Bonds including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety.

All financial and other information presented herein has been provided by the Board from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historic information and, but only to the extent specifically provided herein, certain projections into the immediate future, and is not necessarily indicative of future or continuing trends in the financial position of the Board.

DESCRIPTION OF THE BONDS

The following is a summary of certain provisions of the Bonds. Reference is made to the Bonds themselves for the complete text thereof, and the discussion herein is qualified in its entirety by such reference.

Terms and Interest Payment Dates

The Bonds shall be dated their date of delivery and shall mature on September 1 in each of the years and in the amounts set forth on the inside cover page hereof. The Bonds shall bear interest from their date of delivery which interest shall be payable semi-annually on the first day of March and September (each an "Interest Payment Date"), commencing on March 1, 2026, in each of the years and at the interest rates set forth on the inside cover page hereof until maturity by check mailed by the Board or a duly appointed paying agent to the registered owners of the Bonds as of each February 15 and August 15 immediately preceding the respective Interest Payment Date (the "Record Dates"). So long as The Depository Trust Company, Brooklyn, New York ("DTC"), or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Board or a designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to DTC

* Preliminary, subject to change.

participants, which will in turn remit such payments to the beneficial owners of the Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds will be issued in fully registered book-entry only form, without certificates. One certificate shall be issued for the aggregate principal amount of the Bonds maturing in each year, and when issued, will be registered in the name of and held by Cede & Co., as nominee of DTC. DTC will act as Securities Depository for the Bonds (the "Securities Depository"). The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of the individual purchasers. Individual purchases may be made in the principal amount of \$1,000 each, or any integral multiple thereof with a minimum purchase of \$5,000 required, through book-entries made on the books and records of DTC and its participants. Individual purchasers of the Bonds will not receive certificates representing their beneficial ownership interests in the Bonds, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Bonds purchased. See "BOOK-ENTRY ONLY SYSTEM" herein.

Redemption

The Bonds of this issue are not subject to redemption prior to their stated maturities.

Security for the Bonds

The Bonds are valid and legally binding general obligations of the Board, and the Board has irrevocably pledged its full faith and credit for the payment of the principal of and interest on the Bonds. Unless paid from other sources, the principal of and interest on the Bonds are payable from *ad valorem* taxes levied upon all the taxable real property within the School District without limitation as to rate or amount. The Bonds are additionally secured by the New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended.

School Bond Reserve Act (1980 N.J. Laws c. 72)

All school bonds are secured by the School Bond Reserve (the "School Bond Reserve") established in the Fund for the Support of Free Public Schools of the State of New Jersey (the "Fund") in accordance with the New Jersey School Bond Reserve Act, N.J.S.A. 18A:56-17 *et seq.* (P.L. 1980, c. 72, approved July 16, 1980, as amended by P.L. 2003, c. 118, approved July 1, 2003 (the "Act")). The 2003 amendments to the Act provide that the Fund will be divided into two School Bond Reserve accounts. All bonds issued prior to July 1, 2003 shall be benefited by a School Bond Reserve account funded in an amount equal to one-and-a-half (1.5%) of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes (the "Old School Bond Reserve Account") and all bonds, including the Bonds, issued on or after July 1, 2003 shall be benefited by a School Bond Reserve account funded in an amount equal to one percent (1%) of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes (the "New School Bond Reserve Account"), provided such amounts do not exceed the moneys available in the Fund. If a municipality, county or school district is unable to make payment of principal of or interest on any of its bonds issued for school purposes, the trustees of the Fund will purchase such bonds at par value and will pay to the bondholders the interest due or to become due within the limits of funds available in the applicable School Bond Reserve account in accordance with the provisions of the Act.

The Act provides that the School Bond Reserve shall be composed entirely of direct obligations of the United States government or obligations guaranteed by the full faith and credit of the United States government. Securities representing at least one-third of the minimal market value to be held in the School Bond Reserve shall be due to mature within one year of issuance or purchase. Beginning with the fiscal year ending on June 30, 2003 and continuing on each June 30 thereafter, the State Treasurer shall calculate the amount necessary to fully fund the Old School Bond Reserve Account and the New School Bond Reserve Account as required pursuant to the Act. To the extent moneys are insufficient to maintain each

account in the School Bond Reserve at the required levels, the State agrees that the Treasurer of the State of New Jersey (the "State") shall, no later than September 15 of the fiscal year following the June 30 calculation date, pay to the trustees for deposit in the School Bond Reserve such amounts as may be necessary to maintain the Old School Bond Reserve Account and the New School Bond Reserve Account at the levels required by the Act. No moneys may be borrowed from the Fund to provide liquidity to the State unless the Old School Bond Reserve Account and the New School Bond Reserve Account each are at the levels certified as full funding on the most recent June 30 calculation date. The amount of the School Bond Reserve in each account is pledged as security for the prompt payment to holders of bonds benefited by such account of the principal of and the interest on such bonds in the event of the inability of the issuer to make such payments. In the event the amounts in either the Old School Bond Reserve Account or the New School Bond Reserve Account fall below the amount required to make payments on bonds, the amounts in both accounts are available to make payments for bonds secured by the School Bond Reserve.

The Act further provides that the amount of any payment of interest or purchase price of school bonds paid pursuant to the Act shall be deducted from the appropriation or apportionment of State aid, other than certain State aid which may be otherwise restricted pursuant to law, payable to the school district, county or municipality and shall not obligate the State to make, nor entitle the school district, county or municipality to receive, any additional appropriation or apportionment. Any amount so deducted shall be applied by the State Treasurer to satisfy the obligation of the school district, county or municipality arising as a result of the payment of interest or purchase price of bonds pursuant to the Act.

Authorization and Purpose

The Bonds have been authorized by and are issued pursuant to Title 18A, Chapter 24 of the New Jersey Statutes, Chapter 271 of the Laws of 1967, as amended and supplemented (the "School Bond Law") (N.J.S.A. 18A:24-1 *et seq.*), a refunding bond ordinance entitled "REFUNDING BOND ORDINANCE OF THE BOARD OF EDUCATION OF THE BOROUGH OF GLEN ROCK IN THE COUNTY OF BERGEN, NEW JERSEY PROVIDING FOR THE REFUNDING OF ALL OR A PORTION OF ITS OUTSTANDING REFUNDING SCHOOL BONDS, DATED JANUARY 26, 2016, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$32,910,000 AND AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$20,600,000 AGGREGATE PRINCIPAL AMOUNT OF REFUNDING SCHOOL BONDS OF THE BOARD TO EFFECT SUCH REFUNDING," finally adopted by the Board on September 15, 2025 (the "Refunding Bond Ordinance") and a resolution duly adopted by the Board on September 15, 2025 (the "Resolution").

The proceeds of the Bonds will be used to refund, on a current basis, all or a portion of the Board's \$20,065,000 aggregate principal amount of the outstanding Refunding School Bonds, Series 2016, dated January 26, 2016 maturing on or after September 1, 2026 (the "Refunded Bonds"), at a redemption price equal to one hundred percent (100%) of the principal amount thereof (the "Redemption Price"). Specifically, the proceeds of the Bonds will be used to pay: (i) the interest, when due, on the Refunded Bonds on March 1, 2026 (the "Call Date"); (ii) the Redemption Price due on the Call Date and (iii) the costs associated with the issuance of the Bonds.

Escrow Deposit Agreement

A portion of the proceeds of the Bonds may be used to purchase United States Treasury Securities and/or direct non-callable obligations of the United States of America (the "Escrow Securities"). The Escrow Securities will be deposited into an escrow account that will be created pursuant to an Escrow Deposit Agreement. The Escrow Deposit Agreement will be executed between the Board and Manufacturers and Traders Trust Company, Iselin, New Jersey, as escrow agent (the "Escrow Agent"), and will be dated as of the date of closing on the Bonds. All moneys and Escrow Securities, if any, deposited into the escrow account created pursuant to the Escrow Deposit Agreement for payment of the Refunded Bonds are pledged solely and irrevocably for the benefit of the holders of the Refunded Bonds. The Escrow Securities will bear interest at such rates and will mature at such times and in such amounts so that, when paid in accordance with their terms, the proceeds of the Escrow Securities will be sufficient to make full and timely payments of: (i) the interest, when due, on the Refunded Bonds to the Call Date; and (ii) the Redemption Price due on the Call Date. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

ESTIMATED SOURCES AND USES OF FUNDS

The Board expects to use the proceeds from the sale of the Bonds as provided in the chart below:

Sources of Funds:

Par Amount of the Bonds.....	\$
Plus Original Issue Premium.....	
Other Available Funds of the Board.....	
Total Sources of Funds	\$

Uses of Funds:

Deposit to Escrow Fund.....	\$
Costs of Issuance*.....	
Total Uses of Funds.....	\$

BOOK-ENTRY ONLY SYSTEM**

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal and interest, and other payments on the Bonds to DTC Participants or Beneficial Owners (as such terms are defined or used herein), confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the Board. Accordingly, the Board does not make any representations concerning these matters.

DTC will act as Securities Depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds, as set forth on the inside cover hereof, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

* Includes Underwriter's discount, legal, accounting, printing, municipal advisory, verification, escrow agent, rating agency and fiduciary fees and other expenses incurred in connection with the issuance of the Bonds

** Source: The Depository Trust Company

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Notices of Redemption shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds, unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Direct and Indirect Participant and not of DTC, nor its nominee, Paying Agent or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as Securities Depository with respect to the Bonds at any time by giving reasonable notice to the Board or Paying Agent. Under such circumstances, in the event that a successor Securities Depository is not obtained, Bond certificates are required to be printed and delivered.

The Paying Agent, upon direction of the Board, may decide to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

Discontinuance of Book-Entry Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Bonds, the following provisions apply: (i) the Bonds may be exchanged for an equal aggregate principal amount of Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the office of the Board or its paying agent; (ii) the transfer of any Bonds may be registered on the books maintained by the registrar for such purposes only upon the surrender thereof to the Board or its paying agent together with the duly executed assignment in form satisfactory to the Board or its paying agent; and (iii) for every exchange or registration of transfer of Bonds, the Board or its paying agent may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds. Interest on the Bonds will be payable by check or draft mailed on each Interest Payment Date to the registered owners thereof as of the close of business on the Record Dates.

THE SCHOOL DISTRICT AND THE BOARD

The Board is a nine (9) member board with members elected for staggered three (3) year terms. The Superintendent of Schools is the chief administrative officer of the School District. The Business Administrator/Board Secretary is the chief financial officer of the School District and oversees the Board's business functions. The Business Administrator/Board Secretary reports to the Superintendent of Schools.

The School District is a Type II school district, the geographical boundaries of which are coterminous with the Borough of Glen Rock, in the County of Bergen, State of New Jersey (the "Borough") and provides a full range of educational services appropriate to grades pre-kindergarten ("Pre-K") through twelve (12), including regular and special education programs for the Borough. The School District operates four (4) elementary schools, one (1) middle school and one (1) high school. See "[APPENDIX A](#) – Certain Economic and Demographic Information Relating to the School District and the Borough of Glen Rock, in the County of Bergen, State of New Jersey."

THE STATE'S ROLE IN PUBLIC EDUCATION

The Constitution of the State of New Jersey provides that the State shall provide for the maintenance and support of a thorough and efficient ("T&E") system of free public schools for the instruction of all children between the ages of 5 and 18 years. Case law has expanded the responsibility to include children between the ages of 3 and 21.

The responsibilities of the State with respect to the general supervision and control of public education have been delegated to the New Jersey Department of Education (the "Department"), which is a part of the executive branch of the State government and was created by the State Legislature. The Department is governed and guided by the policies set forth by the New Jersey State Board of Education (the "State Board"). The State Board is responsible for the general supervision and control of public education and is obligated to formulate plans and to make recommendations for the unified, continuous and efficient development of public education of all people of all ages within the State. To fulfill these

responsibilities, the State Board has the power, *inter alia*, to adopt rules and regulations that have the effect of law and that are binding upon school districts, to acquire land and other property.

The Commissioner of Education (the "Commissioner") is the chief executive and administrative officer of the Department. The Commissioner is appointed by the Governor of the State with the advice and consent of the State Senate, and serves at the pleasure of the Governor during the Governor's term of office. The Commissioner is Secretary and Chief Executive Officer of the State Board and is responsible for the supervision of all school districts in the State and is obligated to enforce the rules and regulations of the State Board. The Commissioner has the authority to recommend the withholding of State financial aid and the Commissioner's consent is required for authorization to sell school bonds that exceed the debt limit of the municipality in which the school district is located and may also set the amount to be raised by taxation for a board of education if a school budget has not been approved by a board of school estimate or by the voters.

An Executive County Superintendent of Schools (the "County Superintendent") is appointed for each county in the State by the Governor, upon the recommendation of the Commissioner with the advice and consent of the State Senate. The County Superintendent is the local representative of the Commissioner. The County Superintendent is responsible for the daily supervision of the school districts in the county and is charged with the enforcement of rules pertaining to the certification of teachers, pupil registers and financial reports and the review of budgets. Under the Uniform Shared Services and Consolidation Act, P.L. 2007, c. 63, effective April 3, 2007, the role of the County Superintendent was changed to create the post of the Executive County Superintendent with expanded powers for the operation and management of school districts to, among other things, promote administrative and operational efficiencies, eliminate non-operating school districts and recommend a school district consolidation plan to eliminate districts through the establishment or enlargement of regional school districts, subject to voter approval.

STRUCTURE OF SCHOOL DISTRICTS IN NEW JERSEY

Categories of School Districts

State school districts are characterized by the manner in which the board of education or the governing body takes office. School districts are principally classified in the following categories:

(1) Type I, in which the mayor or chief executive officer ("CEO") of a municipality appoints the members of a board of education and a board of school estimate. The board of school estimate consists of two (2) members of the board of education, two (2) members of the governing body of the municipality and the mayor or CEO of the municipality comprising the school district, and approves all fiscal matters;

(2) Type II, in which the registered voters within a school district elect the members of a board of education and either (a) the registered voters also vote upon all fiscal matters with the exception set forth in the new Budget Election Law (as hereinafter defined in "School Budgetary Process"), or (b) a board of school estimate, consisting of two (2) members of the governing body of and the CEO of each municipality within the school district and the president of and one member of the board of education, and approves all fiscal matters;

(3) Regional and consolidated school districts comprising the territorial boundaries of more than one municipality in which the registered voters within the school district elect members of the board of education and vote upon all fiscal matters with certain exceptions. Regional school districts may be "All Purpose Regional School Districts" or "Limited Purpose Regional School Districts";

(4) State-operated school districts created by the State Board, pursuant to State law, when a local board of education cannot or will not correct severe educational deficiencies;

(5) County vocational school districts have boards of education consisting of the County Superintendent and four (4) members unless it is a county of the first class, which adopted an ordinance, in which case it can have a board consisting of seven (7) appointed members which the board of county commissioners appoints. Such vocational school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school district, two (2) members appointed by the board of county commissioners and a fifth member being the county executive or the director of the board of county commissioners, which approves all fiscal matters; and

(6) County special services school districts have boards of education consisting of the County Superintendent and six (6) persons appointed by the board of county commissioners. Such special services school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school, two (2) members appointed by the board of county commissioners and a fifth member being the commissioner-director of the board of county commissioners, which approves all fiscal matters.

There is a procedure whereby a Type I school district or a Type II school district may change from one type to the other after an approving public referendum. Such a public referendum must be held whenever directed by the municipal governing body or board of education in a Type I district, or the board of education in a Type II district, or when petitioned for by fifteen percent (15%) of the voters of any school district. The School District is a Type II school district without a board of school estimate.

School Budgetary Process (N.J.S.A. 18A:22-1 et seq.)

In a Type I school district, a separate body from the school district, known as the board of school estimate, examines the budget requests and fixes the appropriation amounts for the next year's operating budget at or after a public hearing. This board, whose composition is fixed by statute, certifies the budget to the municipal governing body or board of education. If the board of education disagrees with the certified budget of the board of school estimate, then it can appeal to the Commissioner to request changes.

In a Type II school district, a budget is no longer required to be submitted to the voters for approval if the budget is at or below the two percent (2%) property tax levy cap as provided in the Tax Levy Cap Law (as hereinafter defined).

The Budget Election Law, P.L. 2011, c. 202, effective January 17, 2012 (the "Budget Election Law") establishes procedures that allow the date of the annual school election of a Type II school district, without a board of school estimate, to be moved from April to the first Tuesday after the first Monday in November, to be held simultaneously with the general election. Such change in the annual school election date must be authorized by resolution of either the board of education or the governing body of the municipality, or by an affirmative vote of a majority of the voters whenever a petition, signed by at least fifteen percent (15%) of the legally qualified voters, is filed with the board of education. Once the annual school election is moved to November, such election may not be changed back to an April annual school election for four (4) years.

The Board conducts its annual election in November.

SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF SCHOOL DEBT

Levy and Collection of Taxes

School districts in the State do not levy or collect taxes to pay those budgeted amounts which are not provided by the State. The municipality within which a school district is situated levies or collects the required taxes and must remit them in full to the school district.

Budgets and Appropriations

School districts in the State must operate in accordance with the requirements of the New Jersey Department of Education. Each school district must adopt an annual budget in such detail and upon forms as prescribed by the Commissioner, to which must be attached an itemized statement showing revenues, including State and Federal aid, and expenditures. The Commissioner must approve a budget prior to its final adoption and has the power to increase or decrease individual line items in a budget. Any amendments to a school district's budget must be approved by the board of education or the board of school estimate, as the case may be. Every budget submitted must provide no less than the minimum permissible amount deemed necessary under State law to provide for a thorough and efficient education as mandated by the State Constitution. The Commissioner may not approve any budget unless the Commissioner is satisfied that the school district has adequately implemented within the budget the Core Curriculum Content Standards (as defined herein) required by State law. If necessary, the Commissioner is authorized to order changes in the local school district's budget. The Commissioner will also ensure that other provisions of law are met including the limitations on taxes and spending explained below.

Tax and Spending Limitations

The Public School Education Act of 1975, N.J.S.A. 18A:7A-1 et seq., P.L. 1975, c. 212 (as amended and partially repealed), first limited the amount of funds that could be raised by a local school district. It limited the annual increase of any school district's net current expense budget. The budgetary limitations were known as a "cap" on expenditures. The "cap" was intended to control the growth in local property taxes. Subsequently there have been numerous legislative changes as to how the spending limitations would be applied.

The Quality Education Act of 1990, N.J.S.A. 18A:7D-1 et seq., P.L. 1990, c. 52 (the "QEA") (now repealed), also limited the annual increase in the school district's current expense and capital outlay budgets by a statutory formula linked to the annual percentage increase in per capita income. The QEA was amended and revised by chapter 62 of the Laws of New Jersey of 1991, and further amended by chapter 7 of the Laws of New Jersey of 1993.

The Comprehensive Educational Improvement and Financing Act of 1996, N.J.S.A. 18A:7F-1 et seq., P.L. 1996, c. 138 (the "CEIFA"), as amended by P.L. 2004, c. 732, effective July 1, 2004, also limited the annual increase in a school district's net budget by a spending growth limitation. The CEIFA limited the amount school districts can increase their annual current expense and capital outlay budgets (the "Spending Growth Limitations"). Generally, budgets could increase either by two-and-a-half percent (2.5%) or the consumer price index, whichever is greater. Amendments to the CEIFA decreased the budget cap to two-and-a-half percent (2.5%) from three percent (3%). Budgets could also increase because of certain adjustments for enrollment increases, certain capital outlay expenditures, pupil transportation costs, and special education costs that exceeded \$40,000 per pupil. Waivers were available from the Commissioner based on increasing enrollments and other fairly narrow grounds and increases higher than the cap could be approved by a vote of sixty percent (60%) at the annual school election.

P.L. 2007, c. 62, effective April 3, 2007, provided additional limitations on school district spending by limiting the amount a school district could raise for school district purposes through the property tax levy by four percent (4%) over the prior budget year's tax levy. P.L. 2007, c. 62 provided for adjustments to the cap for increases in enrollment, reductions in State aid and increased health care costs and for certain other extraordinary cost increases that required approval by the Commissioner. The bill granted discretion to the Commissioner to grant other waivers from the cap for increases in special education costs, capital outlay, and tuition charges. The Commissioner also had the ability to grant extraordinary waivers to the tax levy cap for certain other cost increases beginning in fiscal year 2010 through 2012.

P.L. 2007, c. 62 was deemed to supersede the prior limitations on the amount school districts could increase their annual current expense and capital outlay budgets created by CEIFA (as amended by P.L. 2004, c. 73, effective July 1, 2004). However, chapter 62 was in effect only through fiscal year 2012.

Without an extension of chapter 62 by the legislature, the Spending Growth Limitations on the general fund and capital outlay budget would be in effect.

Debt service was not limited either by the Spending Growth Limitations or the four percent (4%) cap on the tax levy increase imposed by chapter 62.

The previous legislation was amended by P.L. 2010, c. 44, effective July 13, 2010 and became applicable to the next local budget year following enactment. This law limits the school district tax levy for the general fund budget to increases of two percent (2%) over the prior budget year with exceptions only for enrollment increases, increases for certain normal and accrued liability for pension contributions in excess of two percent (2%), certain healthcare increases, and amounts approved by a simple majority of voters voting at a special election (the "Tax Levy Cap Law"). Additionally, also becoming effective in the 2011-2012 fiscal year, a school district that has not been granted approval to exceed the tax levy cap by a separate proposal can bank the unused tax levy for use in any of the next three (3) succeeding budget years. A school district can request a use of "banked cap" only after it has fully exhausted all eligible statute spending authority in the budget year. The process for obtaining waivers from the Commissioner for additional increases over the tax levy cap or Spending Growth Limitations was eliminated under chapter 44. Notwithstanding the foregoing, under P.L. 2018, c. 67, effective July 24, 2018, which increases State school aid to underfunded school districts and decreases state school aid to overfunded school districts, during the 2018-2019 through 2024-2025 fiscal years, SDA Districts, which are certain urban districts formerly referred to as Abbott Districts referred to herein under "SUMMARY OF STATE AID TO SCHOOL DISTRICTS", are permitted increases in the tax levy over the two percent (2%) limit to raise a general fund tax levy to an amount that does not exceed its local share of the adequacy budget.

The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund. There are no restrictions on a local school district's ability to raise funds for debt service, and nothing would limit the obligation of a school district to levy *ad valorem* taxes upon all taxable real property within the school district to pay debt service on its bonds or notes with one exception. School districts are subject to GAAP accounting, and under GAAP interest on obligations maturing within one (1) year must be treated as operating expenses. Accordingly, under the Department of Education's Chart of Accounts, interest on notes is raised in the General Fund of a school district and therefore is counted within its two percent (2%) tax levy cap on spending.

Issuance of Debt

Among the provisions for the issuance of school debt are the following requirements: (i) bonds must mature in serial installments within the statutory period of usefulness of the projects being financed but not exceeding forty (40) years; (ii) debt must be authorized by a resolution of a board of education (and approved by a board of school estimate in a Type I school district); and (iii) there must be filed with the State by each municipality comprising a school district a Supplemental Debt Statement and a school debt statement setting forth the amount of bonds and notes authorized but unissued and outstanding for such school district.

Annual Audit (N.J.S.A. 18A:23-1 et seq.)

Every board of education is required to provide an annual audit of the school district's accounts and financial transactions. The audit must be performed by a licensed public school accountant no later than five (5) months after the end of the school fiscal year or by the date extended by statute or by the State of New Jersey Department of Education. The audit, in conformity with statutory requirements, must be filed with the board of education and the Commissioner. Additionally, the audit must be summarized and discussed at a regular public meeting of the local board of education within thirty (30) days following receipt of the annual audit by such board of education.

Temporary Financing (N.J.S.A. 18A:24-3)

Temporary notes may be issued in anticipation of the issuance of permanent bonds for a capital improvement or capital project. Such temporary notes may not exceed in the aggregate the amount of bonds authorized for such improvement or project. A school district's temporary notes may be issued for one (1) year periods, with the final maturity not exceeding five (5) years from the date of original issuance; provided, however, that no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which said notes are issued, is paid and retired subsequent to such third anniversary date from funds other than the proceeds of obligations. School districts must include in each annual budget the amount of interest due and payable in each fiscal year on all outstanding temporary notes.

Capital Lease Financing

School districts are permitted to enter into lease purchase agreements for the acquisition of equipment or for the improvement of school buildings. Generally, lease purchase agreements cannot exceed five (5) years except for certain energy-saving equipment which may be leased for up to fifteen (15) years if paid from energy savings. Lease purchase agreements for a term of five (5) years or less must be approved by the Commissioner. The Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 (the "EFCFA"), repealed the authorization to enter into facilities leases in excess of five (5) years. The payment of rent on an equipment lease and on a five (5) year and under facilities lease is treated as a current expense and within the cap on the school district's budget. Under the CEIFA, lease purchase payments on leases in excess of five (5) years issued under prior law are treated as debt service payments and, therefore, will receive debt service aid if the school district is entitled and are outside the school district's tax levy cap.

Financing Under County School Construction Financing Law

Recently enacted P.L. 2023, c. 311, approved January 16, 2024, as amended by P.L. 2024, c. 79, approved September 12, 2024, provides a means by which a county and a county improvement authority can assist a local school district with financing and construction of a school capital project without the school district authorizing and issuing school bonds. Under the newly enacted legislation, a school district can lease a school property to a county improvement authority, which would issue its bonds for the financing and construction of a school project. The county improvement authority would then lease the school property to the county and the county would further lease it back to the school district. The school district would be obligated to cover the cost of principal and interest on the authority bonds through its lease payments to the county, and the county would pass through the payments to the authority through its lease to the authority for the payment of the bonds. The leases would remain valid and binding and in effect until the bonds are fully paid off. When the leases expire, the school property will be fully vested in the school district. The lease payments would be outside the caps on spending and raising taxes for both the school district and the county. The obligation would not be limited by the school district's legal borrowing limit as the school district is not issuing school bonds. The law requires the annual school district lease payments to be included in each school budget over the life of the bonds. The county improvement authority bonds would receive debt service aid otherwise available to the school district project as if the school district had authorized and issued school bonds. The program requires the cooperation of the county, the county improvement authority and the school district. Under the county improvement authorities law, the county or municipality could agree to guaranty the authority bonds as well if the credit support would help reduce financing costs. The program could help school districts that otherwise have difficulty getting voter approval to be able to obtain financing at a reduced cost, as (i) the State would still pay a share of the debt service due on the improvement authority bonds for which the project is entitled under the Educational Facilities Construction and Financing Act and (ii) if guaranteed, the improvement authority bonds could benefit from the credit enhancement provided by a county or municipality.

Debt Limitation (N.J.S.A. 18A:24-19)

Except as provided below, no additional debt shall be authorized if the principal amount, when added to the net debt previously authorized, exceeds a statutory percentage of the average equalized valuation of taxable property in a school district. As a grades Pre-K through twelve (12) school district, the School District can borrow up to four percent (4%) of the average equalized valuation of taxable property in the School District. The School District has not exceeded its three percent (4%) debt limit. See “APPENDIX A – Certain Economic and Demographic Information Relating to the School District and the Borough of Glen Rock, in the County of Bergen, State of New Jersey.”

Exceptions to Debt Limitation

A Type II school district (other than a regional district) may also utilize its constituent municipality’s remaining statutory borrowing power (i.e. the excess of three-and-a-half percent (3.5%) of the average equalized valuation of taxable property within the constituent municipality over the constituent municipality’s net debt). A school district may also authorize debt in excess of this limit with the consent of the Commissioner and the Local Finance Board.

Energy Saving Obligations

Under P.L. 2010, c. 4, effective January 21, 2010 and effective sixty (60) days thereafter, school districts may issue “energy savings obligations” without voter approval to fund certain improvements that result in reduced energy use, facilities for production of renewable energy or water conservation improvements provided that the amount of the savings will cover the cost of the improvements.

SUMMARY OF STATE AID TO SCHOOL DISTRICTS

In 1973, the Supreme Court of the State of New Jersey (the “Court”) ruled in *Robinson v. Cahill* that the method then used to finance public education principally through property taxation was unconstitutional. Pursuant to the Court’s ruling, the Legislature enacted the Public School Education Act of 1975, N.J.S.A. 18A:7A-1 *et seq.*, P.L. 1975, c. 212 (the “Public School Education Act”) (as amended and partially repealed), which required funding of the State’s school aid through the New Jersey Gross Income Tax Act, P.L. 1976, c. 47, as amended and supplemented, enacted for the purpose of providing property tax relief.

On June 5, 1990, the Court ruled in *Abbott v. Burke* that the school aid formula enacted under the Public School Education Act was unconstitutional as applied. The Court found that poorer urban school districts (previously called “Abbott Districts”, now referred to as “SDA Districts”) were significantly disadvantaged under that school funding formula because school revenues were derived primarily from property taxes. The Court found that wealthy school districts were able to spend more, yet tax less for educational purposes.

Since that time there has been much litigation and many cases affecting the State’s responsibilities to fund public education and many legislative attempts to distribute State aid in accordance with the court cases and the constitutional requirement. The cases addressed not only current operating fund aid but also addressed the requirement to provide facilities aid as well. The legislation has included QEA, CEIFA and EFCFA. For many years aid has simply been determined in the State budget, which itself is an act of the legislature, based upon amounts provided in prior years. The school funding formula, provided in the School Funding Reform Act of 2008, P.L. 2007, c. 260, effective January 1, 2008, attempts to remove the special status given to certain school districts known as Abbott Districts after the school funding cases and instead has funding follow students with certain needs and provides aid in a way that takes into account the ability of the local school district to raise local funds to support the budget in amounts deemed adequate to provide for a thorough and efficient education as required by the State constitution. This legislation was challenged in the Court, and the Court held that the State’s then current plan for school aid was a “constitutionally adequate scheme.” However, the State continued to underfund certain school districts and to overfund other school districts in its budgets based on the statutory scheme. In its budget process for

fiscal year 2019 and with the enactment of P.L. 2018, c. 67, effective July 24, 2018, the State moved the school districts toward the intent of the statutory scheme by increasing funding for underfunded school districts and decreasing funding for overfunded school districts over the next seven (7) years and providing cap relief for overfunded school districts to enable them to pick up more of the local share.

Notwithstanding over thirty-five (35) years of litigation, the State provides State aid to school districts of the State in amounts provided in the State budget each year. These now include equalization aid, special education categorical aid, transportation aid, preschool education aid, instructional supplement aid, supplemental core curriculum standards aid, distance learning network aid, bilingual aid, security aid, adjustment aid and other aid determined in the discretion of the Commissioner.

State law requires that the State will provide aid for the construction of school facilities in an amount equal to the greater of the district aid percentage or forty percent (40%) times the eligible costs determined by the Commissioner either in the form of a grant or debt service aid as determined under the EFCFA. The amount of aid to which a school district is entitled is established prior to the authorization of the project. Grant funding is provided by the State upfront and debt service aid must be appropriated annually by the State.

The State reduced debt service aid by fifteen percent (15%) annually since fiscal year 2011. As a result of the debt service aid reduction for those fiscal years, school districts received eighty-five percent (85%) of the debt service aid that they would have otherwise received. In addition, school districts which received grants under the EFCFA, which grants were financed through the New Jersey Economic Development Authority (the "EDA"), were assessed an amount in each fiscal year budget since 2011 representing fifteen percent (15%) of the school district's proportionate share of the principal and interest payments on the outstanding EDA bonds issued to fund such grants.

Pursuant to P.L. 2018, c. 67, effective July 24, 2018, the School Funding Reform Act has been modified to adjust the distribution of State aid to school districts in the State ("SFRA Modification Law"). In particular, the SFRA Modification Law revises the School Funding Reform Act so that, after calculating the amount of State aid available per pupil, State aid will be distributed to each school district based on student enrollment. The SFRA Modification Law also eliminates the application of the State aid growth limit and adjustment aid, but includes a transition period for school districts that will receive less State aid. Under the SFRA Modification Law, most school districts that will receive reduced State aid resulting from the revised funding formula will be provided a seven (7) year transition period during which funding will be reduced (with the exception of The Board of Education of the City of Jersey City, where the transition period will be five (5) years). For those school districts where State aid will increase under the SFRA Modification Law, the transition period to increase funding will be one (1) year.

SUMMARY OF FEDERAL AID TO SCHOOL DISTRICTS

Federal funds are available for certain programs approved by the Federal government with allocation decided by the State, which assigns a proportion to each local school district. The Every Student Succeeds Act of 2015, enacted December 10, 2015, is a Federal assistance program for which a school district qualifies to receive aid. A remedial enrichment program for children of low income families is available under Chapter 1 Aid. Such Federal aid is generally received in the form of block grants. Aid is also provided under the Individuals with Disabilities Education Act although never in the amounts federal law required.

MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Local Bond Law, N.J.S.A. 40A:2-1 et seq. (the "Local Bond Law"), governs the issuance of bonds and notes to finance certain municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects financed and

that bonds be retired in serial installments. A five percent (5%) cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds and notes issued by the Borough are general full faith and credit obligations.

The authorized bonded indebtedness of the Borough is limited by statute, subject to certain exceptions noted below, to an amount equal to three-and-a-half percent (3.5%) of its average equalized valuation basis. The average for the last three (3) years of the equalized value of all taxable real property and improvements and certain Class II railroad property within the Borough as annually determined by the New Jersey Board of Taxation are set forth in APPENDIX A.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

A municipality may exceed its debt limit with the approval of the Local Finance Board, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, a municipality may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the municipality or substantially reduce the ability of the municipality to meet its obligations or to provide essential public improvements and services, or makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the municipality to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

A municipality may sell "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance or subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the bond ordinance, as it may be amended and supplemented, creating such capital expenditure. A local unit's bond anticipation notes may be issued for periods not exceeding one (1) year. Generally, bond anticipation notes may not be outstanding for longer than ten (10) years. An additional period may be available following the tenth anniversary date equal to the period from the notes' maturity to the end of the tenth fiscal year in which the notes mature plus four (4) months in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the State local finance system is the annual cash basis budget. Every local unit must adopt an annual operating budget in the form required by the Division of Local Government Services, New Jersey Department of Community Affairs (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget cannot be finally adopted until it has been certified by the Director of the Division (the "Director"), or in the case of a local unit's examination of its own budget, such budget cannot be finally adopted until a local examination certificate has been approved by the Chief Financial Officer and governing body of the local unit. The Local Budget Law, N.J.S.A. 40A:4-1 et seq. (the "Local Budget Law") requires each local unit to appropriate sufficient funds for the payment of current debt service, and the Director or, in the case of local examination, the local unit, may review the adequacy of such appropriations.

Tax anticipation notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year in which they were issued.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the budgetary review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations. N.J.S.A. 40A:4-22. If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

A provision in the Local Budget Law, N.J.S.A. 40A:4-26, provides that: "[n]o miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues, except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with a municipality's calendar fiscal year. However, grant revenue is generally not realized until received in cash.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the local unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by December 31 of that year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body. However, with minor exceptions, such appropriations must be included in full in the following year's budget. When such appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director must be obtained.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as: (i) the repair and reconstruction of streets, roads or bridges damaged by snow, ice, frost, or floods, which may be amortized over three (3) years; and (ii) the repair and reconstruction of streets, roads, bridges or other public property damaged by flood or hurricane, where such expense was unforeseen at the time of budget adoption, the repair and reconstruction of private property damaged by flood or hurricane, tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparations, drainage map preparation for flood control purposes, studies and planning associated with the construction and installation of sanitary sewers, authorized expenses of a consolidated commission, contractually required severance liabilities resulting from the layoff or retirement of employees and the preparation of sanitary and storm system maps, all of which projects set forth in this section (ii) may be amortized over five (5) years. N.J.S.A. 40A:4-53, -54, -55, -55.1. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project as described above.

Budget transfers provide a degree of flexibility and afford a control mechanism. Pursuant to N.J.S.A. 40A:4-58, transfers between appropriation accounts are prohibited until the last two (2) months of the year. Appropriation reserves may be transferred during the first three (3) months of the year, to the previous year's budget. N.J.S.A. 40A:4-59. Both types of transfers require a 2/3 vote of the full membership of the governing body. Although sub-accounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval. Certain types of appropriations are excluded from the provisions permitting transfers. Generally, transfers cannot be made from the down payment account, interest or debt redemption charges or the capital improvement fund or for contingent expenses.

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities, in addition to the general taxing power upon taxable property. For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six (6) years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six (6) years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

Fiscal Year Adjustment Law (1991 N.J. Laws c. 75)

Chapter 75 of the Laws of New Jersey of 1991, requires certain municipalities and permits all other municipalities to adopt the State fiscal year in place of the existing calendar fiscal year. Municipalities that change fiscal years must adopt a six (6) month transition budget for January 1 through June 30. Since expenditures would be expected to exceed revenues primarily because State aid for the calendar year would not be received by the municipality until after the end of the transition year budget, the act authorizes the issuance of Fiscal Year Adjustment Bonds to fund the one time deficit for the six (6) month transition budget. The law provides that the deficit in the six (6) month transition budget may be funded initially with bond anticipation notes based on the estimated deficit in the six (6) month transition budget. Notes issued in anticipation of Fiscal Year Adjustment Bonds, including renewals, can only be issued for up to one (1) year unless the Local Finance Board permits the municipality to renew them for a longer period of time. The Local Finance Board must confirm the actual deficit experienced by the municipality. The municipality then may issue Fiscal Year Adjustment Bonds to finance the deficit on a permanent basis. The purpose of the act is to assist municipalities that are heavily dependent on State aid and that have had to issue tax anticipation notes to fund operating cash flow deficits each year. While the law does not authorize counties to change their fiscal years, it does provide that counties with cash flow deficits may issue Fiscal Year Adjustment Bonds as well.

State Supervision

State law authorizes State officials to supervise fiscal administration in any municipality which is in default on its obligations; which experiences severe tax collection problems for two (2) successive years; which has a deficit greater than four percent (4%) of its tax levy for two (2) successive years; which has failed to make payments due and owing to the State, county, school district or special district for two (2) consecutive years; which has an appropriation in its annual budget for the liquidation of debt which exceeds twenty-five percent (25%) of its total operating appropriations (except dedicated revenue appropriations) for the previous budget year; or which has been subject to a judicial determination of gross failure to comply with the Local Bond Law, the Local Budget Law, or the Local Fiscal Affairs Law, N.J.S.A. 40A:5-1 et seq., which substantially jeopardizes its fiscal integrity. State officials are authorized to continue such supervision for as long as any of the conditions exist and until the municipality operates for a fiscal year without incurring a cash deficit.

Appropriations "Cap"

The New Jersey "Cap Law" (the "Cap Law") (N.J.S.A. 40A:4-45.1 et seq.) places limits on municipal tax levies and expenditures. The Cap Law provides that a local unit shall limit any increase in its budget to two-and-a half percent (2.5%) or the Cost-Of-Living Adjustment (as defined in the Cap Law), whichever is less, of the previous year's final appropriations, subject to certain exceptions. The Cost-Of-Living

Adjustment is defined as the rate of annual percentage increase, rounded to the nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services produced by the United States Department of Commerce for the year preceding the current year as announced by the Director. However, in each year in which the Cost-Of-Living Adjustment is equal to or less than two-and-a-half percent (2.5%), a local unit may, by ordinance, approved by a majority vote of the full membership of the governing body, provide that the final appropriations of the local unit for such year be increased by a percentage rate that is greater than the Cost-Of-Living Adjustment, but not more than three-and-a-half percent (3.5%) over the previous year's final appropriations. In addition, N.J.S.A. 40A:4-45.15a restored "cap" banking to the Local Budget Law. Municipalities are permitted to appropriate available "cap bank" in either of the next two (2) succeeding years' final appropriations. Along with the permitted increases for total general appropriations there are certain items that are allowed to increase outside the "cap".

Additionally, P.L. 2010, c. 44, effective July 13, 2010, imposes a two percent (2%) cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for capital expenditures, including debt service, increases in pension contributions in excess of two percent (2%), certain increases in health care over two percent (2%), and extraordinary costs incurred by a local unit directly related to a declared emergency. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above two percent (2%) not otherwise permitted under the law by an affirmative vote of fifty percent (50%).

The Division has advised that counties and municipalities must comply with both the budget "cap" and the tax levy limitation. Neither the tax levy limitation nor the "Cap" Law, however, limits the obligation of the county or municipality to levy *ad valorem* taxes upon all taxable property within its boundaries to pay debt service on its bonds and notes.

Tax Assessment and Collection Procedure

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income (where appropriate). Current assessments are the result of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. However, a divergence of the assessment ratio to true value is typically due to changes in market value over time.

Upon the filing of certified adopted budgets by the local unit, the local school district and the county, the tax rate is struck by the county Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provisions for the assessment of property, the levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 *et seq.* Special taxing districts are permitted in the State for various special services rendered to the properties located within the special districts.

Generally, tax bills are mailed annually in June of the current fiscal year. The taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. The August and November tax bills are determined as the full tax levied for municipal, county and school purposes for the current municipal fiscal year, less the amount charged for the February and May installments for municipal, county and school purposes in the current fiscal year. The amounts due for the February and May installments are determined by the municipal governing body as either one-quarter or one-half of the full tax levied for municipal, county and school purposes for the preceding fiscal year.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent (8%) per annum on the first \$1,500.00 of the delinquency and eighteen percent (18%) per annum on any amount in excess of \$1,500.00. Pursuant to 1991 N.J. Laws c. 75, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent (6%) of the amount of the delinquency. These penalties and interest rates are the highest permitted under State

statutes. Delinquent taxes open for one (1) year or more are annually included in a tax sale in accordance with State statutes.

Tax Appeals

State statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the county Board of Taxation on or before April 1 of the current year for review. The county Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the county Board of Taxation, appeal may be made to the Tax Court of the State of New Jersey (the "State Tax Court") for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the nonbudgetary financial activities of local governments. The chief financial officer of every local unit must file annually with the Director a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division's "Requirements of Audit," includes recommendations for improvement of the local unit's financial procedures. The audit report must be filed with the Director. A synopsis of the report, together with all recommendations made, must be published in a local newspaper within thirty (30) days of the local unit's receipt of the audit report.

FINANCIAL STATEMENTS

The audited financial statements of the Board as of and for the year ended June 30, 2025 together with the notes to the financial statements have been provided by the Board and are presented in APPENDIX B to this Official Statement (the "Financial Statements"). The Financial Statements have been audited by the Board's Auditor, Lerch, Vinci & Bliss, LLP, Fair Lawn, New Jersey (the "Auditor"). See "APPENDIX B – Financial Statements of The Board of Education of the Borough of Glen Rock in the County of Bergen, New Jersey."

MUNICIPAL ADVISOR

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Board in connection with the issuance of the Bonds (the "Municipal Advisor") and has assisted in matters related to the planning, structuring and terms of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness or fairness of the information contained in the Official Statement and the Appendices hereto. The Municipal Advisor is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

LITIGATION

To the best of the knowledge, information and belief of the Board Attorney, Schenck, Price, Smith & King, LLP, Florham Park, New Jersey (the "Board Attorney"), and without independent inquiry or investigation and based upon the representation of the Board's Business Administrator/Board Secretary, there is no litigation of any nature now pending or threatened against the Board, restraining or enjoining the issuance or the delivery of the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds, or contesting the corporate existence or the boundaries of the Board or the School District or the title of any of the present officers. To the best of the knowledge, information and belief of the Board Attorney, and without independent inquiry or investigation and based upon the representation of the

Board's Business Administrator/Board Secretary, no litigation is presently pending or threatened that, in the opinion of the Board Attorney, would have a materially adverse impact on the financial condition of the Board if adversely decided. A certificate to such effect will be executed by the Board Attorney and delivered to the Underwriter (as hereinafter defined) of the Bonds at the closing.

TAX EXEMPTION

Federal Income Tax Treatment

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance of the Bonds in order for the interest thereon to be and remain excluded from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause such interest to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Bonds. The Board has covenanted to comply with the provisions of the Code applicable to the Bonds, and has covenanted not to take any action or fail to take any action that would cause interest on the Bonds to lose the exclusion from gross income under Section 103 of the Code.

In the opinion of Wilentz, Goldman & Spitzer, P.A., Bond Counsel, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Board with the requirements of the Code described above, interest on the Bonds is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Code and is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax.

The Bonds shall not be deemed bank qualified pursuant to Section 265 of the Code.

Premium Bonds

[The Bonds [maturing on September 1 in the years 20__ through 20__, inclusive (collectively, the "Premium Bonds")], have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the [Premium] Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a [Premium] Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a [Premium] Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such [Premium] Bonds and not as interest.]

Discount Bonds

[Bond Counsel is also of the opinion that the difference between the stated principal amount of the Bonds maturing on September 1 in the years 20__ through 20__, inclusive (collectively, the "Discount Bonds") and their respective initial public offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which prices a substantial amount of the [Discount] Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. In the case of any holder of the [Discount] Bonds, the amount of such original issue discount which is treated as having accrued with respect to the [Discount] Bonds is added to the cost basis of the holder in determining, for federal income tax purposes, gain or loss upon disposition (including sale, redemption or payment at maturity). Holders of the [Discount] Bonds should consult their tax advisors for an explanation of the original issue discount rules.]

Additional Federal Income Tax Consequences Relating to Bonds

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional Federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty insurance companies, foreign corporations and certain S corporations. Prospective purchasers of the Bonds should also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxation

Bond Counsel is also of the opinion that interest on the Bonds, and any gain on the sale of the Bonds, are not includable in gross income under the existing New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended. Except as provided above, no opinion is expressed with respect to other State and local tax consequences of owning the Bonds. See "APPENDIX C – Form of Approving Legal Opinion" for the complete text of the proposed form of Bond Counsel's approving legal opinion.

Prospective Tax Law Changes

Federal, state or local legislation, administrative pronouncements or court decisions may affect the Federal and State tax-exempt status of interest on the Bonds and the State tax-exempt status of interest on the Bonds, gain from the sale or other disposition of the Bonds, the market value of the Bonds or the marketability of the Bonds. The effect of any legislation, administrative pronouncements or court decisions cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding such matters.

Other Tax Consequences

Except as described above, Bond Counsel expresses no opinion with respect to any Federal, State, local or foreign tax consequences of ownership of the Bonds. Bond Counsel renders its opinion under existing statutes, regulations, rulings and court decisions as of the date of issuance of the Bonds and assumes no obligation to update its opinion after such date of issuance to reflect any future action, fact, circumstance, change in law or interpretation, or otherwise. Bond Counsel expresses no opinion as to the effect, if any, on the tax status of the interest on the Bonds paid or to be paid as a result of any action hereafter taken or not taken in reliance upon an opinion of other counsel.

See APPENDIX C for the complete text of the proposed form of Bond Counsel's legal opinion with respect to the Bonds.

PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO ALL TAX CONSEQUENCES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE) OF HOLDING THE BONDS.

RISK TO HOLDERS OF BONDS

It is understood that the rights of the holders of the Bonds, and the enforceability thereof, may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Municipal Bankruptcy

THE BOARD HAS NOT AUTHORIZED THE FILING OF A BANKRUPTCY PETITION. THIS REFERENCE TO THE BANKRUPTCY CODE OR THE STATE STATUTE SHOULD NOT CREATE ANY

IMPLICATION THAT THE BOARD EXPECTS TO UTILIZE THE BENEFITS OF ITS PROVISIONS, OR THAT IF UTILIZED, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY FOR THE BONDS, OR THAT THE BANKRUPTCY CODE COULD NOT BE AMENDED AFTER THE DATE HEREOF.

The undertakings of the Board should be considered with reference to 11 U.S.C. §101 et seq., as amended and supplemented (the "Bankruptcy Code"), and other bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to certain debts owed, and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount and more than one-half in number of the allowed claims of at least one (1) impaired class. The Bankruptcy Code specifically does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a political subdivision must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, special revenues acquired by the debtor after commencement of the case shall continue to be available to pay debt service secured by those revenues. Furthermore, the Bankruptcy Code provides that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may be avoided pursuant to certain preferential transfer provisions set forth in such act.

Reference should also be made to N.J.S.A. 52:27-40 et seq. which provides that a political subdivision, including the Board, has the power to file a petition in bankruptcy with any United States Court or court in bankruptcy under the provisions of the Bankruptcy Code, for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; provided, however, the approval of the Local Finance Board, as successor to the Municipal Finance Commission, must be obtained.

Cyber Security

The School District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the School District may be the subject of cyber threats, including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the School District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. The School District has never had a material cyber breach or a cyber breach that resulted in a financial loss. No assurance can be given that the School District's current efforts to manage cyber threats and security will, in all cases, be successful. The School District cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances. To mitigate these risks to the greatest extent possible, the School District recently implemented multi-factor authentication for key stakeholders with access to sensitive information. Furthermore, the School District leverages network segmentation to harden security, and all workstations and servers are running Endpoint Detection and Response (EDR) with 24/7 Managed Detection and Response (MDR). In addition to the various processes in place to safeguard against cyber security attacks, the School District also maintains a comprehensive insurance policy which includes privacy liability, cyber incident response, data breach, network security, internet media and network extortion coverages.

The School District relies on other entities and service providers in the course of operating the School District, including its accountants, attorneys, the trustee, and banks, as well as vendors with respect

to outsourced critical digital network operations and functions. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the School District and the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Certificate.

Climate Change

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The School District cannot predict the timing, extent, or severity of climate change and its impact on its operations and finances. The School District maintains a comprehensive insurance policy and maintains adequate reserves that could be used in the event of extreme weather.

RECENT HEALTHCARE DEVELOPMENTS

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

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

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

The Board has been awarded a total of \$2,736,856 in federal aid to address the effects of the COVID-19 pandemic.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Bonds are subject to the approval of Bond Counsel to the Board, whose approving legal opinion will be delivered with the Bonds substantially in the form set forth as APPENDIX C. Certain legal matters will be passed upon for the Board by its Board Attorney.

PREPARATION OF OFFICIAL STATEMENT

The Board hereby states that the descriptions and statements herein, including the Financial Statements, are true and correct in all material respects, and it will confirm same to the Underwriter (as

hereinafter defined) by a certificate signed by the Board President and Business Administrator/Board Secretary. See "CERTIFICATE WITH RESPECT TO THE OFFICIAL STATEMENT" herein.

Bond Counsel has participated in the preparation and review of this Official Statement but has not participated in the collection of financial, statistical or demographic information contained in APPENDIX A to this Official Statement nor verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto.

The Municipal Advisor has participated in the preparation and review of the information contained in this Official Statement but has not verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto.

The Board Auditor takes responsibility for the collection of financial, statistical and demographic information contained in APPENDIX A and for the Financial Statements to the extent specified in the Independent Auditor's Report appearing in APPENDIX B hereto.

The Board Attorney has not participated in the preparation of the information contained in this Official Statement, nor has he verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but has reviewed the section under the caption entitled "LITIGATION" and expresses no opinion or assurance other than that which is specifically set forth therein with respect thereto.

All other information has been obtained from sources which the Board considers to be reliable, but it makes no warranty, guarantee or other representation with respect to the accuracy and completeness of such information.

RATING

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC (the "Rating Agency"), has assigned a rating of "AA+" to the Bonds based upon the creditworthiness of the School District. The Bonds are additionally secured by the New Jersey School Bond Reserve Act.

The rating reflects only the view of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. The Board forwarded to the Rating Agency certain information and materials concerning the Bonds and the School District. There can be no assurance that the rating will be maintained for any given period of time or that the rating will not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in or withdrawal of such rating may have an adverse effect on the marketability or market price of the Bonds.

UNDERWRITING

The Bonds are being purchased from the Board by _____ (the "Underwriter"), at a price of \$_____ (the "Purchase Price"). The Purchase Price reflects the principal amount of the Bonds minus an Underwriter's discount of \$_____ less/plus a[n] [net] original issue discount/premium of \$_____. The Underwriter is obligated to purchase all of the Bonds if any Bonds are so purchased.

The Underwriter intends to offer the Bonds to the public initially at the offering yields set forth on the inside cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at yields higher than the public offering yields set forth on the inside cover page, and such public offering yields may be changed, from time to time, by the Underwriter without prior notice.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of the mathematical computations supporting the conclusion that the portion of the proceeds of the Bonds to be deposited in the escrow account is sufficient to pay interest on the Refunded Bonds on the Call Date and the Redemption Price due on the Call Date, will be independently verified by Lerch, Vinci & Bliss, LLP, Fair Lawn, New Jersey.

SECONDARY MARKET DISCLOSURE

The Board has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Board, as set forth in "APPENDIX D – Form of Continuing Disclosure Certificate," commencing with the fiscal year ending June 30, 2025 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report will be filed by the Board with the Municipal Securities Rulemaking Board (the "MSRB") or any other entity designated by the MSRB. The notices of material events will be filed by the Board with the MSRB through its Electronic Municipal Market Access ("EMMA") system and with any other entity designated by the MSRB, as applicable. The nature of the information to be contained in the Annual Report or the notices of material events is set forth in "APPENDIX D – Form of Continuing Disclosure Certificate." These covenants have been made in order to assist the underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "SEC Rule").

The Board has previously entered into secondary market disclosure undertakings in accordance with the SEC Rule. The Board appointed Phoenix Advisors, Hamilton, New Jersey to serve as continuing disclosure agent to assist in the filing of certain information on EMMA as required under its prior secondary market disclosure undertakings.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to the Business Administrator/Board Secretary, James Canellas, (201) 445-7700, ext. 8942, to Charles Anthony Solimine, Esq., Wilentz, Goldman & Spitzer, P.A., Bond Counsel to the Board, (732) 855-6430 or to its Municipal Advisor, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 2000 Wateriew Drive, Suite 101, Hamilton, New Jersey, (609) 291-0130.

CERTIFICATE WITH RESPECT TO THE OFFICIAL STATEMENT

At the time of the original delivery of the Bonds, the Board will deliver a certificate of one or more of its authorized officials to the effect that he/she has examined this Official Statement (including the Appendices) and the financial and other data concerning the School District contained herein and that, to the best of his knowledge and belief: (i) this Official Statement, both as of its date and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; and (ii) between the date of this Official Statement and the date of delivery of the Bonds, there has been no material adverse change in the affairs (financial or otherwise), financial condition or results or operations of the Board except as set forth in or contemplated by this Official Statement.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement among the Board, the Underwriter and the holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs (financial or otherwise) of the Board since the date hereof.

The Board has authorized the preparation of this final Official Statement containing pertinent information relative to the Bonds, and this Official Statement is deemed to be the final Official Statement as required by Rule 15c2-12, promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented. By awarding the Bonds to the Underwriter, the Board agrees that, within the earlier of seven (7) business days following the date of such award or to accompany the purchasers' confirmations requesting payment for the Bonds, it shall provide without cost to the Underwriter, for distribution purposes, copies of this final Official Statement. The underwriter agrees that (i) it shall accept such designation, and (ii) it shall assure the distribution of the final Official Statement.

**THE BOARD OF EDUCATION OF THE BOROUGH OF GLEN
ROCK IN THE COUNTY OF BERGEN, NEW JERSEY**

**JAMES CANELLAS,
Business Administrator/
Board Secretary**

DATED: _____, 2025

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APPENDIX A

**Certain Economic and Demographic Information Relating to the
School District and the Borough of Glen Rock,
in the County of Bergen, State of New Jersey**

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**CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING
TO THE SCHOOL DISTRICT AND THE BOROUGH OF
GLEN ROCK, IN THE COUNTY OF BERGEN, STATE OF NEW JERSEY**

Summary

The public school system in the Borough of Glen Rock, in the County of Bergen, State of New Jersey (the “Borough” or “Glen Rock”) is operated by The Board of Education of the Borough of Glen Rock in the County of Bergen, New Jersey (the “Board” when referring to the governing body and the “School District” when referring to the territorial boundaries governed thereby), as a Type II School District. It functions independently through a nine (9) member board, elected by the voters in staggered three (3) year terms. The Board appoints a Superintendent who is responsible for budgeting, planning and operational functions of the School District. The Board operates a Kindergarten through grade twelve (12) district which houses its students in four (4) elementary school facilities and one (1) middle school/high school. These facilities include class rooms with rooms for music, art, sciences, computer studies, a library, multi-purpose rooms, a cafeteria and a gymnasium.

SCHOOL DISTRICT ENROLLMENT

Fiscal Year	Total School District Enrollment¹
2024-2025	2,522
2023-2024	2,578
2022-2023	2,591
2021-2022	2,551
2020-2021	2,530
2019-2020	2,562
2018-2019	2,539
2017-2018	2,543
2016-2017	2,495
2015-2016	2,462

Staff¹

The Superintendent is the chief administrative officer of the School District. The Board Secretary/ School Business Administrator oversees the business functions of the Board and reports through the Superintendent to the Board. As of June 30, 2025, the School District employed the following staff:

Description

Teaching Staff (including Aides).....	275
Administrators and Principals.....	7
Professional and Office Staff.....	45
Custodial/Maintenance	9
 Total.....	 336

Labor Relations²

The Board’s contract with the Glen Rock Education Association, which represents teachers, teacher’s aides, secretaries and custodians, expires on June 30, 2028 and the Board’s contract with the Glen Rock School Administrators Association expires on June 30, 2029.

¹ Source: Business Administrator/Board Secretary; Board records
² Source: Business Administrator/Board Secretary; Board records

Comparison of General Fund Revenues and Appropriations – Budgetary Basis

	(Budget)	(Actual)	(Actual)	(Actual)
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	<u>2025-2026</u>	<u>2024-2025</u>	<u>2023-2024</u>	<u>2022-2023</u>
REVENUES				
Budgeted Fund Balance	\$ 1,421,184			
Withdrawal From Maintenance Reserve	100,000			
Local Sources:				
Local Tax Levy	54,987,184	\$ 52,933,341	\$ 51,191,413	\$ 49,500,484
Miscellaneous Revenues	1,244,277	1,074,496	1,093,605	909,769
Federal Sources			99,250	
State Sources	<u>3,929,862</u>	<u>4,065,156</u>	<u>3,792,302</u>	<u>3,570,204</u>
TOTAL REVENUES	<u>\$ 61,682,507</u>	<u>\$ 58,072,993</u>	<u>\$ 56,176,570</u>	<u>\$ 53,980,457</u>
APPROPRIATIONS				
Instruction:				
Regular Programs	\$ 18,507,715	\$ 17,722,807	\$ 16,754,966	\$ 18,608,101
Special Education	4,668,258	4,393,409	4,180,681	4,492,132
Basic Skills/Remedial	504,707	487,467	445,808	520,733
Bilingual Education	165,194	165,594	224,234	213,962
School-Sponsored Co-curricular Activities	217,311	204,841	215,215	209,544
School-Sponsored Athletics	1,013,734	979,657	953,554	881,496
Undistributed Expenditures:				
Instruction	3,553,900	3,077,377	2,390,373	2,493,620
Attendance and Social Work Services	120,440	118,047	116,154	113,229
Health Services	764,167	651,098	640,505	615,480
Speech, OT, PT, Related & Extra Svcs.	3,279,749	2,676,235	2,690,054	2,588,358
Guidance	1,151,771	1,083,113	1,051,498	1,016,453
Child Study Team	1,632,590	1,515,104	1,329,144	1,425,316
Improvement of Instructional Services	716,271	668,838	632,372	659,896
Media/Library	651,268	607,222	606,426	522,545
Instructional Staff Training	104,482	56,126	106,601	84,682
General Administration	1,390,935	1,329,485	1,289,784	1,239,398
School Administration	2,525,561	2,423,676	2,427,717	2,451,087
Central Services and Admin. Info. Technology	1,623,442	1,387,506	1,312,011	1,309,431
Operations and Maintenance of Plant Services	7,487,445	6,508,865	6,402,253	5,654,993
Transportation	1,729,609	1,414,087	1,302,686	1,316,265
Personnel Services - Employee Benefits	<u>9,857,502</u>	<u>8,382,492</u>	<u>7,717,247</u>	<u>6,803,001</u>
	61,666,051	55,853,046	52,789,283	53,219,722
Capital Outlay	16,146	363,448	349,360	957,941
Interest Earned on Reserves	<u>310</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL APPROPRIATIONS/EXPENDITURES	<u>\$ 61,682,507</u>	<u>56,216,494</u>	<u>53,138,643</u>	<u>54,177,663</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		1,856,499	3,037,927	(197,206)
Other Financing Sources (Uses), Net		<u>(2,966,915)</u>	<u>(4,489,318)</u>	<u>(1,131,822)</u>
Net Change in Fund Balance		(1,110,416)	(1,451,391)	(1,329,028)
Fund Balance, Beginning of Year		<u>11,124,795</u>	<u>12,576,186</u>	<u>13,905,214</u>
Fund Balance, End of Year		<u>\$ 10,014,379</u>	<u>\$ 11,124,795</u>	<u>\$ 12,576,186</u>

* All years exclude TPAF Pension and Social Security on behalf payments

School District Debt Limit and Borrowing Margin³

The debt limitation of the School District is established pursuant to N.J.S.A. 18A:24-19. The School District is permitted to incur debt up to four percent (4%) of the average equalized valuation of taxable property in the School District before requiring an extension of credit from the Borough and the Local Finance Board. The total equalized valuation of real property, including improvements, in the Borough for the last three (3) years and the School District's available borrowing margin as of December 31, 2024 are summarized below:

<u>Year</u>	<u>Amount</u>
2022	\$ 2,909,801,829
2023	3,155,657,099
2024	<u>3,435,721,151</u>
	<u>\$ 9,501,180,079</u>
Average for the Three (3) Year Period	\$ 3,167,060,026
School District Borrowing Margin (4.0% of \$3,167,060,026)	126,682,401
Debt, Issued, Outstanding and Authorized	<u>36,900,320</u>
Available School District Borrowing Margin	<u>\$ 89,782,081</u>

Computation of Direct and Overlapping Debt As of December 31, 2024⁴

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt:			
Borough of Glen Rock	\$ 21,706,170	\$ 77,300	\$ 21,628,870
Local School District	<u>36,900,320</u>	<u>36,900,320</u>	<u>-</u>
	<u>\$ 58,606,490</u>	<u>\$ 36,977,620</u>	21,628,870
Overlapping Debt of School District:			
County of Bergen Borough's Share			23,638,726
Passaic Valley Sewerage Commission			<u>2,671,657</u>
Total Direct and Overlapping Debt			<u>\$ 47,939,253</u>

³ Source: The Glen Rock Board of Education Comprehensive Annual Financial Report for the year ended June 30, 2025.

⁴ Source: The Borough of Glen Rock 2024 Annual Debt Statement.

**GENERAL INFORMATION ABOUT THE BOROUGH OF GLEN ROCK,
IN THE COUNTY OF BERGEN, STATE OF NEW JERSEY**

Size and Geographical Location

The Borough comprises an area of approximately 2.8 square miles, located in the western edge of Bergen County, New Jersey. Surrounding municipalities include the boroughs of Fair Lawn and Hawthorne and the Village of Ridgewood.

Form of Government

Glen Rock was incorporated in 1894 under the borough form of government. There is a Mayor and a six-member Council.

The Mayor is elected to serve a four-year term and may succeed that term by re-election. He is empowered, amongst his legal powers as head of the municipal government, to: (i) provide for the proper execution of local and State laws; (ii) recommend to the Borough Council measures he deems in the best interest of the Borough; (iii) nominate and, with the advice and consent of the Borough Council, appoint most subordinate officers of the Borough; and (iv) maintain peace and order. Although he presides over meetings of the Borough Council, the Mayor votes only in case of a tie. State law requires that he be a member of the Planning Board and the Board of Trustees of the municipal Public Library.

The six Council members are elected at-large, two each year, for terms of three years. The Council exercises general legislative powers conferred upon it by State law to protect and promote the general welfare of the Borough. Among these are the right to enact ordinances, approve resolutions, approve mayoral appointments, adopt the annual budget and determine the tax levy. The Council, acting in committees, oversees the various departments and functions of the Borough Government.

Transportation

Glen Rock is well-served by the regional highway system. Three major roads, Route 17, Route 208 and Route 20, as well as the Garden State Parkway and the New Jersey Turnpike, provide access to areas north and south of the Borough - New York City, Newark, northern New Jersey, the Jersey Shore and Philadelphia, and to major centers of commercial transport and shipping such as Newark Liberty International Airport and Port Elizabeth. In addition, two types of mass transit, bus and rail, are available in the Borough.

Protection

Glen Rock is served by a police department, a volunteer fire department and volunteer ambulance corps.

Population Trends⁵

Population trends for the Borough, County of Bergen and the State of New Jersey are shown below:

	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2024</u>
Borough of Glen Rock	10,870	11,546	11,601	12,133	12,346
County of Bergen	825,380	884,118	905,116	955,732	978,641
State of New Jersey	7,730,011	8,414,378	8,791,894	9,288,994	9,500,851

⁵ Source: State of New Jersey, Data Center, Census Data

Money Income as of 2024⁶

	Median Household Income	Median Family Income	Per Capita Income
Borough of Glen Rock	\$210,369	\$214,531	\$80,565
County of Bergen	123,715	150,475	62,986
State of New Jersey	101,050	123,892	53,118

Employment and Unemployment Data⁷

The New Jersey Department of Labor reported the following annual average employment information for the Borough, the County of Bergen and the State of New Jersey:

	Total Labor Force	Employed Labor Force	Total Unemployed	Unemployment Rate
<u>Borough of Glen Rock</u>				
2024	6,105	5,909	196	3.2%
2023	6,048	5,865	183	3.0%
2022	5,856	5,698	158	2.7%
2021	5,570	5,326	244	4.4%
2020	5,493	5,120	373	6.8%
<u>County of Bergen</u>				
2024	541,844	521,596	20,248	3.7%
2023	536,776	517,682	19,094	3.6%
2022	519,799	502,401	17,398	3.3%
2021	499,794	468,726	31,068	6.2%
2020	494,538	449,149	45,389	9.2%
<u>State of New Jersey</u>				
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3%
2022	4,756,002	4,572,879	183,123	3.9%
2021	4,654,243	4,342,075	312,168	6.7%
2020	4,643,700	4,204,301	439,399	9.5%

⁶ Source: U.S. Census Bureau, 2019-2023 American Community Survey - 5 Year Estimates

⁷ Source: State of New Jersey Department of Labor, Division of Labor Market and Demographic Research.

**STATEMENT OF STATUTORY NET DEBT
FOR THE BOROUGH OF GLEN ROCK⁸
AS OF DECEMBER 31, 2024**

GENERAL PURPOSES

Bonds	\$ 20,410,000	
Bonds and Notes Authorized But Not Issued	<u>1,296,170</u>	\$ 21,706,170

LOCAL SCHOOL

Debt Issued and Outstanding		<u>36,900,000</u>
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TOTAL GROSS DEBT 58,606,170

STATUTORY DEDUCTIONS

Municipal Purpose	77,300	
School Debt	<u>36,900,000</u>	<u>36,977,300</u>

TOTAL NET DEBT \$ 21,628,870

OVERLAPPING DEBT

County of Bergen Borough's Share (Note 1)	\$ 23,638,726	
Passaic Valley Sewerage Commission (Note 2)	<u>2,671,657</u>	

TOTAL OVERLAPPING DEBT \$ 26,310,383

GROSS DEBT

Per Capita (2024 - 12,346)		\$ 4,747
Percent of Net Valuation Taxable (2025 - \$2,472,720,650)		2.37%
Percent of Estimated True Value of Real Property (2025 - \$3,458,567,056)		1.69%

NET MUNICIPAL DEBT

Per Capita (2024 - 12,346)		\$ 1,752
Percent of Net Valuation Taxable (2025 - \$2,472,720,650)		0.87%
Percent of Estimated True Value of Real Property (2025 - \$3,458,567,056)		0.63%

OVERALL DEBT (Net and Overlapping Debt)

Per Capita (2024 - 12,346)		\$ 3,883
Percent of Net Valuation Taxable (2025 - \$2,472,720,650)		1.94%
Percent of Estimated True Value of Real Property (2025 - \$3,458,567,056)		1.39%

Note 1: Overlapping debt was computed based upon the real property ratio of equalized valuations of the Borough to all municipalities within the County, as provided in the 2024 Abstract of Ratables published by the Bergen County Board of Taxation.

Note 2: Overlapping debt was computed based upon usage.

⁸ Source: 2024 Annual Debt Statement

Ten Largest Taxpayers⁹

The ten largest taxpayers in the Borough and their 2025 assessed valuations are listed below:

<u>Taxpayer</u>	<u>Assessment</u>
Opeachy Ltd, L.P.	\$ 12,500,000
208 Glen Rock Associates	11,000,000
266 Harristown Property LLC	8,750,000
HMOB of Glen Rock	8,315,000
Glen Rock Senior Housing Corp.	8,285,000
333 Realty LLC	7,333,000
PSI Atlantic Glen Rock LLC	6,060,000
201 Rock Road LLC	5,369,100
Glen Rock Mall	4,861,800
29 Glen Rock Associates	4,800,000
	<hr/>
Total	<u>\$ 77,273,900</u>
	<hr/>
Total as of a % of Assessed Value	3.17%

Assessed Valuations/Land and Improvements by Class¹⁰

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total</u>
2025	\$ 5,914,500	\$2,290,139,650	\$142,041,400	\$ 26,519,300	\$ 8,105,800	\$ 2,472,720,650
2024	6,536,000	2,273,681,500	144,749,000	26,466,900	7,855,800	2,459,289,200
2023	7,345,800	2,254,077,500	144,786,800	26,519,300	7,855,800	2,440,585,200
2022	7,945,300	2,231,641,900	144,816,800	26,076,500	7,855,800	2,418,336,300
2021	6,604,800	2,222,573,300	153,132,155	26,076,500	-	2,408,386,755

Assessed Valuations/Net Valuation Taxable¹¹

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Ratio of Assessed Value to True Value of Real Property</u>	<u>Total True Value of Assessed Property</u>
2025	\$2,472,720,650	71.58%	\$3,458,567,056
2024	2,459,289,200	77.34%	3,183,793,357
2023	2,440,585,200	83.11%	2,940,420,159
2022	2,418,336,300	87.55%	2,766,157,787
2021	2,408,386,755	86.94%	2,774,020,697

⁹ Source: Tax Assessor

¹⁰ Source: Tax Duplicates

¹¹ Source: Bergen County Abstract of Ratables

Components of Real Estate Tax Rate (per \$100 of Assessment)¹²

<u>Year</u>	<u>Total</u>	<u>Municipal</u>	<u>Local School</u>	<u>County</u>
2025	\$ 3.407	\$ 0.790	\$ 2.290	\$ 0.327
2024	3.288	0.760	2.226	0.302
2023	3.160	0.700	2.171	0.289
2022	3.081	0.670	2.135	0.276
2021	3.043	0.656	2.096	0.291

Property Tax Levies and Collections¹³

<u>Year Ended June 30,</u>	<u>Tax Levy</u>	<u>Collected</u>	
		<u>Amount</u>	<u>Percentage</u>
2025	\$ 55,590,971	\$ 55,590,971	100.00%
2024	53,830,308	53,830,308	100.00%
2023	51,885,084	51,885,084	100.00%
2022	50,908,812	50,908,812	100.00%
2021	50,804,471	50,804,471	100.00%

¹² Source: Borough of Glen Rock, Tax Collector and Annual Audits

¹³ Source: Borough of Glen Rock, Tax Collector and Annual Audits

APPENDIX B

**Financial Statements of
The Board of Education of the Borough of Glen Rock
in the County of Bergen, New Jersey**

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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
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ROBERT W. HAAG, CPA, RMA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Glen Rock Public School District
Glen Rock, New Jersey

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Glen Rock Public Schools, as of and for the fiscal year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Glen Rock Public Schools as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Glen Rock Public Schools 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 Glen Rock Public Schools' 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 Glen Rock Public Schools' 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 Glen Rock Public Schools' 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.

By/s/ LERCH, VINCI & BLISS, LLP
 Certified Public Accountants
 Public School Accountants

Fair Lawn, New Jersey
October 8, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

GLEN ROCK PUBLIC SCHOOLS

Management's Discussion and Analysis

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

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

FINANCIAL HIGHLIGHTS

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

- The assets and deferred outflows of resources of the Glen Rock Public Schools exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$25,724,332 (net position).
- Overall District revenues were \$72,314,084. General revenues accounted for \$57,663,492 or 80% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$14,650,592 or 20% of total revenues.
- The School District had \$67,079,637 in expenses for governmental activities; only \$12,282,759 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$57,642,776 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$15,926,566 a decrease of \$5,430,023 when compared to the ending fund balance at June 30, 2024 of \$21,356,589.
- The General Fund unassigned fund balance at June 30, 2025 was \$580,254 an increase of \$2,332 when compared with the ending fund balance of \$577,922 at June 30, 2024.
- The General Fund unassigned budgetary fund balance at June 30, 2025 was \$1,533,829 which represents an increase of \$2,746 when compared to the ending unassigned fund balance at June 30, 2024 of \$1,531,083.

GLEN ROCK PUBLIC SCHOOLS

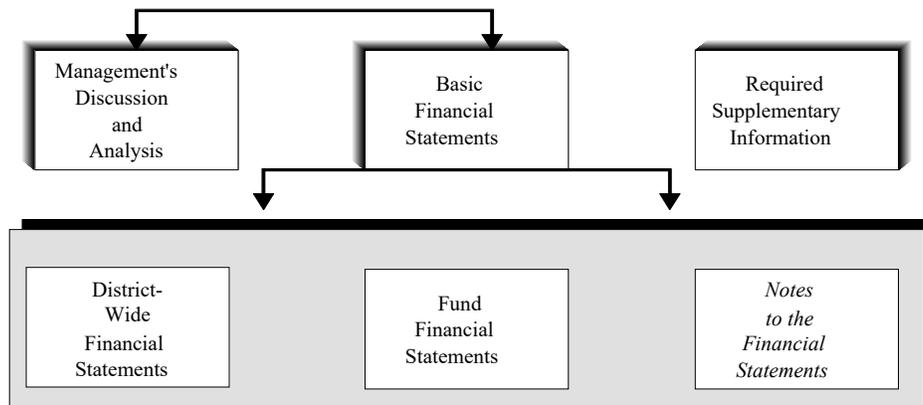
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



GLEN ROCK PUBLIC SCHOOLS

Management’s Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Major Features of the District-Wide and Fund Financial Statements

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

GLEN ROCK PUBLIC SCHOOLS

Management's Discussion and Analysis

District-Wide Financial Statements

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

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

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

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

- *Governmental Activities* – Most of the District's basic services are included here, such as regular instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids and tuition charged to other school districts finance most of these activities.
- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service and Community School which includes Before and After School Care, Adult Education, Summer Camp, Tots Program and Transitional Kindergarten Programs is included here.

Fund Financial Statements

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

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

GLEN ROCK PUBLIC SCHOOLS

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The District has two kinds of funds:

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

Notes to the Financial Statements

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

Other Information

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

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

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

GLEN ROCK PUBLIC SCHOOLS

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$25,724,332 and \$22,765,791 as of June 30, 2025 and 2024, respectively, as shown below.

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

Net Position as of June 30, 2025 and 2024

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Assets						
Current and Other Assets	\$ 16,817,897	\$ 22,994,901	\$ 1,791,503	\$ 1,473,408	\$ 18,609,400	\$ 24,468,309
Capital Assets	<u>54,921,155</u>	<u>50,504,267</u>	<u>127,870</u>	<u>139,997</u>	<u>55,049,025</u>	<u>50,644,264</u>
Total Assets	<u>71,739,052</u>	<u>73,499,168</u>	<u>1,919,373</u>	<u>1,613,405</u>	<u>73,658,425</u>	<u>75,112,573</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	173,047	209,905			173,047	209,905
Deferred Amounts on Refunding of Debt	<u>1,116,791</u>	<u>1,338,490</u>	<u>-</u>	<u>-</u>	<u>1,116,791</u>	<u>1,338,490</u>
Total Deferred Outflows	<u>1,289,838</u>	<u>1,548,395</u>	<u>-</u>	<u>-</u>	<u>1,289,838</u>	<u>1,548,395</u>
Total Assets and Deferred Outflows	<u>73,028,890</u>	<u>75,047,563</u>	<u>1,919,373</u>	<u>1,613,405</u>	<u>74,948,263</u>	<u>76,660,968</u>
Liabilities						
Long-Term Liabilities	46,456,537	50,344,108			46,456,537	50,344,108
Other Liabilities	<u>1,473,714</u>	<u>2,201,456</u>	<u>629,710</u>	<u>436,385</u>	<u>2,103,424</u>	<u>2,637,841</u>
Total Liabilities	<u>47,930,251</u>	<u>52,545,564</u>	<u>629,710</u>	<u>436,385</u>	<u>48,559,961</u>	<u>52,981,949</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	<u>663,970</u>	<u>913,228</u>	<u>-</u>	<u>-</u>	<u>663,970</u>	<u>913,228</u>
Total Deferred Inflows	<u>663,970</u>	<u>913,228</u>	<u>-</u>	<u>-</u>	<u>663,970</u>	<u>913,228</u>
Total Liabilities and Deferred Inflows	<u>48,594,221</u>	<u>53,458,792</u>	<u>629,710</u>	<u>436,385</u>	<u>49,223,931</u>	<u>53,895,177</u>
Net Position						
Net Investment in Capital Assets	18,607,432	13,921,148	127,870	139,997	18,735,302	14,061,145
Restricted	10,267,505	12,558,286			10,267,505	12,558,286
Unrestricted	<u>(4,440,268)</u>	<u>(4,890,663)</u>	<u>1,161,793</u>	<u>1,037,023</u>	<u>(3,278,475)</u>	<u>(3,853,640)</u>
Total Net Position	<u>\$ 24,434,669</u>	<u>\$ 21,588,771</u>	<u>\$ 1,289,663</u>	<u>\$ 1,177,020</u>	<u>\$ 25,724,332</u>	<u>\$ 22,765,791</u>

GLEN ROCK PUBLIC SCHOOLS

Management's Discussion and Analysis

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

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,316,638	\$ 1,488,053	\$ 2,367,833	\$ 2,399,975	\$ 3,684,471	\$ 3,888,028
Operating Grants and Contributions	10,074,454	12,120,148			10,074,454	12,120,148
Capital Grants and Contributions	891,667	134,923			891,667	134,923
General Revenues						
Property Taxes	55,590,971	53,830,308			55,590,971	53,830,308
State Aid	1,152,433	1,142,368			1,152,433	1,142,368
Miscellaneous	899,372	761,398	20,716	26,403	920,088	787,801
Total Revenues	<u>69,925,535</u>	<u>69,477,198</u>	<u>2,388,549</u>	<u>2,426,378</u>	<u>72,314,084</u>	<u>71,903,576</u>
Expenses						
Instruction						
Regular	25,597,163	25,227,989			25,597,163	25,227,989
Special Education	9,830,642	9,178,730			9,830,642	9,178,730
Other Instruction	1,070,444	1,125,239			1,070,444	1,125,239
School Sponsored Activities and Athletics	2,679,129	2,741,873			2,679,129	2,741,873
Support Services					-	-
Student and Instruction Related Services	9,429,066	9,548,116			9,429,066	9,548,116
Educational Media/School Library	888,259	907,710			888,259	907,710
General Administration Services	1,784,573	1,787,741			1,784,573	1,787,741
School Administration Services	3,702,730	3,923,941			3,702,730	3,923,941
Plant Operation and Maintenance	7,250,334	6,847,647			7,250,334	6,847,647
Pupil Transportation	1,452,927	1,324,918			1,452,927	1,324,918
Central Services	2,045,300	1,740,825			2,045,300	1,740,825
Scholarship Awards	6,000	7,000			6,000	7,000
Interest and Other Chgs on Long-Term Debt	1,343,070	1,545,555			1,343,070	1,545,555
Food Service	-	-	699,738	681,574	699,738	681,574
Community School	-	-	1,576,168	1,558,144	1,576,168	1,558,144
Total Expenses	<u>67,079,637</u>	<u>65,907,284</u>	<u>2,275,906</u>	<u>2,239,718</u>	<u>69,355,543</u>	<u>68,147,002</u>
Change in Net Position	2,845,898	3,569,914	112,643	186,660	2,958,541	3,756,574
Transfers	-	(47,662)	-	47,662	-	-
Net Position, Beginning of Year	<u>21,588,771</u>	<u>18,066,519</u>	<u>1,177,020</u>	<u>942,698</u>	<u>22,765,791</u>	<u>19,009,217</u>
Net Position, End of Year	<u>\$ 24,434,669</u>	<u>\$ 21,588,771</u>	<u>\$ 1,289,663</u>	<u>\$ 1,177,020</u>	<u>\$ 25,724,332</u>	<u>\$ 22,765,791</u>

GLEN ROCK PUBLIC SCHOOLS

Management’s Discussion and Analysis

Governmental Activities

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

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

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
	Instruction			
Regular	\$ 25,597,163	\$ 25,227,989	\$ 22,823,099	\$ 21,134,137
Special Education	9,830,642	9,178,730	4,883,078	3,819,525
Other Instruction	1,070,444	1,125,239	893,492	898,249
School Sponsored Activities and Athletics	2,679,129	2,741,873	1,352,549	1,446,040
Support Services				
Student and Instruction Related Services	9,429,066	9,548,116	8,356,860	8,146,678
Educational Media/School Library	888,259	907,710	798,012	790,047
General Administration	1,784,573	1,787,741	1,643,539	1,598,167
School Administration Services	3,702,730	3,923,941	3,291,998	3,339,610
Plant Operation and Maintenance	7,250,334	6,847,647	6,076,490	6,508,695
Pupil Transportation	1,452,927	1,324,918	1,319,133	1,192,843
Central Services	2,045,300	1,740,825	2,010,522	1,738,687
Scholarship Awards	6,000	7,000	5,036	5,927
Interest and Other Charges on Long-Term Debt	1,343,070	1,545,555	1,343,070	1,545,555
Total	\$ 67,079,637	\$ 65,907,284	\$ 54,796,878	\$ 52,164,160

GLEN ROCK PUBLIC SCHOOLS

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$15,926,566, a decrease of \$5,430,023 from last year's fund balance of \$21,356,589.

Revenues and other financing sources for the District's governmental funds were \$83,889,540 total expenditures and other financing uses were \$89,319,563.

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

Revenues and other financing sources of the General Fund were \$72,459,082 for the fiscal year ended June 30, 2025. State sources amounts to \$17,221,198, federal sources amounts to \$-0- and local sources amounts to \$54,007,837.

Expenditures and other financing uses of the General Fund were \$73,569,912. Instructional expenditures were \$41,016,115 for support services were \$27,183,668, debt service were \$813,173 and capital expenditures totaled \$359,994 for the fiscal year ended June 30, 2025.

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

Revenues of the Special Revenue Fund were \$1,985,354 for the fiscal year ended June 30, 2025. State sources amounts to \$258,820 federal sources amounts to \$691,947 and local sources amounts to \$1,034,587.

Expenditures of the Special Revenue Fund were \$1,993,606 Instructional expenditures were \$1,605,054 for support services were \$326,912 and capital expenditures totaled \$61,640 for the fiscal year ended June 30, 2025.

Capital Projects - The capital projects expenditures and other financing uses exceeded revenues and other financing sources by \$4,310,941 decreasing the fund balance from \$10,715,542 at June 30, 2024 to \$6,404,601 at June 30, 2025.

Proprietary Funds

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

GLEN ROCK PUBLIC SCHOOLS

Management’s Discussion and Analysis

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2024 encumbrances.
- Appropriation of Capital Reserve and Maintenance Reserve
- Appropriation of 2023/24 Extraordinary Aid

CAPITAL ASSETS

The District’s investment in capital assets for its governmental and business type activities as of June 30, 2025 and 2024 amounts to \$55,049,025 and \$50,644,264 (net of accumulated depreciation), respectively. The capital assets consist of land, construction in progress, land improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2024-2025 amounted to \$3,989,871 for governmental activities and \$16,704 for the Business-Type activities.

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

	Governmental		Business- Type		Total	
	Activities		Activities			
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Land	\$ 12,022	\$ 12,022			\$ 12,022	\$ 12,022
Construction in Progress	5,655,290	590,137			5,655,290	590,137
Land Improvements	2,987,313	1,388,610			2,987,313	1,388,610
Buildings	44,185,078	46,613,907			44,185,078	46,613,907
Machinery and Equipment	<u>2,081,452</u>	<u>1,899,591</u>	\$ 127,870	\$ 139,997	<u>2,209,322</u>	<u>2,039,588</u>
Total	<u>\$ 54,921,155</u>	<u>\$ 50,504,267</u>	<u>\$ 127,870</u>	<u>\$ 139,997</u>	<u>\$ 55,049,025</u>	<u>\$ 50,644,264</u>

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

GLEN ROCK PUBLIC SCHOOLS

Management's Discussion and Analysis

LONG TERM LIABILITIES

At June 30, 2025, the District's long-term liabilities consisted of compensated absences payable of \$1,455,459, serial bonds (net of premium) of \$38,901,536, capital financing agreements of \$267,665, other financing agreements of \$871,441 and net pension liability of \$4,960,436 totaling \$46,456,537. This is in comparison to long-term liabilities at June 30, 2024 of \$50,344,108 or a decrease of \$3,887,571.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Glen Rock Public Schools, 620 Harristown Road, Glen Rock, NJ 07452.

BASIC FINANCIAL STATEMENTS

**GLEN ROCK PUBLIC SCHOOLS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 16,193,511	\$ 1,817,468	\$ 18,010,979
Receivables, net	580,827	1,008	581,835
Internal Balances	43,559	(43,559)	-
Inventory		16,586	16,586
Capital Assets, net			
Not Being Depreciated	5,667,312		5,667,312
Being Depreciated	<u>49,253,843</u>	<u>127,870</u>	<u>49,381,713</u>
Total Assets	<u>71,739,052</u>	<u>1,919,373</u>	<u>73,658,425</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	1,116,791		1,116,791
Deferred Amounts on Net Pension Liability	<u>173,047</u>	<u>-</u>	<u>173,047</u>
Total Deferred Outflows of Resources	<u>1,289,838</u>	<u>-</u>	<u>1,289,838</u>
Total Assets and Deferred Outflows of Resources	<u>73,028,890</u>	<u>1,919,373</u>	<u>74,948,263</u>
LIABILITIES			
Accounts Payable and Other Liabilities	587,212	41,521	628,733
Unearned Revenue	267,114	588,189	855,303
Accrued Interest Payable	582,383		582,383
Payable to Other Governments	37,005		37,005
Noncurrent Liabilities			
Due Within One Year	3,791,040		3,791,040
Due Beyond One Year	<u>42,665,497</u>	<u>-</u>	<u>42,665,497</u>
Total Liabilities	<u>47,930,251</u>	<u>629,710</u>	<u>48,559,961</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>663,970</u>	<u>-</u>	<u>663,970</u>
Total Liabilities and Deferred Inflows of Resources	<u>48,594,221</u>	<u>629,710</u>	<u>49,223,931</u>
NET POSITION			
Net Investment in Capital Assets	18,607,432	127,870	18,735,302
Restricted for			
Capital Projects	8,395,375		8,395,375
Maintenance	625,410		625,410
Debt Service	1		1
Other Purposes	1,246,719		1,246,719
Unrestricted	<u>(4,440,268)</u>	<u>1,161,793</u>	<u>(3,278,475)</u>
Total Net Position	<u>\$ 24,434,669</u>	<u>\$ 1,289,663</u>	<u>\$ 25,724,332</u>

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

**GLEN ROCK PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 25,597,163	\$ 136,462	\$ 2,637,602		\$ (22,823,099)		\$ (22,823,099)
Special Education	9,830,642		4,947,564		(4,883,078)		(4,883,078)
Other Instruction	1,070,444		176,952		(893,492)		(893,492)
School Sponsored Activities and Athletics	2,679,129	1,179,212	147,368		(1,352,549)		(1,352,549)
Support Services							
Student and Instruction Related Services	9,429,066		1,072,206		(8,356,860)		(8,356,860)
Educational Media/School Library	888,259		90,247		(798,012)		(798,012)
General Administrative Services	1,784,573		141,034		(1,643,539)		(1,643,539)
School Administrative Services	3,702,730		410,732		(3,291,998)		(3,291,998)
Plant Operations and Maintenance	7,250,334		282,177	\$ 891,667	(6,076,490)		(6,076,490)
Pupil Transportation	1,452,927		133,794		(1,319,133)		(1,319,133)
Central Services	2,045,300		34,778		(2,010,522)		(2,010,522)
Scholarship Awards	6,000	964			(5,036)		(5,036)
Interest on Long-Term Debt	1,343,070	-	-	-	(1,343,070)	-	(1,343,070)
Total Governmental Activities	67,079,637	1,316,638	10,074,454	891,667	(54,796,878)	-	(54,796,878)
Business-Type Activities							
Food Service	699,738	671,643				\$ (28,095)	(28,095)
Community School	1,576,168	1,696,190	-	-	-	120,022	120,022
Total Business-Type Activities	2,275,906	2,367,833	-	-	-	91,927	91,927
Total Primary Government	\$ 69,355,543	\$ 3,684,471	\$ 10,074,454	\$ 891,667	(54,796,878)	91,927	(54,704,951)
General Revenues							
Taxes:							
Property Taxes, Levied for General Purposes, Net					52,933,341		52,933,341
Property Taxes Levied for Debt Service					2,657,630		2,657,630
State Aid Restricted for Debt Service					1,152,433		1,152,433
Miscellaneous Income					899,372	20,716	920,088
Total General Revenues					57,642,776	20,716	57,663,492
Change in Net Position					2,845,898	112,643	2,958,541
Net Position, Beginning of Year					21,588,771	1,177,020	22,765,791
Net Position, End of Year					\$ 24,434,669	\$ 1,289,663	\$ 25,724,332

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FUND FINANCIAL STATEMENTS

**GLEN ROCK PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2025**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 9,394,822	\$ 669,823	\$ 6,128,865	\$ 1	\$ 16,193,511
Receivables from Other Governments	101,304	42,546	436,977		580,827
Due from Other Funds	43,559	1,871,692	2,040,662	-	3,955,913
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 9,539,685</u>	<u>\$ 2,584,061</u>	<u>\$ 8,606,504</u>	<u>\$ 1</u>	<u>\$ 20,730,251</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable and Other Liabilities	\$ 344,692	\$ 60,552	\$ 86,638		\$ 491,882
Due to Other Funds		2,040,662	1,871,692		3,912,354
Payable to State Government	16,109	20,889			36,998
Payable to Federal Government		7			7
Payroll Deductions and Withholdings	95,330				95,330
Unearned Revenue	22,750	791	243,573	-	267,114
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>478,881</u>	<u>2,122,901</u>	<u>2,201,903</u>	<u>-</u>	<u>4,803,685</u>
Fund Balances					
Restricted:					
Excess Surplus	1,321,184				1,321,184
Excess Surplus- Designated					
for Subsequent Year's Expenditures	1,421,184				1,421,184
Capital Reserve	3,729,461				3,729,461
Maintenance Reserve	525,410				525,410
Maintenance Reserve- Designated					
for Subsequent Year's Expenditures	100,000				100,000
Emergency Reserve	209,796				209,796
Capital Projects			6,404,601		6,404,601
Debt Service				\$ 1	1
Unemployment Compensation Reserve	785,559				785,559
Student Activities/Athletics		394,174			394,174
Scholarship Awards		66,986			66,986
Assigned:					
Year-End Encumbrances	387,956				387,956
Unassigned	580,254	-	-	-	580,254
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>9,060,804</u>	<u>461,160</u>	<u>6,404,601</u>	<u>1</u>	<u>15,926,566</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 9,539,685</u>	<u>\$ 2,584,061</u>	<u>\$ 8,606,504</u>	<u>\$ 1</u>	<u>\$ 20,730,251</u>

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

GLEN ROCK PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2025

Total Government Fund Balances (B-1) \$ 15,926,566

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 \$107,123,380 and the accumulated depreciation is \$52,202,225. 54,921,155

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 1,116,791

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred outflows of resources or deferred inflows of resources on the statement of net position and amortized over future years.

Deferred Outflows of Resources	\$ 173,047	
Deferred Inflows of Resources	<u>(663,970)</u>	(490,923)

The District has financed capital assets through the issuance of serial bonds and capital financing agreements. The interest accrual at year end is: (582,383)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Bonds Payable, net of Premium	\$ (38,901,536)	
Capital Financing Agreements	(267,665)	
Other Financing Agreements	(871,441)	
Net Pension Liability	(4,960,436)	
Compensated Absences	<u>(1,455,459)</u>	(46,456,537)

Net Position of Governmental Activities (Exhibit A-1) \$ 24,434,669

**GLEN ROCK PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 52,933,341			\$ 2,657,630	\$ 55,590,971
Miscellaneous	<u>1,074,496</u>	\$ 1,034,587	\$ 108,052	-	<u>2,217,135</u>
Total - Local Sources	<u>54,007,837</u>	<u>1,034,587</u>	<u>108,052</u>	<u>2,657,630</u>	<u>57,808,106</u>
State Sources	17,221,198	258,820	152,792	1,152,433	18,785,243
Federal Sources	<u>-</u>	<u>691,947</u>	<u>677,235</u>	<u>-</u>	<u>1,369,182</u>
Total Revenues	<u>71,229,035</u>	<u>1,985,354</u>	<u>938,079</u>	<u>3,810,063</u>	<u>77,962,531</u>
EXPENDITURES					
Current					
Regular Instruction	28,072,761	2,015			28,074,776
Special Education Instruction	10,046,384	504,101			10,550,485
Other Instruction	1,114,518	63,224			1,177,742
School Sponsored Activities and Athletics	1,782,452	1,035,714			2,818,166
Support Services					
Student and Instructional Related Services	9,816,981	320,912			10,137,893
Educational Media/School Library	973,405				973,405
General Administrative Services	1,917,635				1,917,635
School Administrative Services	4,090,246				4,090,246
Plant Operations and Maintenance	7,063,094				7,063,094
Pupil Transportation	1,443,119				1,443,119
Central Services	1,879,188				1,879,188
Scholarship Awards		6,000			6,000
Debt Service					
Principal	723,767			2,930,000	3,653,767
Interest and Other Charges	89,406			1,380,063	1,469,469
Capital Outlay	<u>359,994</u>	<u>61,640</u>	<u>7,985,125</u>	<u>-</u>	<u>8,406,759</u>
Total Expenditures	<u>69,372,950</u>	<u>1,993,606</u>	<u>7,985,125</u>	<u>4,310,063</u>	<u>83,661,744</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>1,856,085</u>	<u>(8,252)</u>	<u>(7,047,046)</u>	<u>(500,000)</u>	<u>(5,699,213)</u>
OTHER FINANCING SOURCES (USES)					
Other Financing Agreements	269,190				269,190
Transfers In	960,857		4,196,962	500,000	5,657,819
Transfers Out	<u>(4,196,962)</u>	<u>-</u>	<u>(1,460,857)</u>	<u>-</u>	<u>(5,657,819)</u>
Total Other Financing Sources and (Uses)	<u>(2,966,915)</u>	<u>-</u>	<u>2,736,105</u>	<u>500,000</u>	<u>269,190</u>
Net Change in Fund Balances	(1,110,830)	(8,252)	(4,310,941)	-	(5,430,023)
Fund Balance, Beginning of Year	<u>10,171,634</u>	<u>469,412</u>	<u>10,715,542</u>	<u>1</u>	<u>21,356,589</u>
Fund Balance, End of Year	<u>\$ 9,060,804</u>	<u>\$ 461,160</u>	<u>\$ 6,404,601</u>	<u>\$ 1</u>	<u>\$ 15,926,566</u>

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

GLEN ROCK PUBLIC SCHOOLS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Total net change in fund balances - governmental funds (Exhibit B-2) \$ (5,430,023)

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 capital outlay exceeds depreciation in the current period.

Capital Outlay	\$ 8,406,759	
Depreciation Expense	<u>(3,989,871)</u>	
		4,416,888

In the statement of activities, certain operating expenses - compensated absences and net pension liability are measured by the amounts earned or accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Increase Compensated Absences, Net	(307,850)	
Decrease in Net Pension Expense	<u>655,907</u>	
		348,057

The issuance of long-term debt (e.g. bonds, loans, and 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 position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt Issued:

Issuance of Other Financing Agreements	(269,190)	
--	-----------	--

Principal Repayments:

Payment of Bond Principal	2,930,000	
Payment of Capital Financing Agreement Principal	73,788	
Payment of Other Financing Agreement Principal	649,979	
Amortization of Bond Premium	367,337	
Amortization of Deferred Amounts on Refunding	<u>(221,699)</u>	
		3,530,215

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 the governmental funds.

The details are as follows:

Increase in Accrued Interest		<u>(19,239)</u>
------------------------------	--	-----------------

Change in net position of governmental activities (Exhibit A-2) \$ 2,845,898

**GLEN ROCK PUBLIC SCHOOLS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025**

ASSETS	<u>Food Service</u>	<u>Community School</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
Current Assets:			
Cash and Cash Equivalents	\$ 28,379	\$ 1,789,089	\$ 1,817,468
Other Accounts Receivable	1,008		1,008
Inventory	<u>16,586</u>	<u>-</u>	<u>16,586</u>
Total Current Assets	<u>45,973</u>	<u>1,789,089</u>	<u>1,835,062</u>
Capital Assets			
Equipment	220,671	110,523	331,194
Less: Accumulated Depreciation	<u>(181,220)</u>	<u>(22,104)</u>	<u>(203,324)</u>
Total Capital Assets, Net	<u>39,451</u>	<u>88,419</u>	<u>127,870</u>
Total Assets	<u>85,424</u>	<u>1,877,508</u>	<u>1,962,932</u>
LIABILITIES			
Current Liabilities			
Due to Other Funds		43,559	43,559
Accounts Payable	30,938	10,583	41,521
Unearned Revenue	<u>15,930</u>	<u>572,259</u>	<u>588,189</u>
Total Current Liabilities	<u>46,868</u>	<u>626,401</u>	<u>673,269</u>
NET POSITION			
Investment in Capital Assets	39,451	88,419	127,870
Unrestricted	<u>(895)</u>	<u>1,162,688</u>	<u>1,161,793</u>
Total Net Position	<u>\$ 38,556</u>	<u>\$ 1,251,107</u>	<u>\$ 1,289,663</u>

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

**GLEN ROCK PUBLIC SCHOOLS
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Food Service</u>	<u>Community School</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
OPERATING REVENUES			
Tuition/Fees		\$ 1,696,190	\$ 1,696,190
Daily Sales	\$ 671,643	-	671,643
Total Operating Revenues	<u>671,643</u>	<u>1,696,190</u>	<u>2,367,833</u>
OPERATING EXPENSES			
Salaries, Benefits and Payroll Taxes	261,806	1,049,387	1,311,193
Cost of Sales	302,048		302,048
Insurance	28,370		28,370
Purchased Services	71,055	288,472	359,527
Equipment Rental		13,932	13,932
Supplies and Materials	26,490	36,401	62,891
Miscellaneous Expenditures	4,317	86,559	90,876
Trips		90,365	90,365
Depreciation Expense	<u>5,652</u>	<u>11,052</u>	<u>16,704</u>
Total Operating Expenses	<u>699,738</u>	<u>1,576,168</u>	<u>2,275,906</u>
Operating Income/(Loss)	<u>(28,095)</u>	<u>120,022</u>	<u>91,927</u>
NON-OPERATING REVENUES			
Interest Earnings	<u>672</u>	<u>20,044</u>	<u>20,716</u>
Total Non-Operating Revenues	<u>672</u>	<u>20,044</u>	<u>20,716</u>
Change in Net Position	<u>(27,423)</u>	<u>140,066</u>	<u>112,643</u>
Net Position, Beginning of Year	<u>65,979</u>	<u>1,111,041</u>	<u>1,177,020</u>
Net Position, End of Year	<u>\$ 38,556</u>	<u>\$ 1,251,107</u>	<u>\$ 1,289,663</u>

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

**GLEN ROCK PUBLIC SCHOOLS
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Food Service</u>	<u>Community School</u>	Business-Type Activities Enterprise Fund Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 671,099	\$ 1,870,420	\$ 2,541,519
Payments for Employees	(261,806)	(1,049,387)	(1,311,193)
Payments to Suppliers	<u>(415,444)</u>	<u>(505,146)</u>	<u>(920,590)</u>
Net Cash Provided By (Used For) Operating Activities	<u>(6,151)</u>	<u>315,887</u>	<u>309,736</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Acquisition of Capital Assets	<u>(4,577)</u>	<u>-</u>	<u>(4,577)</u>
Net Cash (Used for) Capital Financing Activities	<u>(4,577)</u>	<u>-</u>	<u>(4,577)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Payments (to)/from Other Funds	<u>31,355</u>	<u>43,559</u>	<u>74,914</u>
Net Cash Provided by Non-Capital Financing Activities	<u>31,355</u>	<u>43,559</u>	<u>74,914</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest	<u>672</u>	<u>20,044</u>	<u>20,716</u>
Net Cash Provided By Investing Activities	<u>672</u>	<u>20,044</u>	<u>20,716</u>
Net Increase (Decrease) in Cash and Cash Equivalents	21,299	379,490	400,789
Cash and Cash Equivalents, Beginning of Year	<u>7,080</u>	<u>1,409,599</u>	<u>1,416,679</u>
Cash and Cash Equivalents, End of Year	<u>\$ 28,379</u>	<u>\$ 1,789,089</u>	<u>\$ 1,817,468</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating Income/(Loss)	\$ (28,095)	\$ 120,022	\$ 91,927
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used For) Operating Activities			
Depreciation Expense	5,652	11,052	16,704
Changes in Assets and Liabilities			
(Increase)/Decrease in Accounts Receivable	477		477
(Increase) Decrease in Inventories	7,303		7,303
Increase (Decrease) in Unearned Revenue	(1,021)	174,230	173,209
Increase (Decrease) in Accounts Payable	<u>9,533</u>	<u>10,583</u>	<u>20,116</u>
Total Adjustments	<u>21,944</u>	<u>195,865</u>	<u>217,809</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ (6,151)</u>	<u>\$ 315,887</u>	<u>\$ 309,736</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Glen Rock Public Schools (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Kindergarten through grade twelve (12) school district.

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

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Glen Rock Public Schools this includes general operations, food service, community school program and student related activities of the District.

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

B. New Accounting Standards

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

- GASB Statement No. 101, *Compensated Absences*, was effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.
- GASB Statement No. 102, *Certain Risk Disclosures*, was effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective beginning with the fiscal year ending June 30, 2026. The objective of this Statement is to provide user of governmental financial statements with essential information about certain types of capital assets. The requirements of this Statement will improve financial reporting by provided users of the financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid 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.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

The District reports the following major governmental funds:

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

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

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

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

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

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

The *community school fund* accounts for the activities of the District's adult evening school, before and after care program, summer camp programs.

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

Reclassifications

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

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, activity fees 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.

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Inventories

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

Food Service Fund inventories, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

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 \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings and Building Improvements	20-50
Machinery and Heavy Equipment	5-20

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 two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the difference on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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.

7. Pensions

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

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

8. Financing Agreements

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

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

9. Long-Term Obligations

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

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

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

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

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 2).

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

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

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

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

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).

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

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

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

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

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

11. *Fund Balance Policies*

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

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

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

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

4. On-Behalf Payments

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

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

5. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required. Effective for the 2025/2026 school year budget, voter approval is not required for budgets that meet levy cap requirements regardless of when the school board member elections are held.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2024/2025. Also, during 2024/2025 the Board increased the original budget of the General Fund by \$5,031,666 and the Special Revenue Fund by \$260,694. The increase was funded by the additional appropriation of grant awards, additional appropriations of maintenance reserve, transfer from capital reserve to capital projects fund, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances.

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

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

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.

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

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

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

Balance, July 1, 2024		\$ 5,043,068
Increased by		
Deposits Approved in District Budget	\$ 373,970	
Deposits Approved by Board Resolution	1,656,580	
Return of Unencumbered Withdrawals from Capital Projects Fund	<u>852,805</u>	
Total Increases		<u>2,883,355</u>
Decreased by		
Withdrawals Approved by Board Resolution		<u>4,196,962</u>
Balance, June 30, 2025		<u>\$ 3,729,461</u>

The June 30, 2025 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$18,040,565. The withdrawals from the capital reserve were for use in a department approved 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.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

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

Balance, July 1, 2024		\$	200,000
Increased by			
Deposits Approved in District Budget	\$	100,010	
Deposits Approved by Board Resolution		<u>350,000</u>	
Total Increases			<u>450,010</u>
			650,010
Decreased by			
Withdrawals Approved by Board Resolution			<u>24,600</u>
Balance, June 30, 2025		\$	<u>625,410</u>

The June 30, 2025 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,978,857. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. \$100,000 of the maintenance reserve balance of June 30, 2025 was designated and appropriated for use in the 2025/26 original budget certified for taxes.

D. Emergency Reserve

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

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

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

Balance, July 1, 2024		\$	209,496
Increased by:			
Interest Earned			<u>300</u>
Balance, June 30, 2025		\$	<u>209,796</u>

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2025 is \$2,742,368. Of this amount, \$1,421,184 was designated and appropriated in the 2025/2026 original budget certified for taxes and the remaining amount of \$1,321,184 will be appropriated in the 2026/2027 original budget certified for taxes.

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2025, the book value of the Board's deposits was \$17,541,622 and bank and brokerage firm balances of the Board's deposits amounted to \$19,700,791. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 19,549,290
Uninsured and Collateralized	<u>151,501</u>
	<u>\$ 19,700,791</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2025 the Board's bank balance of \$151,501 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	<u>\$ 151,501</u>

Investments

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

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2025, the Board had the following investments which are displayed on the balance sheets as cash and cash equivalents:

<u>Investment Type:</u>	<u>Fair Value</u>
N.J. Cash Management Fund	\$ <u>469,357</u>

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. As of June 30, 2025, \$469,357 of the Board’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>
Uninsured and Collateralized:	
Collateral held by pledging financial institutions' trust department or agent but not in the Board's name	\$ <u>469,357</u>

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

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

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board’s investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer. More than five (5) percent of the Board’s investments are in New Jersey Cash Management Fund. These investments are 100% of the District’s total investments.

Fair Value of Investments. The Glen Rock Public Schools measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

Investments are valued based on price data obtained from observed transactions and market price quotations provided by N.J. Cash Management Fund. Since the value is not obtained from a quoted price in an active market the investments held by the District at June 30, 2025 are categorized as Level 2.

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

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2025 for the District’s individual major funds are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Receivables:					
Accounts				\$ 1,008	\$ 1,008
Intergovernmental					
Federal		\$ 42,546	\$ 133,855		176,401
State	<u>\$ 101,304</u>	<u>-</u>	<u>303,122</u>	<u>-</u>	<u>404,426</u>
Net Total Receivables	<u>\$ 101,304</u>	<u>\$ 42,546</u>	<u>\$ 436,977</u>	<u>\$ 1,008</u>	<u>\$ 581,835</u>

C. Unearned Revenue

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

General Fund		
Prepaid Pre-K Tuition	\$	22,750
Special Revenue Fund		
Unencumbered Grant Draw Downs		791
Capital Projects Fund		
Unrealized School Facilities Grants		<u>243,573</u>
Total Unearned Revenue for Governmental Funds	<u>\$</u>	<u>267,114</u>

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

	<u>Balance</u> <u>July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2025</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 12,022				\$ 12,022
Construction in Progress	<u>590,137</u>	<u>\$ 7,985,125</u>	<u>-</u>	<u>\$ (2,919,972)</u>	<u>5,655,290</u>
Total capital assets, not being depreciated	<u>602,159</u>	<u>7,985,125</u>	<u>-</u>	<u>(2,919,972)</u>	<u>5,667,312</u>
Capital assets, being depreciated:					
Land Improvements	4,020,328			1,874,498	5,894,826
Buildings and Building Improvements	87,644,438	62,462		1,045,474	88,752,374
Machinery and Equipment	<u>6,462,903</u>	<u>359,172</u>	<u>\$ (13,207)</u>	<u>-</u>	<u>6,808,868</u>
Total capital assets being depreciated	<u>98,127,669</u>	<u>421,634</u>	<u>(13,207)</u>	<u>2,919,972</u>	<u>101,456,068</u>
Less accumulated depreciation for:					
Land Improvements	(2,631,718)	(275,795)			(2,907,513)
Buildings and Building Improvements	(41,030,531)	(3,536,765)			(44,567,296)
Machinery and Equipment	<u>(4,563,312)</u>	<u>(177,311)</u>	<u>13,207</u>	<u>-</u>	<u>(4,727,416)</u>
Total accumulated depreciation	<u>(48,225,561)</u>	<u>(3,989,871)</u>	<u>13,207</u>	<u>-</u>	<u>(52,202,225)</u>
Total capital assets, being depreciated, net	<u>49,902,108</u>	<u>(3,568,237)</u>	<u>-</u>	<u>2,919,972</u>	<u>49,253,843</u>
Governmental activities capital assets, net	<u>\$ 50,504,267</u>	<u>\$ 4,416,888</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,921,155</u>

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	<u>Balance</u> <u>July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2025</u>
Business-Type activities:				
Capital assets, being depreciated:				
Machinery and Equipment	\$ 326,617	\$ 4,577	-	\$ 331,194
Less accumulated depreciation for:				
Machinery and Equipment	(186,620)	(16,704)	-	(203,324)
Business-type activities capital assets, net	<u>\$ 139,997</u>	<u>\$ (12,127)</u>	<u>-</u>	<u>\$ 127,870</u>

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

Governmental activities:

Instruction	
Regular	\$ 1,913,686
Special Education	556,000
Other Instruction	82,877
School-Sponsored Activities and Athletics	<u>107,392</u>
Total Instruction	<u>2,659,955</u>
Support Services	
Student and Instructional Related Services	547,491
Educational Media/School Library	65,766
General Administrative Services	102,776
School Administrative Services	299,313
Plant Operations and Maintenance	162,189
Pupil Transportation	8,496
Central Services	<u>143,885</u>
Total Support Services	<u>1,329,916</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,989,871</u>
Business-Type Activities	
Food Service	\$ 5,652
Community School	<u>11,052</u>
	<u>\$ 16,704</u>

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

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

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Referendum- Various School Facility Renovations, Alterations and Improvements	\$ 10,730,305	\$ 1,571,249
COGEN System	747,910	95,435
Little Theatre Pre-K Renovation - Phase II	1,304,074	57,906
Track and Field Replacement	-	<u>1,449,533</u>
		<u>\$ 3,174,123</u>

E. Interfund Receivables, Payables, and Transfers

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

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Community School - Enterprise Fund	\$ 43,559
Special Revenue Fund	Capital Projects Fund	1,871,692
Capital Projects Fund	Special Revenue Fund	<u>2,040,662</u>
Total		<u>\$ 3,955,913</u>

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

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

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers (Continued)

Interfund Transfers

	Transfer In:			<u>Total</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	
Transfer Out:				
Capital Projects Fund	\$ 960,857		\$ 500,000	\$ 1,460,857
General Fund	-	\$ 4,196,962	-	4,196,962
				-
Total Transfers	\$ 960,857	\$ 4,196,962	\$ 500,000	\$ 5,657,819

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

F. Financing Agreements

Capital Financing Agreements

The District entered into the following agreements to finance capital assets under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the District’s approved budget.

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

\$412,783, fiscal year 2023 Agreement for the acquisition of copiers for a term of 5 years due in annual principal installments of \$6,521 to \$8,893 through May 2, 2028 interest at 11.00%	\$ 267,665
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Other Financing Agreements

The District entered into the following agreements to finance the purchase of certain equipment that does not meet the threshold of a capital asset and therefore are classified as expendable supplies. The repayments under these financing agreements are subject to the annual appropriation of funds in the District’s approved budget.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements (Continued)

Other Financing Agreements (Continued)

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

\$1,113,285, fiscal year 2023 Agreement for the acquisition of technology equipment for a term of 4 years due in annual principal installments of \$284,520 and \$298,148 through August 14, 2026 interest at 4.79%	\$ 582,668
\$253,782, fiscal year 2023 Agreement for the acquisition of technology equipment for a term of 3 years due in annual principal installments of \$88,581 through August 14, 2025 interest at 4.79%	88,581
\$269,190 fiscal year 2025 Agreement for the acquisition of technology equipment for a term of 3 years due in annual principal installments of \$65,616 and \$67,852 through August 6, 2027 interest at 1.69%	<u>200,192</u>
Total	<u>\$ 871,441</u>

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Capital Agreements</u>		<u>Other Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2026	\$ 82,323	\$ 25,365	\$ 438,717	\$ 35,535	\$ 581,940
2027	91,846	15,842	364,872	16,555	489,115
2028	<u>93,496</u>	<u>5,218</u>	<u>67,852</u>	<u>1,146</u>	<u>167,712</u>
Total	<u>\$ 267,665</u>	<u>\$ 46,425</u>	<u>\$ 871,441</u>	<u>\$ 53,236</u>	<u>\$ 1,238,767</u>

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2025 are comprised of the following issues:

\$14,718,000, 2019 School Bonds, due in annual installments of \$975,000 to \$1,275,000 through July 2034, interest at 2.00% to 3.00%	\$ 11,130,000
\$32,910,000, 2016 Refunding Bonds, due in annual installments of \$2,055,000 to \$2,925,000 through September 1, 2033, interest at 4.50% to 4.75%	22,120,000
\$3,650,000, 2024 Energy Savings Refunding Bonds, due in annual installments of \$90,000 to \$300,000 through July 15, 2045, interest at 4.00% to 5.00%	<u>3,650,000</u>
	<u>\$ 36,900,000</u>

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

Governmental Activities:

Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2026	\$ 3,120,000	\$ 1,434,563	\$ 4,554,563
2027	3,265,000	1,325,488	4,590,488
2028	3,400,000	1,199,888	4,599,888
2029	3,485,000	1,058,888	4,543,888
2030	3,645,000	912,738	4,557,738
2031-2035	17,545,000	2,132,081	19,677,081
2036-2040	885,000	404,900	1,289,900
2041-2045	1,255,000	191,900	1,446,900
2046	<u>300,000</u>	<u>6,000</u>	<u>306,000</u>
Total	<u>\$ 36,900,000</u>	<u>\$ 8,666,444</u>	<u>\$ 45,566,444</u>

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. 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, 2025 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 126,682,401
Less: Net Debt Issued and Authorized But Not Issued	<u>36,900,320</u>
Remaining Borrowing Power	<u>\$ 89,782,081</u>

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

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

	Balance, July 1, 2024	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, 2025	Due Within One Year
Governmental activities:					
Bonds Payable	\$ 39,830,000		\$ 2,930,000	\$ 36,900,000	\$ 3,120,000
Deferred Amounts					
Add: Premium	<u>2,368,873</u>	<u>-</u>	<u>367,337</u>	<u>2,001,536</u>	<u>-</u>
Total Bonds Payable	<u>42,198,873</u>	<u>-</u>	<u>3,297,337</u>	<u>38,901,536</u>	<u>3,120,000</u>
Net Pension Liability	5,403,943	\$ 53,236	496,743	4,960,436	
Capital Financing Agreements	341,453		73,788	267,665	82,323
Other Financing Agreements	1,252,230	269,190	649,979	871,441	438,717
Compensated Absences	<u>1,147,609</u>	<u>433,207</u>	<u>125,357</u>	<u>1,455,459</u>	<u>150,000</u>
Governmental Activity Long-Term Liabilities	<u>\$ 50,344,108</u>	<u>\$ 755,633</u>	<u>\$ 4,643,204</u>	<u>\$ 46,456,537</u>	<u>\$ 3,791,040</u>

For the governmental activities, the liabilities for net pension liability, capital financing agreements, other financing agreements and compensated absences are generally liquidated by the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

The District provided traditional health coverage with the State Employee Health Benefit Programs.

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. NESBIG also provides insured coverage (multi-peril) to its member school districts.

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

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 respective insurance funds are on file with the School's Business Administrator.

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

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

<u>Year Ended</u> <u>June 30,</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Interest</u> <u>Earnings</u>	<u>Ending</u> <u>Balance</u>
2025	\$ 50,888	\$ 24,016	\$ 9,707	\$ 785,559
2024	36,528	69,249	8,651	748,980
2023	47,387	74,257	25,339	773,050

B. Contingent Liabilities

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

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

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2025, the District has not estimated its arbitrage earnings due to the IRS, if any.

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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 reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the 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.

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (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.

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

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

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

Actuarial Methods and Assumptions

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

Employer and Employee Pension Contributions

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

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

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

Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2025	\$ 496,743	\$ 8,735,952	\$ 15,919
2024	498,642	8,899,073	7,357
2023	469,192	8,250,459	1,097

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2025, 2024 and 2023 the State contributed \$4,542, \$3,827 and \$3,312, 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 \$1,863,310 during the fiscal year ended June 30, 2025 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

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

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

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

At June 30, 2025, the District reported in the statement of net position (accrual basis) a liability of \$4,960,436 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2024. At June 30, 2024, the District's proportionate share was .03651 percent, which was a decrease of .0008 percent from its proportionate share measured as of June 30, 2023 of .03731 percent.

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension (benefit) of \$(159,164) for PERS. The pension contribution made by the District during the current 2024/2025 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2025 with a measurement date of the prior fiscal year end of June 30, 2024. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2025 for contributions made subsequent to the measurement date. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 99,367	\$ 13,206
Changes of Assumptions	6,162	56,438
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		230,002
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>67,518</u>	<u>364,324</u>
Total	<u>\$ 173,047</u>	<u>\$ 663,970</u>

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

<u>Year Ending June 30,</u>	<u>Total</u>
2026	\$ (348,753)
2027	56,448
2028	(123,121)
2029	(75,243)
2030	(254)
Thereafter	<u>-</u>
	<u>\$ (490,923)</u>

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

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

Mortality Rates

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

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

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

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

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

Sensitivity of Net Pension Liability

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>6,591,200</u>	\$ <u>4,960,436</u>	\$ <u>3,572,665</u>

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

Pension Plan Fiduciary Net Position

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

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

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

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

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension expense(benefit) of \$(372,270) for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2025 the State's proportionate share of the net pension liability attributable to the District is \$102,052,113. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2024. At June 30, 2024, the State's share of the net pension liability attributable to the District was .20648 percent, which was an increase of .00742 percent from its proportionate share measured as of June 30, 2023 of .19906 percent.

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

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

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

Discount Rate

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

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 121,303,383</u>	<u>\$ 102,052,113</u>	<u>\$ 85,838,904</u>

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

Pension Plan Fiduciary Net Position

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits

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

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

Plan Description and Benefits Provided

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

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 and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

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

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Plan Membership

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

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

Measurement Focus and Basis of Accounting

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

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

Collective Net OPEB Liability

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

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

Actuarial Methods and Assumptions

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

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

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2025, 2024 and 2023 were \$2,552,652, \$2,422,002 and \$2,167,376, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

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

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

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$3,516,987. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2025 the State's proportionate share of the OPEB liability attributable to the District is \$84,584,892. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2024. At June 30, 2024, the state's share of the OPEB liability attributable to the District was .00142 percent, which was an increase of .00002 percent from its proportionate share measured as of June 30, 2023 of .00140 percent.

**GLEN ROCK PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

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

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55% Based on Years of Service	2.75% to 5.65% Based on Years of Service

Mortality Rates

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

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

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

Health Care Trend Assumptions

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Discount Rate

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

Changes in the Total OPEB Liability

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

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2023 Measurement Date	\$ <u>73,328,521</u>
Changes Recognized for the Fiscal Year:	
Service Cost	3,423,329
Interest on the Total OPEB Liability	2,784,334
Differences Between Expected and Actual Experience	774,263
Changes of Assumptions	6,328,075
Gross Benefit Payments	72,811
Contributions from the Member	<u>(2,126,441)</u>
Net Changes	\$ <u>11,256,371</u>
Balance, June 30, 2024 Measurement Date	\$ <u><u>84,584,892</u></u>

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

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

**GLEN ROCK PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

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

	1% Decrease <u>(2.93%)</u>	Current Discount Rate <u>(3.93%)</u>	1% Increase <u>(4.93%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>99,067,024</u>	\$ <u>84,584,892</u>	\$ <u>72,938,252</u>

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

	1% Decrease <u></u>	Healthcare Cost Trend Rates	1% Increase <u></u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>70,459,831</u>	\$ <u>84,584,892</u>	\$ <u>102,983,716</u>

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

F. Tax Abatements

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

For Glen Rock Public Schools, the District’s share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

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BUDGETARY COMPARISON SCHEDULES

GLEN ROCK PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 52,933,341		\$ 52,933,341	\$ 52,933,341	
Tuition from Individuals	79,224		79,224	59,631	\$ (19,593)
Tuition from Other LEAs Within State	118,790		118,790	15,091	(103,699)
Interest Earned on Current Expense Emergency Reserve	300		300	300	-
Interest Earned on Maintenance Reserve Funds	10		10	10	-
Interest Earned on Capital Reserve Funds	250		250	250	-
Miscellaneous	725,452	\$ 7,367	732,819	999,214	266,395
Total Revenues - Local Sources	53,857,367	7,367	53,864,734	54,007,837	143,103
State Sources					
Transportation Aid	131,824		131,824	131,824	
Special Education Aid	3,040,501		3,040,501	3,040,501	
Security Aid	247,355		247,355	247,355	
Extraordinary Aid	305,000		305,000	635,944	330,944
Menstrual Reimbursement Aid				9,532	9,532
On Behalf TPAF Pension System Contributions-					
(Non-Budgeted)- Normal				8,629,061	8,629,061
(Non-Budgeted)- NCGI Premium				106,891	106,891
(Non-Budgeted)-Post Retirement Medical Contribution				2,552,652	2,552,652
(Non-Budgeted)-Long Term Disability				4,542	4,542
Reimbursed TPAF Social Security Contributions-					
(Non-Budgeted)	-	-	-	1,863,310	1,863,310
Total State Sources	3,724,680	-	3,724,680	17,221,612	13,496,932
Total Revenues	57,582,047	7,367	57,589,414	71,229,449	13,640,035
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers:					
Kindergarten	701,975	9,807	711,782	674,984	36,798
Grades 1 - 5	5,418,257	101,102	5,519,359	5,337,436	181,923
Grades 6 - 8	4,129,935	(26,658)	4,103,277	3,799,118	304,159
Grades 9 - 12	5,399,493	(105,263)	5,294,230	5,059,293	234,937
Regular Programs - Home Instruction					
Salaries of Teachers	10,000	(1,125)	8,875	3,160	5,715
Purchased Professional-Educational Services	10,000	10,000	20,000	4,563	15,437
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	609,428	60,616	670,044	664,075	5,969
Purchased Technical Services	14,400	916	15,316	3,340	11,976
Other Purchased Services	883,283	(19,275)	864,008	836,062	27,946
General Supplies	561,237	101,258	662,495	580,107	82,388
General Supplies - Other Financing Agreements (Non-Budget)				269,190	(269,190)
Textbooks	183,450	4,150	187,600	164,969	22,631
Other Objects	340,070	10,539	350,609	326,510	24,099
Total Instruction Regular Programs	18,261,528	146,067	18,407,595	17,722,807	684,788
Special Education					
Learning/Language Disabilities - Mild/Moderate					
Salaries of Teachers	442,949	1,125	444,074	423,120	20,954
General Supplies	4,000	-	4,000	1,993	2,007
Total Learning/Language Disabilities - Mild/Moderate	446,949	1,125	448,074	425,113	22,961
Resource Room/Resource Center					
Salaries of Teachers	3,685,120	(11,450)	3,673,670	3,538,666	135,004
Purchased Professional-Educational Services	3,000	-	3,000		3,000
General Supplies	16,325	250	16,575	9,638	6,937
Textbooks	500	-	500	474	26
Other Objects	6,450	(500)	5,950	-	5,950
Total Resource Room/Resource Center	3,711,395	(11,700)	3,699,695	3,548,778	150,917

(Continued)

**GLEN ROCK PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Autism					
Salaries of Teachers	\$ 187,753	\$ 36,626	\$ 224,379	\$ 224,379	
General Supplies	16,500	934	17,434	5,299	\$ 12,135
Other Objects	1,000	-	1,000	-	1,000
Total Autism	<u>205,253</u>	<u>37,560</u>	<u>242,813</u>	<u>229,678</u>	<u>13,135</u>
Preschool Disabilities - Part Time					
Salaries of Teachers	124,399	(1,369)	123,030	119,369	3,661
General Supplies	1,000	1	1,001	1,001	-
Other Objects	5,000	-	5,000	-	5,000
Total Preschool Disabilities - Part Time	<u>130,399</u>	<u>(1,368)</u>	<u>129,031</u>	<u>120,370</u>	<u>8,661</u>
Preschool Disabilities - Full Time					
Salaries of Teachers	82,835	(31,238)	51,597	-	51,597
Total Preschool Disabilities - Full Time	<u>82,835</u>	<u>(31,238)</u>	<u>51,597</u>	<u>-</u>	<u>51,597</u>
Home Instruction					
Salaries of Teachers	5,000	10,938	15,938	15,938	-
Purchased Professional-Educational Services	45,000	28,396	73,396	53,532	19,864
Total Home Instruction	<u>50,000</u>	<u>39,334</u>	<u>89,334</u>	<u>69,470</u>	<u>19,864</u>
Total Special Education	<u>4,626,831</u>	<u>33,713</u>	<u>4,660,544</u>	<u>4,393,409</u>	<u>267,135</u>
Basic Skills/Remedial					
Salaries of Teachers	508,252	(2,220)	506,032	485,561	20,471
General Supplies	2,620	(93)	2,527	1,906	621
Total Basic Skills/Remedial	<u>510,872</u>	<u>(2,313)</u>	<u>508,559</u>	<u>487,467</u>	<u>21,092</u>
Bilingual Education					
Salaries of Teachers	233,842	(11,410)	222,432	158,594	63,838
Other Purchased Services	500	-	500	-	500
General Supplies	7,000	-	7,000	7,000	-
Total Bilingual Education	<u>241,342</u>	<u>(11,410)</u>	<u>229,932</u>	<u>165,594</u>	<u>64,338</u>
School Sponsored Co/Extra Curricular Activities					
Salaries	160,869	16,286	177,155	174,590	2,565
Purchased Services	4,350	5,605	9,955	9,555	400
Supplies and Materials	34,200	(6,490)	27,710	18,192	9,518
Other Objects	3,250	650	3,900	2,504	1,396
Total School-Sponsored Co/Extra Curricular Activities	<u>202,669</u>	<u>16,051</u>	<u>218,720</u>	<u>204,841</u>	<u>13,879</u>
School Sponsored Athletics					
Salaries	748,934	7,568	756,502	660,103	96,399
Purchased Services	241,919	(8,505)	233,414	219,012	14,402
Supplies and Materials	56,500	23,829	80,329	64,417	15,912
Other Objects	50,500	(5,527)	44,973	36,125	8,848
Total School Sponsored Athletics	<u>1,097,853</u>	<u>17,365</u>	<u>1,115,218</u>	<u>979,657</u>	<u>135,561</u>
Total Instruction	<u>24,941,095</u>	<u>199,473</u>	<u>25,140,568</u>	<u>23,953,775</u>	<u>1,186,793</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Special	184,300	(10,339)	173,961	173,961	-
Tuition to County Vocational School District - Regular	538,488	(18,288)	520,200	520,200	-
Tuition to County Vocational School District - Special	16,550	(16,550)	-	-	-
Tuition to CSSD & Reg. Day Schools	203,175	41,687	244,862	244,862	-
Tuition to APSSD Within State	1,763,153	(29,647)	1,733,506	1,710,780	22,726
Tuition to APSSD & Oth LEAs-Special-Out of State	100,000	(83,333)	16,667	16,667	-
Tuition - Other	21,367	413,045	434,412	410,907	23,505
Total Instruction	<u>2,827,033</u>	<u>296,575</u>	<u>3,123,608</u>	<u>3,077,377</u>	<u>46,231</u>

**GLEN ROCK PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Attendance and Social Work					
Salaries	\$ 120,529	\$ -	\$ 120,529	\$ 117,846	\$ 2,683
Supplies and Materials	1,000	(750)	250	201	49
Total Attendance and Social Work	<u>121,529</u>	<u>(750)</u>	<u>120,779</u>	<u>118,047</u>	<u>2,732</u>
Health Services					
Salaries	572,867	2,417	575,284	521,355	53,929
Purchased Professional and Technical Services	162,160	(3,329)	158,831	110,935	47,896
Other Purchased Services	1,000	-	1,000	-	1,000
Supplies and Materials	12,450	494	12,944	9,276	3,668
Supplies and Materials - Menstrual Products	-	12,399	12,399	9,532	2,867
Other Objects	1,950	(1,500)	450	-	450
Total Health Services	<u>750,427</u>	<u>10,481</u>	<u>760,908</u>	<u>651,098</u>	<u>109,810</u>
Speech, OT/PT and Related Services					
Salaries	660,552	(93,095)	567,457	559,454	8,003
Purchased Professional/Educational Services	219,000	(6,570)	212,430	139,427	73,003
Supplies and Materials	4,500	-	4,500	4,291	209
Total Speech OT/PT and Related Services	<u>884,052</u>	<u>(99,665)</u>	<u>784,387</u>	<u>703,172</u>	<u>81,215</u>
Other Supp. Svcs.-Extraord. Serv.					
Purchased Professional-Educational Services	2,234,679	84,056	2,318,735	1,964,471	354,264
Supplies and Materials	23,000	(5,285)	17,715	8,592	9,123
Total Other Support/Extraordinary Services	<u>2,257,679</u>	<u>78,771</u>	<u>2,336,450</u>	<u>1,973,063</u>	<u>363,387</u>
Guidance					
Salaries of Other Professional Staff	924,703	60,958	985,661	985,661	-
Salaries of Secretarial and Clerical Assistants	60,696	131	60,827	59,700	1,127
Other Salaries	4,406	-	4,406	3,462	944
Purchased Professional-Educational Services	5,500	(1,500)	4,000	3,200	800
Other Purchased Professional/Technical Services	9,000	(500)	8,500	6,834	1,666
Other Purchased Services	19,393	-	19,393	12,155	7,238
Supplies and Materials	15,950	(4,000)	11,950	9,258	2,692
Other Objects	5,550	(2,000)	3,550	2,843	707
Total Guidance	<u>1,045,198</u>	<u>53,089</u>	<u>1,098,287</u>	<u>1,083,113</u>	<u>15,174</u>
Child Study Team					
Salaries of Other Professional Staff	1,236,676	48,421	1,285,097	1,285,097	-
Salaries of Secretarial and Clerical Assistants	98,124	4,256	102,380	102,380	-
Other Salaries	50,000	(8,353)	41,647	41,647	-
Other Purchased Professional and Technical Services	93,000	(1,912)	91,088	65,113	25,975
Other Purchased Services	9,649	(1,250)	8,399	6,476	1,923
Supplies and Materials	23,000	(1,612)	21,388	14,191	7,197
Other Objects	2,000	(1,800)	200	200	-
Total Child Study Team	<u>1,512,449</u>	<u>37,750</u>	<u>1,550,199</u>	<u>1,515,104</u>	<u>35,095</u>
Improvement of Instruction Services					
Salaries of Supervisor of Instruction	520,750	10,245	530,995	521,397	9,598
Other Salaries	51,000	6,336	57,336	57,336	-
Other Purchased Services	30,500	(2,500)	28,000	5,258	22,742
Supplies and Materials	3,500	(350)	3,150	1,828	1,322
Other Objects	118,300	(9,950)	108,350	83,019	25,331
Total Improvement of Instruction Services	<u>724,050</u>	<u>3,781</u>	<u>727,831</u>	<u>668,838</u>	<u>58,993</u>
Educational Media Services/ School Library					
Salaries	496,076	15,185	511,261	511,161	100
Other Purchased Services	14,197	-	14,197	10,254	3,943
Supplies and Materials	122,425	(10,719)	111,706	62,989	48,717
Miscellaneous Expenditures	26,131	(1,805)	24,326	22,818	1,508
Total Educational Media Services/ School Library	<u>658,829</u>	<u>2,661</u>	<u>661,490</u>	<u>607,222</u>	<u>54,268</u>

GLEN ROCK PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Instructional Staff Training Services					
Other Salaries	\$ 22,400	\$ (21,444)	\$ 956		\$ 956
Purchased Professional Educational Services	41,614	5,892	47,506	\$ 25,868	21,638
Other Purchased Professional and Technical Services	20,000	-	20,000	7,600	12,400
Other Purchased Services	48,250	(7,715)	40,535	22,490	18,045
Supplies and Materials	1,000	-	1,000	168	832
Total Instructional Staff Training Services	133,264	(23,267)	109,997	56,126	53,871
Support Services General Administration					
Salaries	791,374	13,773	805,147	798,817	6,330
Legal Services	105,000	52,500	157,500	138,826	18,674
Audit Fees	52,400	51,575	103,975	49,880	54,095
Architectural/Engineering Services	15,000	(5,000)	10,000	9,307	693
Other Purchased Professional Services	29,500	3,800	33,300	30,327	2,973
Communications/Telephone	91,018	8,354	99,372	96,909	2,463
BOE Other Purchased Services	5,500	3,574	9,074	3,122	5,952
Miscellaneous Purchased Services	180,745	(11,970)	168,775	160,590	8,185
General Supplies	10,000	(3,013)	6,987	2,319	4,668
Miscellaneous Expenditures	46,775	(6,852)	39,923	17,360	22,563
BOE Membership Dues and Fees	22,508	1	22,509	22,028	481
Total Support Services General Administration	1,349,820	106,742	1,456,562	1,329,485	127,077
Undistributed Expenditures					
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	1,316,807	(2,625)	1,314,182	1,296,539	17,643
Salaries of Other Professional Staff	580,618	5,665	586,283	583,315	2,968
Salaries of Secretarial and Clerical Assistants	515,786	(12,844)	502,942	446,537	56,405
Other Salaries	791	(790)	1		1
Purchased Professional and Technical Services	6,250	200	6,450	2,109	4,341
Other Purchased Services	40,408	2,751	43,159	14,687	28,472
Supplies and Materials	45,600	10,881	56,481	38,852	17,629
Other Objects	39,239	16,826	56,065	41,637	14,428
Total Support Services School Administration	2,545,499	20,064	2,565,563	2,423,676	141,887
Central Services					
Salaries	590,432	1,347	591,779	544,617	47,162
Purchased Technical Services	33,890	8,727	42,617	41,527	1,090
Miscellaneous Purchased Services	19,213	367	19,580	16,626	2,954
Supplies and Materials	8,500	(2,432)	6,068	4,875	1,193
Miscellaneous Expenditures	6,475	(1,850)	4,625	3,386	1,239
Total Undistributed Expenditures - Central Services	658,510	6,159	664,669	611,031	53,638
Admin. Info. Tech.					
Salaries	559,552	14,169	573,721	573,721	-
Purchased Professional Services	268,924	(180,749)	88,175	85,488	2,687
Purchased Professional and Technical Services		38,509	38,509	38,509	
Other Purchased Services	36,091	(857)	35,234	11,768	23,466
Supplies and Materials	124,886	(4,465)	120,421	65,349	55,072
Other Objects	2,875	-	2,875	1,640	1,235
Total Undistributed Expenditures - Admin. Info. Technology	992,328	(133,393)	858,935	776,475	82,460
Required Maintenance for School Facilities					
Salaries	589,555	(11,408)	578,147	575,334	2,813
Cleaning, Repair and Maintenance Services	574,900	357,040	931,940	678,871	253,069
Lead Testing of Drinking Water		2,986	2,986	2,986	-
General Supplies	89,200	113,853	203,053	156,090	46,963
General Supplies	-	22,879	22,879	16,144	6,735
Total Required Maint for School Facilities	1,253,655	485,350	1,739,005	1,429,425	309,580

GLEN ROCK PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Custodial Services					
Salaries	\$ 12,500	\$ 17,223	\$ 29,723	\$ 29,187	\$ 536
Salaries of Non-Instructional Aides	249,413	(102,481)	146,932	128,659	18,273
Purchased Professional and Technical Services	87,213	(43,649)	43,564	43,564	-
Cleaning, Repair and Maintenance Services	2,538,878	(145,367)	2,393,511	2,373,558	19,953
Other Purchased Property Services	72,641	(7,100)	65,541	65,442	99
Insurance	522,392	34,398	556,790	556,790	-
Miscellaneous Purchased Services	30,150	(26,650)	3,500	2,250	1,250
General Supplies	247,800	(117,146)	130,654	105,198	25,456
Energy (Electricity)	688,270	(14,252)	674,018	674,018	-
Energy (Natural Gas)	264,288	63,668	327,956	327,956	-
Other Objects	12,216	(12,216)	-	-	-
	<u>4,725,761</u>	<u>(353,572)</u>	<u>4,372,189</u>	<u>4,306,622</u>	<u>65,567</u>
Undistributed Expenditures					
Care and Upkeep of Grounds					
Salaries	160,681	-	160,681	157,725	2,956
Purchased Professional and Technical Services		76,012	76,012	76,012	
Cleaning, Repair and Maintenance Services	257,050	(179,444)	77,606	75,131	2,475
General Supplies	13,000	5,657	18,657	16,036	2,621
	<u>430,731</u>	<u>(97,775)</u>	<u>332,956</u>	<u>324,904</u>	<u>8,052</u>
Security					
Salaries	370,100	741	370,841	369,698	1,143
Cleaning, Repair and Maintenance Services	66,933	(5,000)	61,933	54,196	7,737
General Supplies	75,200	(19,855)	55,345	20,922	34,423
Other Objects	3,750	5,000	8,750	3,098	5,652
	<u>515,983</u>	<u>(19,114)</u>	<u>496,869</u>	<u>447,914</u>	<u>48,955</u>
Student Transportation Services					
Salaries of Non-Instructional Aides		21	21	21	
Salaries for Pupil Trans (Bet Home & Sch)-Sp. Ed.	59,333	5,080	64,413	64,413	
Salaries for Pupil Trans (Other than Bet Home & Sch)		1,600	1,600	1,600	
Cleaning, Repair and Maintenance Services	17,000	(17,000)			
Contr Serv(Bet Home &Sch)-Vendors	2,000	-	2,000		2,000
Contr Serv(Bet Home &Sch)-Joint Agrmnts	192,353	10,902	203,255	188,954	14,301
Contr Serv(Oth. Than Bet Home &Sch)-Vend	288,861	(619)	288,242	246,750	41,492
Contr Serv(Sp. Ed. Stdts)-Joint Agrmnts	922,984	1,675	924,659	907,433	17,226
Transportation Supplies	8,800	-	8,800	4,500	4,300
Other Objects	8,750	-	8,750	416	8,334
	<u>1,500,081</u>	<u>1,659</u>	<u>1,501,740</u>	<u>1,414,087</u>	<u>87,653</u>
Unallocated Employee Benefits					
Social Security Contributions	456,122	-	456,122	446,212	9,910
Other Retirement Contributions - PERS	555,000	(51,657)	503,343	458,793	44,550
Workmen's Compensation	212,445	(92,782)	119,663	119,663	-
Health Benefits	7,206,404	(24,570)	7,181,834	6,978,772	203,062
Tuition Reimbursements	107,500	2,230	109,730	108,730	1,000
Other Employee Benefits	229,319	51,715	281,034	270,322	10,712
	<u>8,766,790</u>	<u>(115,064)</u>	<u>8,651,726</u>	<u>8,382,492</u>	<u>269,234</u>
On Behalf TPAF Pension System Contributions-					
(Non-Budgeted)- Normal				8,629,061	(8,629,061)
(Non-Budgeted)- NCGI Premium				106,891	(106,891)
(Non-Budgeted) Post Retirement and Medical Contribution				2,552,652	(2,552,652)
(Non-Budgeted) Long Term Disability				4,542	(4,542)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,863,310	(1,863,310)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,156,456</u>	<u>(13,156,456)</u>
Total Undistributed Expenditures					
	<u>33,653,668</u>	<u>260,482</u>	<u>33,914,150</u>	<u>45,055,727</u>	<u>(11,141,577)</u>
Interest Earned on Current Expense Emergency					
	300	-	300	-	300
Increase in Maintenance Reserve					
	100,000	-	100,000	-	100,000
Interest Earned on Maintenance Reserve					
	10	-	10	-	10
Total Current Expenditures					
	<u>58,695,073</u>	<u>459,955</u>	<u>59,155,028</u>	<u>69,009,502</u>	<u>(9,854,474)</u>

(Continued)

**GLEN ROCK PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CAPITAL OUTLAY					
Equipment					
Instruction					
Undistributed expenditures - Instruction		\$ 41,659	\$ 41,659	\$ 40,049	\$ 1,610
Undistributed Expenditures					
School Administration		7,679	7,679	7,679	-
Admin- Info Technology		319,199	319,199	268,623	50,576
Required Maintenance		4,094	4,094	4,094	-
Care and Upkeep of Grounds		21,579	21,579	21,579	-
Undistributed Expenditures - Non Instructional	-	5,528	5,528	5,528	-
Total Equipment	-	399,738	399,738	347,552	52,186
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA funding	\$ 15,896	-	15,896	15,896	-
Total Facilities Acquisition and Construction Services	15,896	-	15,896	15,896	-
Increase in Capital Reserve	373,720	-	373,720	-	373,720
Interest Deposit to Capital Reserve	250	-	250	-	250
Total Expenditures - Capital Outlay	389,866	399,738	789,604	363,448	426,156
Transfer of Funds to Charter Schools	18,292	(18,292)	-	-	-
Total Expenditures - General Fund	59,103,231	841,401	59,944,632	69,372,950	(9,428,318)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(1,521,184)	(834,034)	(2,355,218)	1,856,499	4,211,717
Other Financing Sources/Uses					
Other Financing Agreements (Non-Budget)		-		269,190	269,190
Transfer in from Capital Projects		-		960,857	960,857
Transfer to Capital Projects Fund- Capital Reserve	-	(4,190,265)	(4,190,265)	(4,196,962)	(6,697)
Total Other Financing Sources/Uses	-	(4,190,265)	(4,190,265)	(2,966,915)	1,223,350
Net Change in Fund Balance	(1,521,184)	(5,024,299)	(6,545,483)	(1,110,416)	5,435,067
Fund Balance, Beginning of Year	11,124,795	-	11,124,795	11,124,795	-
Fund Balance, End of Year	\$ 9,603,611	\$ (5,024,299)	\$ 4,579,312	\$ 10,014,379	\$ 5,435,067
Recapitulation of Fund Balance					
Restricted:					
Excess Surplus				\$ 1,321,184	
Excess Surplus- Designated					
for Subsequent Year's Expenditures				1,421,184	
Capital Reserve				3,729,461	
Maintenance Reserve				525,410	
Maintenance Reserve- Designated					
for Subsequent Year's Expenditures				100,000	
Emergency Reserve				209,796	
Unemployment Reserve				785,559	
Assigned:					
Year-End Encumbrances				387,956	
Unassigned:					
				1,533,829	
Fund Balance (Budgetary Basis)				10,014,379	
Reconciliation to Governmental Fund Statements (GAAP)					
State Aid Payments Not Recognized on a GAAP Basis				953,575	
Fund Balance per Governmental Funds (GAAP Basis)				\$ 9,060,804	

(Continued)

**GLEN ROCK PUBLIC SCHOOLS
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State Sources	\$ 176,993	\$ 102,716	\$ 279,709	\$ 258,820	\$ (20,889)
Federal Sources	621,741	156,062	777,803	691,947	(85,856)
Local Sources					
Miscellaneous (Non-Budget)	-	1,916	1,916	1,034,587	1,032,671
Total Revenues	<u>798,734</u>	<u>260,694</u>	<u>1,059,428</u>	<u>1,985,354</u>	<u>925,926</u>
EXPENDITURES					
Instruction					
Purchased Professional/Educational Services	19,717	10,249	29,966	27,880	2,086
Purchased Professional/Technical Services	22,320	5,580	27,900	26,319	1,581
Tuition	440,792	32,594	473,386	473,386	-
General Supplies	15,080	40,596	55,676	32,730	22,946
Textbooks	9,111	94	9,205	9,025	180
Student Activities/Athletics (Non-Budget)	-	-	-	1,035,714	(1,035,714)
Total Instruction	<u>507,020</u>	<u>89,113</u>	<u>596,133</u>	<u>1,605,054</u>	<u>(1,008,921)</u>
Support Services					
Salaries		5,441	5,441	4,763	678
Purchased Professional & Technical Services	21,495	14,007	35,502	19,556	15,946
Purchased Professional - Educational Services	151,062	140,618	291,680	228,468	63,212
Other Purchased Professional Services	19,008	4,522	23,530	23,530	-
Other Purchased Services	67,677	(59,319)	8,358	7,668	690
Cleaning, Repair and Maintenance	32,472	(4,581)	27,891	27,742	149
Miscellaneous Purchased Services		2,764	2,764	2,737	27
General Supplies		6,489	6,489	6,448	41
Scholarship Awards (Non-Budget)	-	-	-	6,000	(6,000)
Total Support Services	<u>291,714</u>	<u>109,941</u>	<u>401,655</u>	<u>326,912</u>	<u>74,743</u>
Facilities Acquisition and Construction					
Instructional Equipment		7,930	7,930	7,930	-
Non-Instructional Equipment	-	53,710	53,710	53,710	-
Total Facilities Acquisition and Construction	<u>-</u>	<u>61,640</u>	<u>61,640</u>	<u>61,640</u>	<u>-</u>
Total Expenditures	<u>798,734</u>	<u>260,694</u>	<u>1,059,428</u>	<u>1,993,606</u>	<u>(934,178)</u>
Net Change in Fund Balance	-	-	-	(8,252)	(8,252)
Fund Balances, Beginning of Year	<u>469,412</u>	<u>-</u>	<u>469,412</u>	<u>469,412</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 469,412</u>	<u>\$ -</u>	<u>\$ 469,412</u>	<u>\$ 461,160</u>	<u>\$ (8,252)</u>
Restricted Fund Balances:					
Student Activities and Athletics				\$ 394,174	
Scholarships				<u>66,986</u>	
				<u>\$ 461,160</u>	

**GLEN ROCK PUBLIC SCHOOLS
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

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

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	C-1	\$ 71,229,449	C-2	\$ 1,985,354
Difference - Budget to GAAP:				
State Aid and Extraordinary payment recognized for GAAP purposes, not recognized for Budgetary statements (2024/2025 State Aids).		953,161		
State Aid and Extraordinary payment not recognized for GAAP purposes, recognized for Budgetary statements (2025/2026 State Aids).		<u>(953,575)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	B-2	<u>\$ 71,229,035</u>	B-2	<u>\$ 1,985,354</u>
 Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-1	<u>\$ 69,372,950</u>	C-2	<u>\$ 1,993,606</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2	<u>\$ 69,372,950</u>	B-2	<u>\$ 1,993,606</u>

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**PENSION INFORMATION
AND
OTHER POST-EMPLOYMENT BENEFITS INFORMATION**

**GLEN ROCK PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Public Employees Retirement System

Last Ten Fiscal Years*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's Proportion of the Net Position Liability (Asset)	0.03651 %	0.03731 %	0.03721 %	0.04032 %	0.03884 %	0.05133 %	0.04440 %	0.04457 %	0.04756 %	0.04907 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 4,960,436	\$ 5,403,943	\$ 5,614,975	\$ 4,776,629	\$ 6,381,192	\$ 7,737,957	\$ 8,741,950	\$ 10,375,147	\$ 14,087,333	\$ 11,014,621
District's Covered Payroll	\$ 3,023,210	\$ 2,941,976	\$ 2,840,821	\$ 2,749,763	\$ 2,933,348	\$ 2,867,020	\$ 3,138,309	\$ 3,048,612	\$ 2,983,879	\$ 3,322,003
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	164.08%	183.68%	197.65%	173.71%	217.54%	269.90%	278.56%	340.32%	472.11%	331.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.11%	40.14%	47.93%

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

GLEN ROCK PUBLIC SCHOOLS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 496,743	\$ 498,642	\$ 469,192	\$ 472,206	\$ 428,071	\$ 419,258	\$ 446,486	\$ 412,892	\$ 422,559	\$ 421,847
Contributions in Relation to the Contractually Required Contribution	<u>496,743</u>	<u>498,642</u>	<u>469,192</u>	<u>472,206</u>	<u>428,071</u>	<u>419,258</u>	<u>446,486</u>	<u>412,892</u>	<u>422,559</u>	<u>421,847</u>
Contribution Deficiency (Excess)	<u>\$ -</u>									
District's Covered Payroll	\$ 3,014,264	\$ 3,023,210	\$ 2,941,976	\$ 2,840,821	\$ 2,749,763	\$ 2,933,348	\$ 2,867,020	\$ 3,138,309	\$ 3,048,612	\$ 2,983,879
Contributions as a Percentage of Covered Payroll	16.48%	16.49%	15.95%	16.62%	15.57%	14.29%	15.57%	13.16%	13.86%	14.14%

**GLEN ROCK PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Teachers Pension and Annuity Fund
Last Ten Fiscal Years***

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's Proportion of the Net Position Liability (Asset)	0 %	0 %	0	0 %	0 %	0 %	0 %	0 %	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	0 %	0 %	0	0 %	0 %	0 %	0 %	0 %	0 %	0 %
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 102,052,113</u>	<u>\$ 101,583,967</u>	<u>\$ 106,030,693</u>	<u>\$ 95,139,666</u>	<u>\$ 127,550,371</u>	<u>\$ 116,420,475</u>	<u>\$ 120,813,268</u>	<u>\$ 124,192,382</u>	<u>\$ 143,289,276</u>	<u>\$ 117,213,772</u>
Total	<u>\$ 102,052,113</u>	<u>\$ 101,583,967</u>	<u>\$ 106,030,693</u>	<u>\$ 95,139,666</u>	<u>\$ 127,550,371</u>	<u>\$ 116,420,475</u>	<u>\$ 120,813,268</u>	<u>\$ 124,192,382</u>	<u>\$ 143,289,276</u>	<u>\$ 117,213,772</u>
District's Covered Payroll	\$ 25,361,714	\$ 24,911,125	\$ 23,856,342	\$ 22,282,965	\$ 22,409,975	\$ 21,102,359	\$ 20,571,812	\$ 19,759,557	\$ 19,129,191	\$ 18,765,085
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	36.44%	22.33%	28.71%

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

**GLEN ROCK PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Change of Benefit Terms: None.

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

**GLEN ROCK PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Eight Fiscal Years*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability								
Service Cost	\$ 3,423,329	\$ 3,367,848	\$ 4,262,743	\$ 4,841,076	\$ 2,697,688	\$ 2,444,271	\$ 2,744,834	\$ 3,327,294
Interest on OPEB Liability	2,784,334	2,582,541	1,892,257	2,198,642	2,158,451	2,585,179	2,703,393	2,328,946
Changes of Benefit Terms				(90,212)				-
Differences Between Expected and Actual Experience	774,263	(2,225,664)	1,461,326	(14,424,464)	13,654,511	(9,620,765)	(4,643,546)	-
Changes of Assumptions	6,328,075	147,800	(19,154,481)	83,618	17,138,120	890,988	(7,486,361)	(9,724,100)
Gross Benefit Payments	(2,126,441)	(2,013,133)	(1,874,336)	(1,731,914)	(1,633,370)	(1,834,375)	(1,744,435)	(1,642,767)
Contribution from the Member	72,811	66,181	60,130	56,208	49,507	54,376	60,290	60,491
Net Change in Total OPEB Liability	<u>11,256,371</u>	<u>1,925,573</u>	<u>(13,352,361)</u>	<u>(9,067,046)</u>	<u>34,064,907</u>	<u>(5,480,326)</u>	<u>(8,365,825)</u>	<u>(5,650,136)</u>
Total OPEB Liability - Beginning	<u>73,328,521</u>	<u>71,402,948</u>	<u>84,755,309</u>	<u>93,822,355</u>	<u>59,757,448</u>	<u>65,237,774</u>	<u>73,603,599</u>	<u>79,253,735</u>
Total OPEB Liability - Ending	<u>\$ 84,584,892</u>	<u>\$ 73,328,521</u>	<u>\$ 71,402,948</u>	<u>\$ 84,755,309</u>	<u>\$ 93,822,355</u>	<u>\$ 59,757,448</u>	<u>\$ 65,237,774</u>	<u>\$ 73,603,599</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>84,584,892</u>	<u>73,328,521</u>	<u>71,402,948</u>	<u>84,755,309</u>	<u>93,822,355</u>	<u>59,757,448</u>	<u>65,237,774</u>	<u>73,603,599</u>
Total OPEB Liability - Ending	<u>\$ 84,584,892</u>	<u>\$ 73,328,521</u>	<u>\$ 71,402,948</u>	<u>\$ 84,755,309</u>	<u>\$ 93,822,355</u>	<u>\$ 59,757,448</u>	<u>\$ 65,237,774</u>	<u>\$ 73,603,599</u>
District's Covered Payroll	<u>\$ 28,384,924</u>	<u>\$ 27,853,101</u>	<u>\$ 26,697,163</u>	<u>\$ 25,032,728</u>	<u>\$ 25,343,323</u>	<u>\$ 23,969,379</u>	<u>\$ 23,710,121</u>	<u>\$ 22,808,169</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%

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

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

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

**GLEN ROCK PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Changes in Benefit Terms: None.

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

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APPENDIX C

Form of Bond Counsel's Approving Legal Opinion

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90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

_____, 2025

The Board of Education of the
Borough of Glen Rock
Glen Rock, New Jersey

Ladies and Gentlemen:

We have served as bond counsel in connection with the authorization, sale and issuance of \$_____ aggregate principal amount of Refunding School Bonds, Series 2025 (the “Bonds”) of The Board of Education of the Borough of Glen Rock in the County of Bergen, New Jersey (the “Board” when referring to the governing body and the “School District” when referring to the territorial boundaries governed by the Board).

The Bonds are authorized by and are issued pursuant to: (i) Title 18A, Chapter 24 of the New Jersey Statutes, Chapter 271 of the Laws of 1967 (the “Education Law”); (ii) a refunding bond ordinance finally adopted by the Board on September 29, 2025 (the “Refunding Bond Ordinance”) and (iii) a resolution duly adopted by the Board on September 29, 2025 (the “Resolution”).

The proceeds of the Bonds will be used to refund, on a current basis, all or a portion of the \$20,065,000 aggregate principal amount of the Board’s outstanding callable Refunding School Bonds, Series 2016, dated January 26, 2016 (the “Refunded Bonds”) at a redemption price of 100% of the principal amount thereof (the “Redemption Price”). Specifically, the proceeds of the Bonds will be used to pay: (i) the interest, when due, on the Refunded Bonds on March 1, 2026 (the “Call Date”); the Redemption Price on the Call Date and (iii) the costs associated with the issuance of the Bonds.

The Bonds are issued in fully registered book-entry only form, without coupons, initially registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York (“DTC”), an automated depository for securities and clearing house for securities transactions. Purchases may be made in the principal amount of \$1,000 each, or any integral multiple thereof with a minimum purchase of \$5,000 required, through book entries made on the books and the records of DTC and its participants. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Board or its designated paying agent, directly to Cede & Co., as nominee for DTC. Disbursement of such payments to the DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the Bonds is the responsibility of the DTC participants.

The Bonds are dated and shall bear interest from their date of delivery which interest shall be payable semi-annually on the first day of March and September in each year, commencing March 1, 2026, until maturity and shall mature on September 1, in the years and in the principal amounts, and shall bear interest, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2026			2030		
2027			2031		
2028			2032		
2029			2033		

The Bonds are not subject to optional redemption prior to their stated dates of maturity.

We have examined such matters of law, certified copies of the proceedings, and other documents and proofs relative to the issuance and sale of the Bonds as we have deemed necessary or appropriate for the purposes of the opinion rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the sale and issuance of the Bonds pursuant to the Education Law, the Refunding Bond Ordinance and the Resolution, (ii) the Bonds are valid and legally binding obligations of the Board, and (iii) all the taxable real property within the School District is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of principal of and interest on the Bonds.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to the issuance and delivery of the Bonds in order for the interest on the Bonds to be and remain excludable from gross income for federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of initial issuance and delivery of the Bonds. The Board has covenanted to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In our opinion, under existing law, and assuming continuing compliance by the Board with the aforementioned covenant, under existing statutes, regulations, rulings and court decisions, interest on the Bonds is not includable for federal income tax purposes in the gross income of the owners of the Bonds pursuant to Section 103 of the Code. The Bonds

are not “specified private activity bonds” within the meaning of Section 57 of the Code and, therefore, the interest on the Bonds will not be treated as a preference item for purposes of computing the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

Under existing laws of the State of New Jersey, the interest on the Bonds and any gain on the sale of the Bonds are not includable as gross income under the New Jersey Gross Income Tax Act.

[The Bonds maturing on March 1 in the years 20__ through 20__, inclusive (the “[Premium] Bonds”), have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the [Premium] Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a [Premium] Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a [Premium] Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such [Premium] Bonds and not as interest.]

[We are also of the opinion that the difference between the stated principal amount of the Bonds maturing on March 1 in the years 20__ through 20__, inclusive (the “[Discount] Bonds”) and their respective initial offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers), at which price a substantial amount of the [Discount] Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the [Discount] Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each [Discount] Bond and the basis of each [Discount] Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount.]

Except as stated in the preceding paragraphs, we express no opinion as to any federal, state or local tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors’ rights or remedies

heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined one of the executed Bonds and, in our opinion, its form and execution are regular and proper.

Very truly yours,

WILENTZ, GOLDMAN & SPITZER, P.A.

APPENDIX D

Form of Continuing Disclosure Certificate

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated as of _____, 2025 (the "Disclosure Certificate") is executed and delivered by The Board of Education of the Borough of Glen Rock in the County of Bergen, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) in connection with the issuance of its \$_____ aggregate principal amount of Refunding School Bonds, Series 2025 dated their date of delivery (the "Bonds"). The Bonds are being issued pursuant to a resolution duly adopted by the Board on September 29, 2025 (the "Bond Resolution"). The Board covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Board for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter(s) in complying with the Rule (as defined below). The Board acknowledges it is an "Obligated Person" under the Rule (as defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Resolution which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Board pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bonds, as applicable (including persons holding Bonds, as applicable through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds, as applicable, for Federal income tax purposes.

"Continuing Disclosure Information" shall mean, collectively, (i) each Annual Report, (ii) any notice required to be filed by the Board with the EMMA (as defined herein) pursuant to Section 3 of this Disclosure Agreement, and (iii) any notice of a Listed Event required to be filed by the Authority with EMMA pursuant to Section 5 of this Disclosure Agreement.

"Disclosure Representative" shall mean the Business Administrator/Board Secretary of the Board or his/her designee, or such other person as the Board shall designate in writing from time to time for the purposes of this Disclosure Certificate.

"Dissemination Agent" shall mean, initially, the Board or any Dissemination Agent subsequently designated in writing by the Board which has filed with the Board a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system, a website created by the MSRB (as defined herein) and approved by the SEC (as defined herein) to provide a central location where investors can obtain municipal bond information including disclosure documents. The Board or the Dissemination Agent shall submit disclosure documents to EMMA as a PDF file to www.emma.msrb.org.

“*Financial Obligation*” shall mean a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) listed hereinabove. The term “*Financial Obligation*” shall not include municipal securities as to which a final official statement has been provided to the MSRB (as defined below) consistent with the Rule (as defined below).

“*Listed Events*” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“SEC Release No. 34-59062” shall mean Release No. 34-59062 of the SEC dated December 5, 2008.

“State” shall mean the State of New Jersey.

“*Underwriters*” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the purchase of the Bonds.

SECTION 3. Provision of Annual Reports. (a) The Board shall provide or cause to be provided to the Dissemination Agent not later than December 31 of each year, commencing December 31, 2025 (for the fiscal year ending June 30, 2025), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Each Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Board may be submitted separately from the balance of the Annual Report; and provided, further, that if the audited financial statements of the Board are not available by December 31, the Board shall include unaudited financial statements with its Annual Report and when such audited financial statements become available to the Board, the same shall be submitted to the Dissemination Agent no later than thirty (30) days after the receipt of the same by the Board.

(b) Not later than January 31 of each year (commencing January 31, 2026) the Dissemination Agent shall provide to EMMA a copy of the Annual Report received by the Dissemination Agent pursuant to subsection (a) hereof.

(c) If the Board does not provide or is unable to provide an Annual Report by the applicable date required in subsection (a) above, such that the Dissemination Agent cannot file the Annual Report with EMMA in accordance with subsection (b) above, the Dissemination Agent shall, in a timely manner, send a notice of such event to EMMA in substantially the form attached hereto as Exhibit A, with copies to the Board (if the Dissemination Agent is not the Board).

(d) Each year the Dissemination Agent shall file a report with the Board (if the Dissemination Agent is not the Board), certifying that the Annual Report has been provided to EMMA pursuant to this Disclosure Certificate, stating the date it was provided.

(e) If the fiscal year of the Board changes, the Board shall give written notice of such change to the Dissemination Agent and the Dissemination Agent shall, within five (5) business days after the receipt thereof from the Board, forward a notice of such change to EMMA in the manner provided in Section 5(e) hereof.

SECTION 4. Content of Annual Reports. The Board's Annual Report shall contain or incorporate by reference the following:

(1) The audited financial statements of the Board (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available as described in 3(a) above).

The audited financial statements are to be prepared in accordance with generally accepted accounting principles (GAAP).

(2) The general financial information and operating data consistent with the information set forth in the Official Statement dated November 18, 2025, prepared in connection with the sale of the Bonds (the "Official Statement") consisting of (1) Board indebtedness; (2) property valuation information; (3) tax rate, levy and collection data; and (4) enrollment.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Board is an "Obligated Person" (as defined by the Rule), which have been filed with EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Board shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events. (a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Nonpayment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of Bondholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances of the Bonds;
- (10) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes of the Bonds;
- (12) Bankruptcy, insolvency, receivership or similar event of the Board;
- (13) The consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee for the Bonds or the change of name of a trustee for the Bonds, if material;

- (15) Incurrence of a Financial Obligation of the Board, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Board, any of which affect Bondholders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Board, any of which reflect financial difficulties.

The Board shall, in a timely manner not in excess of ten (10) business days after the occurrence of any Listed Event, file a notice of the occurrence of such Listed Event with the MSRB in accordance with the provisions of Section 5 of this Disclosure Certificate. In determining the materiality of any of the Listed Events specified in this subsection (a) of this Section 5, the Board may, but shall not be required to, rely conclusively on an opinion of counsel.

(b) Whenever the Board has or obtains knowledge of the occurrence of any of the Listed Events, the Board shall, as soon as possible, determine if such event would constitute information material to the Beneficial Owners of the Bonds.

(c) If the Board determines that the occurrence of a Listed Event would be material to the Beneficial Owners of the Bonds, the Board shall promptly notify the Dissemination Agent in writing (if the Board is not the Dissemination Agent) and the Board shall instruct the Dissemination Agent to report such Listed Event and the Dissemination Agent shall report the occurrence of such Listed Event pursuant to subsection (e) hereof.

(d) If the Board determines that the occurrence of a Listed Event would not be material to the Beneficial Owners of the Bonds, the Board shall promptly notify the Dissemination Agent in writing (if the Dissemination Agent is not the Board) and the Dissemination Agent (if the Dissemination Agent is not the Board) shall be instructed by the Board not to report the occurrence.

(e) If the Dissemination Agent has been instructed in writing by the Board to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with EMMA, with a copy to the Board (if the Dissemination Agent is not the Board). Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) hereof need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Beneficial Owner of the affected Bonds pursuant to the Bond Resolution.

SECTION 6. Termination of Reporting Obligation. The Board's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the Board is no longer an "Obligated Person" (as defined in the Rule). The Board shall file a notice of the termination of its reporting obligations pursuant to the provisions hereof with the Dissemination Agent, which notice shall be filed with EMMA in accordance with the provisions of Section 5(e) hereof.

SECTION 7. Dissemination Agent; Compensation. The Board may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Board. The Board shall compensate the Dissemination Agent (which shall be appointed) for the performance of its obligations hereunder in accordance with an agreed upon fee structure.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Board may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver (supported by an opinion of counsel expert in Federal securities laws acceptable to the Board to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof) is (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment or waiver does not materially impair the interests of holders, as determined either by parties unaffiliated with the Board or “Obligated Person,” or by approving vote of the Beneficial Owners of the Bonds, as applicable pursuant to the terms of the Bond Resolution at the time of the amendment. The Board shall give notice of such amendment or waiver to this Disclosure Certificate to the Dissemination Agent, which notice shall be filed in accordance with the provisions of Section 5 hereof. Notwithstanding the above, the addition of or change in the Dissemination Agent shall not be construed to be an amendment under the provisions hereof.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Board shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Board. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in the same manner as a Listed Event under Section 5 hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Board chooses to include any information in any Annual Report or notice

of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Board shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Board to comply with any provision of this Disclosure Certificate, the Holders of at least 25% aggregate principal amount of Outstanding Bonds or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Board to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Board to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and, to the extent permitted by law, the Board agrees to indemnify and hold the Dissemination Agent (if the Dissemination Agent is not the Board) and its respective officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. To the extent permitted by law, the Board further releases the Dissemination Agent from any liability for the disclosure of any information required by the Rule and this Disclosure Certificate. The obligations of the Board under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Board, the Dissemination Agent, the Underwriters, and the Beneficial Owners of the Bonds, including Bondholders, and shall create no rights in any other person or entity.

SECTION 13. Notices. All notices and submissions required hereunder shall be given to the following, or their successors, by facsimile transmission (with written confirmation of receipt), followed by hard copy sent by certified or registered mail, personal delivery or recognized overnight delivery:

(a) If to the Board of Education:

The Board of Education of the
Borough of Glen Rock
620 Harristown Road
Glen Rock, New Jersey 07452
Attention: Business Administrator/Board Secretary

(b) Copies of all notices to the Dissemination Agent from time to time with respect to the Bonds, initially:

The Board of Education of the
Borough of Glen Rock
620 Harristown Road
Glen Rock, New Jersey 07452
Attention: Business Administrator/Board Secretary

Each party shall give notice from time to time to the other parties, in the manner specified herein, of any change of the identity or address of anyone listed herein.

SECTION 14. Counterparts. This Disclosure Certificate may be executed in any number of counterparts which shall be executed by authorized signatories of the Board and the Dissemination Agent, as applicable, and all of which together shall be regarded for all purposes as one original and shall constitute and be but one and the same.

SECTION 15. Severability. If any one or more of the covenants or agreements in this Disclosure Certificate to be performed on the part of the Board and the Dissemination Agent should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this Disclosure Certificate.

SECTION 16. Governing Law. This Disclosure Certificate shall be construed in accordance with and governed by the Laws of the United States of America and the State of New Jersey as applicable.

**THE BOARD OF EDUCATION OF THE
BOROUGH OF GLEN ROCK**

By: _____
JAMES S. CANELLAS,
Business Administrator/Board Secretary

EXHIBIT A

**NOTICE TO EMMA OF FAILURE
TO FILE ANNUAL REPORT**

Name of Issuer: The Board of Education of the
 Borough of Glen Rock
 in the County of Bergen, New Jersey

Name of Issue: \$_____ Refunding School Bonds, Series 2025
 Dated: _____, 2025
 (CUSIP Number: 377784____)

Date of Issuance: _____, 2025

NOTICE IS HEREBY GIVEN that the above designated Board has not provided an Annual Report with respect to the above-named Bonds as required by the Bond Resolution and a Continuing Disclosure Certificate for the Bonds dated as of _____, 2025 executed by the Board.

DATED: _____

DISSEMINATION AGENT
(on behalf of the Board)

cc: The Board

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