

HASBROUCK HEIGHTS SCHOOL DISTRICT



Where Tradition and Innovation Take Flight

Borough of Hasbrouck Heights
Board of Education
County of Bergen
New Jersey

*Annual Comprehensive Financial Report
For the Year Ended
June 30, 2021*

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Note: The schedules denoted with N/A are not applicable in the current year. However, the New Jersey Department of Education requires the District to reference all schedules included in its sample Annual Comprehensive Financial Report.

Hasbrouck Heights School District

Hasbrouck Heights, New Jersey

Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

Prepared by

Business Office

Introductory Section

**HASBROUCK HEIGHTS BOARD OF EDUCATION
379 BOULEVARD
HASBROUCK HEIGHTS, NEW JERSEY 07604**

**(201) 288-6150 TEL
(201) 288-0289 FAX**

**Dina Messery
School Business Admin/Board Secretary**

March 14, 2022

Honorable President and
Members of the Board of Education
Hasbrouck Heights School District
County of Bergen, New Jersey 07604

Dear Board Members:

The annual comprehensive financial report of the Hasbrouck Heights School District (the "District") for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

2) EDUCATIONAL PROGRAM: The District provides a full range of educational services appropriate to grade levels Pre-K through 12 for regular and special education handicapped youngsters serving approximately 1,740 students. All schools are accredited by the New Jersey

State Department of Education. The District is served by 143.0 (FTE) teachers and 11 (FTE) administrators. Approximately 79% of the faculty has earned masters degrees.

Educational Services include reading, language arts, social studies, mathematics, science, computer education, remedial instructions, special education, resource room instruction, family life, physical and health education, career education, world languages and enrichment. The curriculum is aligned with the New Jersey Core Curriculum Content Standards and the Common Core Standards.

Due to COVID 19, the State cancelled State Testing for the Spring of 2021 for Language Arts Literacy (LAL) and Mathematics.

The District completed the 2020-2021 fiscal year with an average daily enrollment of 1,710 students, which is a decrease of 42 students compared to the previous year's average daily enrollment.

The following details the changes in the student enrollment of the Hasbrouck Heights School District over the last five years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment Student Enrollment</u>	<u>Percent Change</u>
2021	1,710	(2.39)%
2020	1,752	(1.58)%
2019	1,780	(1.09)%
2018	1,800	(2.73)%
2017	1,850	(0.48)%

3) ECONOMIC CONDITION AND OUTLOOK: The District's primary funding source is property tax revenue. Overall tax revenue for the General Fund was increased for the 2020-2021 school year. The District's administration continues to closely monitor the cost of operations and continues to look for innovative ways to cut costs in addition to finding new funding sources in order to maintain the quality educational services that the District has been accustomed to providing.

4) MAJOR INITIATIVES: Specific initiatives for the 2020-2021 school year include the following accomplishments:

- Enhanced our collaborative special education classes throughout the district
- Expanded our 1-1 Chrome Book initiative
- Added French elective to the middle school curriculum
- Expanded electives at the high school

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

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to federal and state financial award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

6) BUDGETARY CONTROLS: In addition to internal controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the state. Annual appropriated budgets are adopted for the general fund, special revenue fund, and debt service fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assigned fund balance at June 30, 2021.

7) ACCOUNTING SYSTEMS AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

8) DEBT ADMINISTRATION: At June 30, 2021, the District had \$2,645,000 in outstanding statutory debt, comprised entirely of school bonds to improve District facilities.

9) CASH MANAGEMENT: The investment policy of the District is guided in large part by State Statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUPDA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

11) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of PKF O'Connor Davies was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Uniform Guidance and New Jersey OMB Circular NJOMB 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

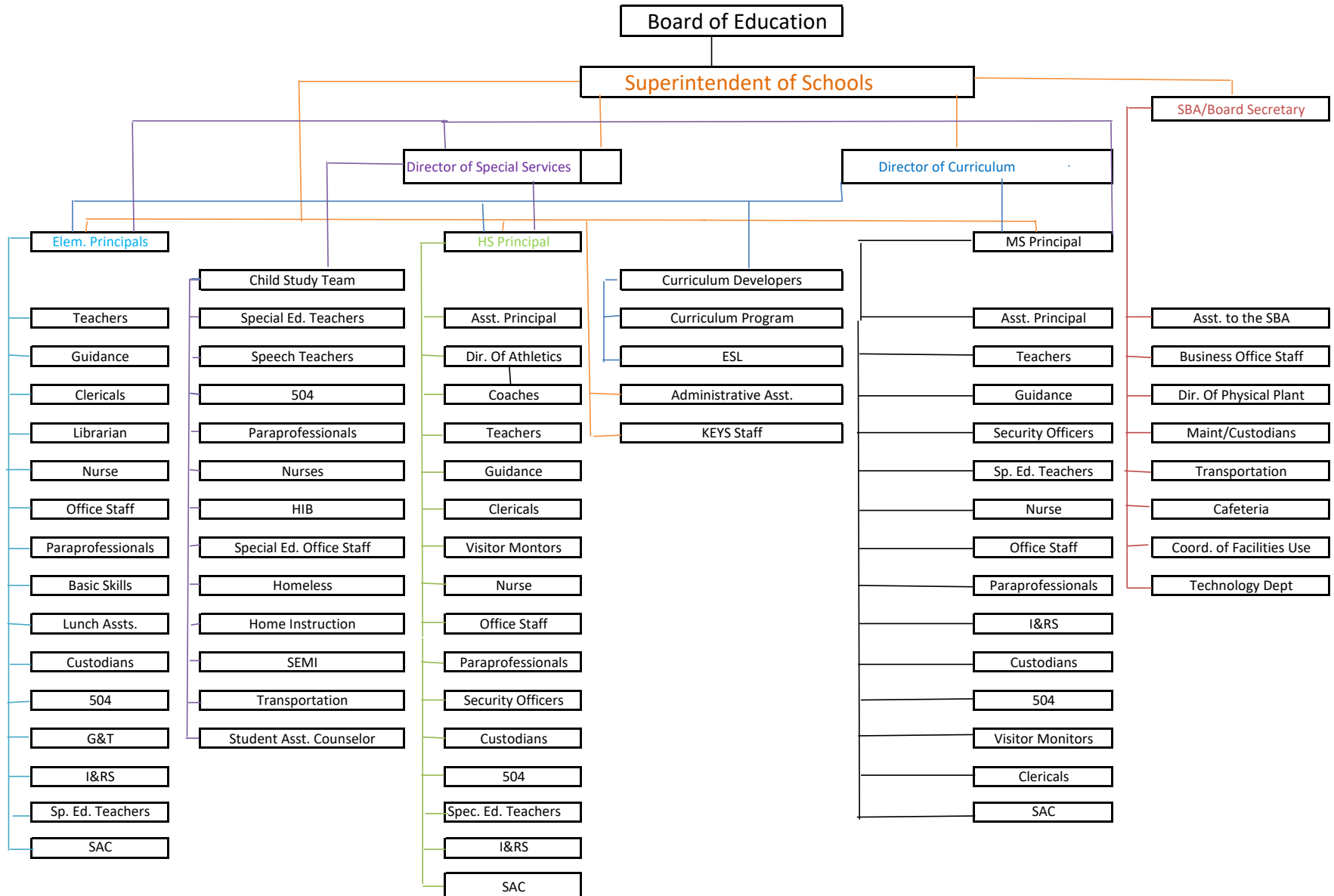


Matthew Helfant
Superintendent of Schools



Dina Messery
Business Admin/Board Secretary

ORGANIZATIONAL CHART Hasbrouck Heights Public Schools



**HASBROUCK HEIGHTS BOARD OF EDUCATION
HASBROUCK HEIGHTS, NEW JERSEY**

**ROSTER OF OFFICIALS
June 30, 2021**

Members of the Board of Education

**Term
Expires**

Jillian Ferdinand -President	2023
Lori Cintron – Vice President	2022
Alan Baker	2021
Patricia Caruso	2022
Christopher DeLorenzo	2021
Robert Faussette	2022
Lisa Krommenhoek	2023
Kevin Mullins	2023
Joseph Rinke	2021

Other Officials

Dr. Matthew Helfant – *Superintendent of Schools*

Dina Messery - *Board Secretary/School Business Administrator*

HASBROUCK HEIGHTS BOARD OF EDUCATION
HASBROUCK HEIGHTS, NEW JERSEY

CONSULTANTS AND ADVISORS

Architect

El Associates
6 Ridgedale Avenue
Cedar Knolls, New Jersey 07927

Audit Firm

PKF O'Connor Davies, LLP
20 Commerce Drive
Cranford, New Jersey 07016

Attorney

Isabel Machado, Esq.
Machado Law Group, LLC
1 Cleveland Place
Springfield, NJ 07081

Official Depository

Valley National Bank
1445 Valley Road
Wayne, New Jersey 07470

Financial Section



INDEPENDENT AUDITORS' REPORT

**The Honorable President and Members
of the Board of Education
Hasbrouck Heights School District
County of Bergen
Hasbrouck Heights, New Jersey**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Hasbrouck Heights School District, in the County of Bergen, State of New Jersey (the "District"), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

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**The Honorable President and Members
of the Board of Education
Hasbrouck Heights School District**

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 1Q and Note 17 in the notes to financial statements which disclose the effects of the District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of District's proportionate share of the net pension liability – PERS, schedule of the District's contributions-PERS, schedule of State's proportionate share of net pension liability associated with District-TPAF, schedule of the State's proportionate share of the OPEB liability associated with the District and budgetary comparison information as presented in the table of contents be presented to supplement the basic financial statements. Such information, 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 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 have 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements, long-term debt schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis, as required by *Title 2 U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey State Office of Management and Budget Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are not a required part of the basic financial statements.

The combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of

**The Honorable President and Members
of the Board of Education
Hasbrouck Heights School District**

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the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 14, 2022

David J. Gannon

David J. Gannon, CPA
Licensed Public School Accountant, No. 2305

Required Supplementary – Part I
Management’s Discussion and Analysis

Hasbrouck Heights Public School District
Management's Discussion and Analysis
Year ended June 30, 2021

As management of the Hasbrouck Heights Public School District, we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current fiscal year (2020-2021) and the prior fiscal year (2019-2020) is presented in the MD&A.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This document also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

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

The government-wide financial statements can be found on pages 21 - 22 of this report.

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

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

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

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, special revenue fund, capital projects fund and debt service fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund and special revenue fund to demonstrate compliance with this budget and supplementary information for the debt service fund.

The basic governmental fund financial statements can be found on pages 23 – 25 of this report.

Proprietary funds. The District maintains two proprietary fund types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the operations of its food service program and Keys program, both of which are considered to be major funds of the District. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 26 - 28 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 29 - 67 of this report.

Other information. The combining statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 72 - 87 of this report.

Financial Highlights

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of net position relating to the District's governmental and business-type activities at June 30, 2021 and 2020:

Hasbrouck Heights Board of Education Hasbrouck Heights New Jersey Net Position						
	June 30, 2021			June 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities (Restated)	Business-type Activities	Total
Assets						
Current and other assets	\$ 9,084,230	\$ 643,123	\$ 9,727,353	\$ 6,336,693	\$ 660,002	\$ 6,996,695
Capital assets, net	14,036,830		14,036,830	14,427,460		14,427,460
Total assets	23,121,060	643,123	23,764,183	20,764,153	660,002	21,424,155
Deferred outflows of resources	1,053,115		1,053,115	1,140,340		1,140,340
Liabilities:						
Current liabilities	8,595,920	92,952	8,688,872	7,078,875	65,701	7,144,576
Net pension liabilities	4,940,441		4,940,441	5,296,056		5,296,056
Long-term liabilities outstanding	3,942,608		3,942,608	5,095,458		5,095,458
Total Liabilities	17,478,969	92,952	17,571,921	17,470,389	65,701	17,536,090
Deferred inflow of resources	2,193,053		2,193,053	2,160,382		2,160,382
Net position:						
Net investments in capital assets	7,826,556		7,826,556	10,468,888		10,468,888
Restricted	4,272,277		4,272,277	2,482,215		2,482,215
Unrestricted (deficit)	(7,596,680)	550,171	(7,046,509)	(10,465,799)	594,301	(9,871,498)
Total net position	\$ 4,502,153	\$ 550,171	\$ 5,052,324	\$ 2,485,304	\$ 594,301	\$ 3,079,605

Governmental Activities

As of July 1, 2020, the District implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, which resulted in a restatement to the beginning net position of \$211,582. This standard now requires recording payroll, payroll agency, and unemployment cash and related liabilities as a governmental activity if those activities do not meet the newly defined criteria of a fiduciary activity. Since the District maintains administrative control over these assets and liabilities, they are appropriately recorded as a governmental activity for the year ended June 30, 2021.

The increase in current and other assets from the prior year was primarily attributable to an approximately \$4,475,000 overall increase in cash and cash equivalents with the majority of the increase occurring in the capital projects fund as a result of collection of a grant receivable from the New Jersey Schools Development Authority in the amount of approximately \$2,300,000 and capital lease proceeds of \$860,000.

Capital assets decreased approximately \$391,000 in the current year, this decrease was from capital asset additions of \$786,846, offset by the current year depreciation expense of \$1,177,476.

Significant changes to deferred outflows and deferred inflows of resources pertain primarily to the impact of the changes in the GASB 68 net pension liability calculation performed in the schedule of employer allocations and schedule of pension amounts by employer. The changes in 2021 from the prior year resulted from changes in assumptions calculated by the actuary in conjunction with the net pension liability calculation for the measurement date of June 30, 2019 and rolled forward to 2020. The net pension liability associated with the District's governmental activities at June 30, 2021 amounted to \$4,940,441, which was a decrease of approximately \$355,615 and resulted from changes in the net pension calculation. Long-term liabilities increased by approximately \$100,121, caused primarily an increase in obligations under capital leases.

The largest portion of the District's net position is its net investment in capital assets, \$7,826,556 (e.g., land, construction-in-progress, buildings and improvements, and furniture and equipment), less accumulated depreciation and any related debt (general obligation bonds payable and obligations under capital leases) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's net 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. An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The restricted portion of the net position in the amount of \$4,272,277 is comprised of funds restricted for Maintenance Reserve in the amount of \$974,202, amounts restricted for Capital Reserve in the amount of \$2,113,748, amounts related to capital projects in the amount of \$700,000 and for other purposes in the amount of \$484,327.

The remaining deficit balance, (\$7,596,680) of unrestricted net position reflects long-term obligations, such as compensated absences and the net pension liability.

Business-Type Activities

There was an decrease from the prior year of \$44,130 in net position reported in connection with the District's business-type activities, which was primarily driven by an decrease in operating income of the KEYS program and Food Service. The KEYS program activities were scaled back due to the COVID-19 pandemic. The District did not charge for food service lunches in the current year due to the COVID-19 pandemic resulting in a decrease in the operating income.

District activities. The key elements of the District's changes in net position for the years ended June 30, 2021 and 2020 are as follows:

Hasbrouck Heights Board of Education
Hasbrouck Heights, New Jersey
Changes in Net Position

	June 30, 2021			June 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities (Restated)	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ 102,629	\$ 102,629	\$ -	\$ 728,106	\$ 728,106
Operating and capital grants and contributions	1,100,413	146,550	1,246,963	868,055	129,466	997,521
General revenues:						
Property taxes	31,465,821		31,465,821	30,728,088		30,728,088
Federal and state aid not restricted to specific purposes	13,620,588		13,620,588	10,337,181		10,337,181
Investment earnings	3,594		3,594	72,425		72,425
Miscellaneous	230,841		230,841	294,337		294,337
Total revenues	46,421,257	249,179	46,670,436	42,300,086	857,572	43,157,658
Expenses:						
Instructional services	(25,385,856)		(25,385,856)	(22,984,799)		(22,984,799)
Support services	(18,984,438)	(293,309)	(19,277,747)	(17,374,906)	(819,783)	(18,194,689)
Interest on long-term liabilities	(34,114)		(34,114)	(392,978)		(392,978)
Total expenses	(44,404,408)	(293,309)	(44,697,717)	(40,752,683)	(819,783)	(41,572,466)
Change in net position	2,016,849	(44,130)	1,972,719	1,547,403	37,789	1,585,192
Net position - restatement adjustment				211,582		211,582
Net position - beginning, restated	2,485,304	594,301	3,079,605	937,901	556,512	1,494,413
Net position - ending	\$ 4,502,153	\$ 550,171	\$ 5,052,324	\$ 2,485,304	\$ 594,301	\$ 3,079,605

Governmental Activities

Operating and capital grants and contributions increased approximately \$249,000 due to an increase in Regular Instruction related grants.

Property tax revenue increase was directly related to the Hasbrouck Heights tax revaluation that occurred in the prior year attributing to a higher tax levy in the current year. The total general fund tax levy in 2021 was \$31,465,821. That is an increase of \$737,733 over the 2020 general fund tax levy of \$30,728,088. The 2020-2021 levy is below the state-mandated 2 percent cap.

The total increase from 2019/20 to 2020/21 in state and federal aid was \$3,283,407. This significant increase was primarily driven by an increase in total on-behalf retirement medical and pension amounts recognized in state source revenue and instructional expenditures above, along with decreases to changes in assumptions and other variables including mortality rates and discount rates in the actuarial GASB 68 and 75 calculations. The District also received an increase in federal funding due to CARES Act grants that resulted from the COVID-19 pandemic.

Business-Type Activities

- Charges for services decreased by \$625,477 from 2020, or 86%. This sharp decrease was a direct result of the District switching to remote learning in the 1st quarter of 2020 due to the COVID-19 Global Pandemic. Fiscal year 2021 was the first full year of scaled back operations from the pandemic. Additionally, the District did not charge for lunches in the current year due to the COVID-19 pandemic.
- Expenses decreased by approximately \$526,474 compared to the 2020 fiscal year, which was mainly compromised of reductions to the Keys and Food Service programs of approximately \$214,000 and \$298,000 respectively.

Financial Analysis of the District's Funds

As noted earlier, 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. The District's fund balance amounts are classified as restricted, assigned and unassigned.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2021, and the increases in relation to the prior year.

Revenue	Amount	Percent of Total	Increase From 2020	Percent of Increase
Local Sources	\$31,700,256	75.01%	\$605,406	1.95%
State Sources	9,690,598	22.93%	1,396,083	16.83%
Federal Sources	870,898	2.06%	222,715	34.36%
Total	\$42,261,752	100.00%	\$ 2,224,204	53.14%

The increase in local sources is mainly attributable to the tax levy increase of approximately \$738,000. As mentioned previously, the District's overall increase in the tax levy is within the 2% levy cap as promulgated by the State Legislature.

The increase in state sources is largely a result of the State of New Jersey increasing the amount paid by the State on behalf of the District for TPAF Pension, Medical and Long-term Disability Insurance contributions by approximately \$1,038,000.

The increase in federal sources is the result of the District receiving CARES Act grants in the current year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects and Debt Service Fund expenditures for the fiscal year ended June 30, 2021 and the increases and (decreases) related to the prior year:

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2020	Percent of Increase (Decrease)
Current expenditures:				
Instruction	\$14,547,341	35.20%	\$ 255,562	1.79%
Undistributed expenditures	25,116,802	60.77%	1,846,541	7.94%
Capital outlay	335,240	0.81%	(1,021,110)	-75.28%
Assets Acquired under Capital Leases	478,931	1.16%	92,288	23.87%
Debt service:				
Principal	760,000	1.84%	25,000	3.40%
Interest	91,650	0.22%	(191,412)	-67.62%
Total	\$41,329,964	100.00%	\$1,006,869	2.50%

Instruction expenses remained relatively flat compared to the prior year, the slight increase was attributable to an increase in Regular Instruction and Special Education costs. Undistributed expenditures increased by \$1,846,541 from the 2020 fiscal year, largely driven by the State of New Jersey increasing the amount paid by the State on behalf of the District for TPAF Pension, Medical and Long-term Disability Insurance contributions by approximately \$1,038,000 and increases in student and instruction related services. The District completed office renovations at Lincoln and Euclid Elementary Schools during fiscal year 2020 of approximately \$911,000, largely causing the 75% decrease in Capital Outlay in 2021. The District continued its debt service payments on its outstanding debt obligations. The overall increase in expenditures reflects the District's continuing efforts to offer exceptional opportunities to its students while also controlling the growth in its budget.

General Fund

The fund balance increased by \$784,527 during the 2021 fiscal year primarily the result of unspent budget appropriations. As of June 30, 2021, the District has an unassigned fund balance of \$401,737 and no excess surplus was generated in the current year. The District designated \$311,021 in excess surplus for the subsequent years' expenditures, which is restricted for the subsequent years' budget. The district assigned an additional \$200,000 for use in subsequent years' expenditures. Additionally, the District maintains a capital reserve restricted fund balance in the amount of \$2,113,748 for future capital improvements, as well as, a maintenance reserve restricted fund balance in the amount of \$974,202 for future maintenance projects. \$347,697 is recorded in encumbrances and assigned for other purposes.

Special Revenue Fund

Expenditures incurred in the Special Revenue Fund increased by approximately \$355,000 as a result of an increase in spending of CARES Act grants. Additionally, student activities and scholarship expenses are reflected in the special revenue fund in 2021 as a result of the implementation of Governmental Accounting Standards Board Statement No. 84.

Capital Projects Fund

As of June 30, 2021, the District's Capital Project's Fund Balance increased \$1,619,832, mainly as a result of a \$700,000 budgeted transfer from general fund and capital lease proceeds of \$860,000. The capital lease proceeds have not yet been spent as the project is in progress and is expected to be completed in the subsequent year.

Debt Service Fund

As of June 30, 2021, the District's Debt Service Fund Balance was \$564. This is a decrease from the prior year of \$42,019. The decrease was generated by the transfers from debt service of \$42,019 to offset interest expenditures related to the bond anticipation note.

Capital Asset and Debt Administration

Capital Assets. The District has capital assets, net of accumulated depreciation, including land, construction in progress, buildings, facilities, equipment and vehicles noted as follows at June 30, 2021 and 2020:

	Governmental Activities	
	2021	2020
Land	\$3,058,776	\$3,058,776
Construction in process	348,469	112,503
Buildings and building improvements	16,478,032	16,478,032
Machinery, equipment and vehicles	3,150,184	2,599,304
Total capital assets, net	\$23,035,461	\$22,248,615
Accumulated depreciation	(8,998,631)	(7,821,155)
Total capital assets, net	<u>\$ 14,036,830</u>	<u>\$ 14,427,460</u>

For more detailed information, please refer to Note 4 to the basic financial statements.

Debt Administration. The District's long-term liabilities are as follows for the governmental activities at June 30, 2021 and 2020:

	2021	2020
Bonds payable	\$2,645,000	\$3,405,000
Capital leases payable	1,271,843	432,544
Premium on Bonds	90,636	121,209
Compensated absences	1,188,100	1,136,885
Total long-term liabilities	<u>\$5,195,579</u>	<u>\$5,095,638</u>

For more detailed information, please refer to Note 5 to the basic financial statements.

General Fund Budgetary Highlights

There were no differences between the original budget and the final budget other than transfers between appropriation accounts and a decrease in the originally budgeted state aid of \$53,790.

Significant budgetary transfers were made between budgetary line items and approved by the Board for various reasons including:

- Decrease of approximately \$314,000 in Tuition to Other LEAs – Within State due to less tuition services needed than originally anticipated.
- Increase of approximately \$629,000 to the cleaning, repair and maintenance services line resulting from the impact of COVID-19, which required a significant amount of expenditures relating to cleaning duties beyond the normal scope of preparing areas for day to day activities.
- Decrease of approximately \$465,000 to the health benefits line resulting from the school district obtaining a more advantageous cost savings plan while keeping the benefits essentially the same from the prior year.
- Decrease of approximately \$739,000 to the construction services line as a result of the District pursuing a lease purchase agreement for the project.

Economic Factors and Next Year's Budget

The Hasbrouck Heights Board of Education is financially stable. The School District is proud of the community support of its public schools. The District will continue to be financially sound through cost efficient and effective means in all areas.

During the 2020-2021 school year the District's general state aid increased from the 2019-2020 funding levels. In 2020-2021 the District's state aid was increased by approximately \$284,000 due to an increase in extraordinary aid, although the State reduced state aid by \$54,000 during budget cuts as a result of the pandemic. The State is providing the District with an increase in state aid of \$207,000 for the 2021-2022 fiscal year.

The District maintains over 700 computers. Each year, the District purchases a block of new computers to replace older units that have reached their life expectancy and are no longer effective. The replaced units are either repurposed or used for parts. In addition to computers, the District has purchased Laptops Chromebooks, iPads and document cameras to be used as part of the instructional process in all the district schools. The District has fully implemented new state testing mandates. The District installed a wireless network throughout the district and added additional bandwidth, new computer labs, laptops, Chromebooks and desktops to meet the testing requirements. This State mandate is unfunded. At present, the District has over 2,000 Chromebooks in the district. Additionally, our instructional classrooms are now equipped with interactive projectors. The additional technology equipment requires us to continually monitor our Wi-Fi capabilities and make upgrades where needed.

All of these factors were considered in preparing the District's budget for the 2020-2021 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Hasbrouck Heights Public School District finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the School Business Administrator, 379 Boulevard, Hasbrouck Heights, New Jersey 07604.

Basic Financial Statements

A. District Wide Financial Statements

HASBROUCK HEIGHTS SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

A-1

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 5,835,418	\$ 615,146	\$ 6,450,564
Accounts receivable	2,388,812	23,578	2,412,390
Inventory		4,399	4,399
Restricted assets:			
Cash held with trustee	860,000		860,000
Capital assets, non-depreciable	3,407,245		3,407,245
Capital assets, depreciable, net	10,629,585		10,629,585
Total assets	<u>23,121,060</u>	<u>643,123</u>	<u>23,764,183</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding bonds	37,620		37,620
Pension deferrals	1,015,495		1,015,495
Total deferred outflows of resources	<u>1,053,115</u>		<u>1,053,115</u>
LIABILITIES			
Accounts payable	807,867	14,521	822,388
Notes payable	6,065,000		6,065,000
Accrued interest payable	130,359		130,359
Payable to state government	72,350		72,350
Payroll deductions and withholdings payable	117,955		117,955
Unearned revenue	149,418	78,431	227,849
Net pension liability	4,940,441		4,940,441
Noncurrent liabilities:			
Due within one year	1,252,971		1,252,971
Due beyond one year	3,942,608		3,942,608
Total liabilities	<u>17,478,969</u>	<u>92,952</u>	<u>17,571,921</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	2,193,053		2,193,053
NET POSITION			
Net Investment in capital assets	7,826,556		7,826,556
Restricted for:			
Capital projects	700,000		700,000
Other	484,327		484,327
Capital reserve	2,113,748		2,113,748
Maintenance reserve	974,202		974,202
Unrestricted (deficit)	(7,596,680)	550,171	(7,046,509)
Total net position	<u>\$ 4,502,153</u>	<u>\$ 550,171</u>	<u>\$ 5,052,324</u>

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

HASBROUCK HEIGHTS SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants	Governmental Activities	Business-type Activities	Total
Government Activities							
Instruction:							
Regular	\$ 17,735,934		\$ 357,786		\$ (17,378,148)		\$ (17,378,148)
Special education	5,856,586				(5,856,586)		(5,856,586)
Other special instruction	1,793,336				(1,793,336)		(1,793,336)
Support Services:							
Tuition	3,454,209		397,926		(3,056,283)		(3,056,283)
Student and instruction related services	6,632,957		344,701		(6,288,256)		(6,288,256)
General administrative services	942,544				(942,544)		(942,544)
School administrative services	2,140,620				(2,140,620)		(2,140,620)
Other administrative services	929,163				(929,163)		(929,163)
Central services	289,183				(289,183)		(289,183)
Plant operations and maintenance	3,332,893				(3,332,893)		(3,332,893)
Pupil transportation	1,135,146				(1,135,146)		(1,135,146)
Support services	127,723				(127,723)		(127,723)
Interest and other charges on long term obligations	34,114				(34,114)		(34,114)
Total Governmental Activities	44,404,408		1,100,413	-	(43,303,995)		(43,303,995)
Business-Type Activities							
Food service	151,188	\$ 2,088	146,550			\$ (2,550)	(2,550)
Keys and other programs	142,121	100,541				(41,580)	(41,580)
Total Business-Type Activities	293,309	102,629	146,550			(44,130)	(44,130)
Total Primary Government	\$ 44,697,717	\$ 102,629	\$ 1,246,963	\$ -	(43,303,995)	(44,130)	(43,348,125)
General revenues:							
Property taxes, levied for general purposes					30,874,428		30,874,428
Property taxes, levied for debt service					591,393		591,393
State and federal sources - restricted and unrestricted					13,620,588		13,620,588
Tuition					31,630		31,630
Interest Earned					3,594		3,594
Miscellaneous Income					199,211		199,211
Total General Revenues					45,320,844	-	45,320,844
Change in net position					2,016,849	(44,130)	1,972,719
Net Position, beginning of year (restated)					2,485,304	594,301	3,079,605
Net Position, end of year					\$ 4,502,153	\$ 550,171	\$ 5,052,324

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

B. Fund Financial Statements

Governmental Funds

HASBROUCK HEIGHTS SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

B-1

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and equivalents	\$ 2,659,343	\$ 173,306	\$ 3,002,205	\$ 564	\$ 5,835,418
Restricted cash and cash equivalents			860,000		860,000
Receivable Tax Levy	1,557,564				1,557,564
Receivable from State Government	461,594	7,420			469,014
Receivable from Federal Government		362,234			362,234
Interfund receivable	191,711				191,711
Total Assets	<u>\$ 4,870,212</u>	<u>\$ 542,960</u>	<u>\$ 3,862,205</u>	<u>\$ 564</u>	<u>\$ 9,275,941</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 367,705	\$ 70,222			\$ 437,927
Note payable			\$ 6,065,000		6,065,000
Interfund payable	-	191,711			191,711
Payable to State government		72,350			72,350
Payroll deductions and withholdings payable	117,955				117,955
Unearned revenue	36,147	35,371	77,900		149,418
Total Liabilities	<u>521,807</u>	<u>369,654</u>	<u>6,142,900</u>	<u>-</u>	<u>7,034,361</u>
Fund Balances:					
Restricted for:					
Capital reserve	2,113,748				2,113,748
Maintenance reserve	974,202				974,202
Debt Service				\$ 564	564
Student Activities		110,320			110,320
Scholarships		62,986			62,986
Excess Surplus - Designated for Subsequent Year's Expenditures	311,021				311,021
Assigned:					
Other purposes	347,697				347,697
Subsequent Year's Exp	200,000				200,000
Unassigned:					
Capital Projects			(2,280,695)		(2,280,695)
General fund	401,737				401,737
Total Fund Balances	<u>4,348,405</u>	<u>173,306</u>	<u>(2,280,695)</u>	<u>564</u>	<u>2,241,580</u>
Total Liabilities and Fund Balances	<u>\$ 4,870,212</u>	<u>\$ 542,960</u>	<u>\$ 3,862,205</u>	<u>\$ 564</u>	<u>\$ 9,275,941</u>

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

Total fund balances - Governmental Funds	\$ 2,241,580
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$23,035,461 and the accumulated depreciation is \$8,998,631, including construction in progress of \$348,469.	14,036,830
Accrued interest is a current liability that will be paid from the debt service fund. Therefore, the liability decreases that fund balance.	(130,359)
Some liabilities, including net pension obligations, are not due and payable in the current period and therefore are not reported in the funds.	
Net pension liability	(4,940,441)
Accounts payable - pension related	(369,940)
Deferred outflows and inflows or resources related to pension are applicable to future periods and therefore are not reported in the funds.	
Deferred outflows of resources related to pensions	1,015,495
Deferred inflows of resources related to pensions	(2,193,053)
Deferred amounts on refunding	37,620
Long-term liabilities, including capital leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(5,195,579)
Net position of governmental activities	<u>\$ 4,502,153</u>

HASBROUCK HEIGHTS SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

B-2

	<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					
Local Tax Levy	\$ 30,874,428			\$ 591,393	\$ 31,465,821
Tuition Charges	31,630				31,630
Interest	3,591		\$ 3		3,594
Refund Prior Year Expenditure	51,975				51,975
Miscellaneous	62,833	\$ 84,403			147,236
Total - Local Sources	31,024,457	84,403	3	591,393	31,700,256
State Sources - On-behalf Payments	6,038,774				6,038,774
State Sources - Direct Aid	3,139,656	245,427	59,829	206,912	3,651,824
Federal Sources	15,912	854,986			870,898
Total Revenues	40,218,799	1,184,816	59,832	798,305	42,261,752
EXPENDITURES					
Current					
Instruction					
Regular Instruction	9,903,522	353,573			10,257,095
Special Education Instruction	3,223,468				3,223,468
Other Special Instruction	1,066,778				1,066,778
Total Instruction	14,193,768	353,573			14,547,341
Support Services and Undistributed Costs					
Tuition	2,919,877	397,926			3,317,803
Student and Instruction Related Services	3,766,959	344,701			4,111,660
General Administrative Services	684,020				684,020
School Administrative Services	1,184,521				1,184,521
Central Services	588,661				588,661
Other Administrative Services	209,442				209,442
Plant Operations and Maintenance	2,812,803				2,812,803
Pupil Transportation	1,060,869				1,060,869
Support Services		122,679			122,679
Unallocated Benefits	4,981,357	4,213			4,985,570
On-behalf Payments	6,038,774				6,038,774
Debt Service					
Principal				760,000	760,000
Interest and Other Charges				91,650	91,650
Assets Acquired under Capital Leases	478,931				478,931
Capital Outlay	335,240				335,240
Total Expenditures	39,255,222	1,223,092	-	851,650	41,329,964
Excess (Deficiency) of Revenues Over (Under) Expenditures	963,577	(38,276)	59,832	(53,345)	931,788
Other Financing Sources (Uses):					
Transfers - Net	(657,981)		700,000	(42,019)	-
Capital Leases (non-budgeted)	478,931		860,000		1,338,931
Total other financing sources and uses	(179,050)	-	1,560,000	(42,019)	1,338,931
Change in Net Position	784,527	(38,276)	1,619,832	(95,364)	2,270,719
Fund Balances, Beginning of Year (Restated)	3,563,878	211,582	(3,900,527)	95,928	(29,139)
Fund Balances, End of Year	\$ 4,348,405	\$ 173,306	\$ (2,280,695)	\$ 564	\$ 2,241,580

HASBROUCK HEIGHTS SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Total net change in fund balances - governmental funds (B-2) \$ 2,270,719

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

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

Capital Outlays	\$ 550,880	
Construction in progress	235,966	
Depreciation Expense	<u>(1,177,476)</u>	(390,630)

Repayment of bond principal is an expenditure in the governmental
funds, but it reduces long-term liabilities in the statement of net assets and
does not affect the statement of activities. 760,000

Governmental funds report the effect of premiums 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.

Amortization of bond premium	30,394	
Amortization of loss on refunding	<u>(12,540)</u>	17,854

Repayment of Lease Principal is an expenditure in the governmental funds, but
the repayment reduces long-term liabilities in the statement of net assets and
is not reported in the statement of activities:

Leases issued	(1,338,931)	
Leases paid	<u>499,631</u>	(839,300)

Interest on long-term debt in the statement of activities differs from the amount
reported in the governmental funds because interest is recorded as an
expenditure in the funds when it is due, and thus requires the use of
current financial resources. In the statement of activities, however, interest
expense is recognized as the interest accrues, regardless of when it is due. 39,682

Certain 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

Pension expense		209,739
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In the statement of activities, certain operating expenses, e.g. compensated
absences (vacations), are measured by the amounts earned during the
year. In the governmental funds, however, expenditures for these items
are reported in the amount of the financial resources used (paid). When
the earned amount exceeds the paid amount, the difference is a reduction
in the reconciliation (-); when the paid amount exceeds the earned amount,
the difference is an addition to the reconciliation (+). (51,215)

Change in net position of governmental activities (A-2)		<u><u>\$ 2,016,849</u></u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

Proprietary Funds

HASBROUCK HEIGHTS SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

B-4

	Business-Type Activities -			Total
	Major Enterprise Funds			
	Keys	Other	Food	Enterprise
	Program	Programs	Service	
ASSETS				
Current Assets				
Cash and equivalents	\$ 339,453	\$ 109,155	\$ 166,538	\$ 615,146
Federal and State accounts receivable			23,578	23,578
Inventories			4,399	4,399
Total Current Assets	<u>\$ 339,453</u>	<u>\$ 109,155</u>	<u>\$ 194,515</u>	<u>\$ 643,123</u>
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 1,582	\$ -	\$ 12,939	\$ 14,521
Unearned revenue	51,245		27,186	78,431
Total Current Liabilities	<u>52,827</u>		<u>40,125</u>	<u>92,952</u>
NET POSITION				
Unrestricted	<u>286,626</u>	<u>109,155</u>	<u>154,390</u>	<u>550,171</u>
Total Net Position	<u>\$ 339,453</u>	<u>\$ 109,155</u>	<u>\$ 194,515</u>	<u>\$ 643,123</u>

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

HASBROUCK HEIGHTS SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

B-5

	Business-Type Activities - Major Enterprise Funds			Total Enterprise
	Keys Program	Other Programs	Food Service	
Operating Revenues:				
Charges for services:				
Daily sales - program revenue	\$ -	\$ -	\$ 2,088	\$ 2,088
Program revenue	79,096			79,096
Miscellaneous revenue	21,445			21,445
Total Operating Revenues	<u>100,541</u>	<u>-</u>	<u>2,088</u>	<u>102,629</u>
Operating Expenses:				
Salaries and wages	114,453			114,453
Employee benefits	8,756			8,756
Other purchased services	-		14,177	14,177
Supplies and materials	18,912			18,912
Cost of Sales Program			137,011	137,011
Total Operating Expenses	<u>142,121</u>	<u>-</u>	<u>151,188</u>	<u>293,309</u>
Operating Loss	<u>(41,580)</u>	<u>-</u>	<u>(149,100)</u>	<u>(190,680)</u>
Nonoperating Revenues:				
State Sources			6,748	6,748
Federal Sources			128,100	128,100
Food Distribution Program			11,702	11,702
Total Nonoperating Revenues	<u>-</u>	<u>-</u>	<u>146,550</u>	<u>146,550</u>
Change in Net Position	(41,580)	-	(2,550)	(44,130)
Net Position, Beginning of Year	<u>328,206</u>	<u>109,155</u>	<u>156,940</u>	<u>594,301</u>
Net Position, End of Year	<u>\$ 286,626</u>	<u>\$ 109,155</u>	<u>\$ 154,390</u>	<u>\$ 550,171</u>

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

HASBROUCK HEIGHTS SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

B-6

	Business-Type Activities - Major Enterprise Funds			Total Enterprise
	Keys Program	Other Programs	Food Service	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 151,786	\$ -	\$ 2,088	\$ 153,874
Salaries and benefits	(123,209)			(123,209)
Payments to suppliers	(48,139)		(142,116)	(190,255)
	<u>(19,562)</u>	<u>-</u>	<u>(140,028)</u>	<u>(159,590)</u>
Net Cash (Used in) Operating Activities				
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES				
Federal and State sources			124,658	124,658
			<u>124,658</u>	<u>124,658</u>
Net Cash Provided by Non Capital Financing Activities				
	(19,562)	-	(15,370)	(34,932)
Net (Decrease) in Cash and Cash Equivalents				
Cash and cash equivalents, beginning of year	359,015	109,155	181,908	650,078
Cash and cash equivalents, end of year	<u>\$ 339,453</u>	<u>\$ 109,155</u>	<u>\$ 166,538</u>	<u>\$ 615,146</u>
Reconciliation of Operating Loss to Net Cash (Used in) Operating Activities:				
Operating Loss	\$ (41,580)	\$ -	\$ (149,100)	\$ (190,680)
Adjustments to Reconcile Operating Loss to Net Cash (used in) Operating Activities				
Change in assets and liabilities:				
Increase (Decrease) in Unearned Revenue	51,245		(2,088)	49,157
(Decrease) Increase in Accounts Payable	(29,227)		7,320	(21,907)
Decrease in Inventory			3,840	3,840
	<u>(19,562)</u>	<u>-</u>	<u>(140,028)</u>	<u>(159,590)</u>
Net Cash (Used In) Operating Activities				

Noncash noncapital related financing activities:

The District received \$11,702 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2021.

Notes to the Financial Statements

Hasbrouck Heights School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies

The financial statements of the Hasbrouck Heights School District (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has oversight responsibility and control over all activities related to the Hasbrouck Heights School District in Hasbrouck Heights, New Jersey. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

B. Government-wide and Fund Financial Statements

The government-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 District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. The New Jersey Department of Education (“DOE”) requires all funds be reported as major to promote consistency among school districts in the State of New Jersey.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is 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 as soon as 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. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A one year availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain claims, compensated absences, net pension liabilities and other post-employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

Property taxes, interest, and state equalization monies 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 year.

The District has reported the following major governmental funds:

General Fund: The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment, which are classified in the capital outlay sub-fund. Since the District's payroll agency funds do not meet the new criteria defined by the new Government Accounting Standards Board Statement No. 84, the payroll agency fund which is used to account for the assets that the District holds on behalf of others as their agent are reported in the general fund as governmental activities effective for the year ended June 30, 2021.

Special Revenue Fund: The District maintains one special revenue fund, which includes the proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed to expenditures for specified purposes. The revenue sources reported in the Special Revenue Fund include resources from the United States government, the State of New Jersey and some local organizations. Since the District's scholarship and student activity funds do not meet the new criteria defined by the new of Government Accounting Standards Board Statement No. 84, the private purpose scholarship fund which is utilized to provide scholarships to students and to account for the related transactions and student activities which is used to account for funds derived from athletic events or other activities of pupil organizations and to account for the accumulation of money to pay for student group activities are reported in the special revenue fund as governmental activities effective for the year ended June 30, 2021.

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

Debt Service Fund: The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned to an expenditure for the principal and interest on long-term general obligation debt of governmental funds.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

The District reports the following major proprietary funds:

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

Keys After School Enterprise Fund: This fund accounts for all revenues and expenditures for the after-school enrichment programs similar to a private business enterprise.

Other Enterprise Fund: This fund accounts for all revenues and expenditures for the summer activity programs similar to a private business enterprise.

Amounts reported as program revenues include 1) charged to customers or applicants for goods, services, or privileges 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 taxes. 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 District enterprise funds are charges for sales of food and tuition. Operating expenses for enterprise funds include the cost of sales, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports unearned revenue on its statement of net position and balance sheet. Unearned revenue arises when resources are received by the District before it has legal claim to them, as when federal assistance is received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Ad Valorem (Property) taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." The County Board of Taxation is responsible for the assessment of properties and the Borough Tax Collector is responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

D. Budgets/Budgetary Control

In accordance with P.L. 2011, which became effective January 17, 2012, the District elected to move the annual school board election from April to the date of the annual November general election, thereby eliminating the vote on the annual based budget. Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the Bergen County office of the DOE for approval. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referred in N.J.A.C. 6A:23. The overexpenditure in the general fund is due to the inclusion of the non-budgeted on behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary overexpenditures. All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2021 and were not significant.

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 with the exception of the legally mandated revenue recognition of the last state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Open encumbrances at year-end are reappropriated in the subsequent year's budget. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund 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.

E. Interfund Receivables/Payables

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

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

F. Inventories

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. At June 30, 2021, there was \$4,399 of inventory.

G. Capital Assets

Capital assets, which include land, construction in progress, buildings and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are valued at their estimated acquisition value on the date of donation. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Buildings, machinery and equipment of the District is depreciated using the straight-line method. The following estimated useful lives are used to compute depreciation:

	Years
Furniture and equipment	5 - 25
Buildings and Improvements	20 - 50
Vehicles	8 - 12

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

H. Compensated Absences

A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. The District uses the “vesting method” for estimating its accrued sick and vacation leave liability. District employees are granted vacation and sick leave in varying amounts under the District’s personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the District is recorded in the government-wide financial statements and includes salary related payments.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2021, a liability existed for compensated absences in the government-wide financial statements in the amount of \$1,188,100 and no liability existed for compensated absences in the proprietary fund types.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category, including deferred amounts from the refunding of debt and deferred amounts related to pensions. In addition to liabilities, the statement of net 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 District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

J. Long-Term Obligations

In the government-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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

K. Net Position

Net Position represents the difference between assets, deferred outflows of resources, deferred inflows of resources, and liabilities in the government-wide financial statements. Net position net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

L. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

- 1) Nonspendable - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
- 2) Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- 3) Committed - includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

- 4) Assigned - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- 5) Unassigned - includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

Of the \$4,348,405 of fund balances in the General Fund, \$347,697 of encumbrances is assigned to other purposes, \$200,000 has been assigned and designated for subsequent year's expenditures, \$3,087,950 has been classified as restricted for maintenance reserve and capital reserve in the amounts of \$974,202 and \$2,113,748, respectively, \$311,021 has been restricted for excess surplus – designated for subsequent year's expenditures and \$401,737 is classified as unassigned. Of the \$173,306 of fund balances in the Special Revenue Fund, \$110,320 is restricted for student activities and \$62,986 is restricted for scholarships. Of the negative fund balance in the Capital Projects Fund, \$(2,280,695) will be funded when bonds are issued. All of the fund balance in the debt service fund in the amount of \$564 is restricted for future debt service payments.

M. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

N. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey for social security and post-retirement medical and pension contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions and retiree health costs in the government-wide financial statements have been increased by \$4,159,505 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

O. Calculation of Excess Surplus

The designation for restricted fund balance -- excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 was \$311,021, all of which has been appropriated in the 2021/22 budget.

P. 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 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. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school districts. There have been no tax abatement agreements entered into by the Bough that will affect the District.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

Q. Recently Issued Accounting Pronouncements

The GASB issued Statement No. 84, *Fiduciary Activities*, which requires compliance by June 30, 2021. GASB 84 establishes specific criteria for identifying fiduciary activities based primarily on whether the school district is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. If the activity is not a “fiduciary activity,” then it is a “governmental activity.” The school district examined its current fiduciary funds and determined they do not meet the new terms and conditions of a fiduciary activity, as set forth by GASB 84. Therefore, the District’s payroll and agency activity and unemployment compensation activity is reported in the general fund and the District’s scholarship and student activity funds is reported in the special revenue funds as governmental activities accordingly. Management has appropriately implemented this standard for the year ended June 30, 2021.

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 15, 2019. Due to the COVID-19 pandemic, the effective date has been postponed by eighteen months. Management has not determined the impact of the Statement on the financial statements.

R. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2021 through March 14, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure, except for the following:

On July 1, 2021, the District issued \$3,895,000 of School Bonds with interest rates ranging from 0.05% to 2.00% due in principal installments ranging from \$125,000 to \$250,000 through 2038. These bonds along with monies received from the New Jersey School Development Authority during the 2021 fiscal year retired the notes payable of \$6,065,000 on July 9, 2021.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable, net of unamortized premiums and discounts, capital leases and compensated absences payable are not due and payable in the current period and therefore are not reported in the funds.

The details of this \$5,195,579 difference are as follows:

Bonds payable	\$	2,645,000
Premium on bonds		90,636
Capital leases payable		1,271,843
Compensated absences		<u>1,188,100</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	\$	<u><u>5,195,579</u></u>

3. Cash and Equivalents

Cash and equivalents – Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

3. Cash and Equivalents (continued)

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

Deposits

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

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

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

3. Cash and Equivalents (continued)

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

Operating cash accounts are held in the District's name by two institutions. At June 30, 2021 the carrying amount of the District's deposits was \$7,310,564 and the bank balance was \$8,059,069.

Of the bank balance, \$500,000 of the District's cash deposits on June 30, 2021 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$7,338,952. \$220,117 held in the District's payroll and agency accounts are not covered by GUDPA.

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

4. Capital Assets

The following is a summarization of the governmental activities changes in capital assets for the fiscal year ended June 30, 2021:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
Governmental activities:			
Capital assets, not being depreciated:			
Land	\$ 3,058,776		\$ 3,058,776
Construction in progress	112,503	\$ 235,966	348,469
Total capital assets, not being depreciated	<u>3,171,279</u>	<u>235,966</u>	<u>3,407,245</u>
Capital assets, being depreciated:			
Buildings and building improvements	16,478,032		16,478,032
Machinery, equipment and vehicles	2,599,304	550,880	3,150,184
Total capital assets being depreciated	<u>19,077,336</u>	<u>550,880</u>	<u>19,628,216</u>
Total Capital Assets - Historical Cost	22,248,615	786,846	23,035,461
Less accumulated depreciation for:			
Buildings and building improvements equipment, furniture and vehicles	(7,821,155)	(1,177,476)	(8,998,631)
Capital Assets - Net	<u>\$ 14,427,460</u>	<u>\$ (390,630)</u>	<u>\$ 14,036,830</u>

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

Instruction	\$ 598,087
Tuition	136,406
Student and related services	169,044
General administration	28,122
School administration	48,700
Central services	24,202
Administrative information technology	8,611
Plant operation and maintenance	115,644
Student transportation	43,616
Support services	5,044
Total depreciation expense – governmental activities	<u>\$ 1,177,476</u>

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

5. Long-Term Liabilities

During the fiscal year ended June 30, 2021, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Compensated absences payable	\$ 1,136,885	\$ 51,215		\$ 1,188,100	\$ 20,165
Bonds payable	3,405,000		\$ 760,000	2,645,000	785,000
Premium on bonds	121,030		30,394	90,636	30,394
Obligations under capital leases	432,543	1,338,931	499,631	1,271,843	417,412
Subtotal	5,095,458	1,390,146	1,290,025	5,195,579	1,252,971
Net pension liability	5,296,056		355,615	4,940,441	
Governmental activity long-term liabilities	\$ 10,391,514	\$ 1,390,146	\$ 1,645,640	\$ 10,136,020	\$ 1,252,971

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

5. Long-Term Liabilities (continued)

The District expects to liquidate the balance in compensated absences, net pension liability and obligations under capital leases with payments made from the District's general fund. Bonds payable will be liquidated with payments from the debt service fund.

Bonds Payable

Bonds are authorized in accordance with State law or by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. The principal and interest of these bonds will be paid from the debt service fund as required by New Jersey statutes.

In July 2014, the District issued \$1,740,000 of School District Bonds in order to fund the Board's 2010 renovation of various schools within the school district. The bonds are due to mature annually through the 2025 fiscal year in principal installments ranging from \$180,000 to \$200,000 at annual interest rates ranging from 2.00% to 2.50%.

In July 2015, the District issued \$4,745,000 of refunding bonds to provide resources to refund a portion of the District's Series 2005 bonds. The bonds are due to mature annually through the 2024 fiscal year in principal installments ranging from \$605,000 to \$650,000 at an annual interest rate of 3.00%.

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

	<u>Principal</u>		<u>Interest</u>		<u>Total</u>
Year ending June 30:					
2022	\$ 785,000	\$	65,512	\$	850,512
2023	815,000		45,563		860,563
2024	845,000		24,438		869,438
2025	200,000		2,500		202,500
	<u>\$ 2,645,000</u>	<u>\$</u>	<u>138,013</u>	<u>\$</u>	<u>2,783,013</u>

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

5. Long-Term Liabilities (continued)

Other Capital Leases

Governmental Funds

The District has capital leases outstanding for various purposes (School buses, computers and office equipment-copiers) with rates ranging from 0.00% to 5.00%. The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net future minimum lease payments at June 30, 2021:

<u>Fiscal Year</u>	<u>Amounts</u>
Year ending June 30:	
2022	\$ 449,805
2023	355,482
2024	288,856
2025	242,480
	<u>1,336,623</u>
Less amount representing interest	(64,781)
Present value of net future minimum lease payments	<u><u>\$ 1,271,843</u></u>

Short term debt

As of June 30, 2021, the District had promissory notes issued of \$6,065,000 at an interest rate of 1.25% per annum payable July 9, 2021.

Bonds and Notes Authorized

There were no bonds or notes authorized and unissued at June 30, 2021.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer defined benefit plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer defined benefit plan.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full-time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2, and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

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

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS are 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

During the year ended June 30, 2021, the State of New Jersey contributed \$4,755,132 to the TPAF for normal costs of pension benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,105,007 during the year ended June 30, 2021 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included as both revenues and expenditures in the government-wide and fund financial statements.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

The Board's actuarially determined contributions to PERS for each of the years ended June 30, 2021, 2020, and 2019 was \$331,420, \$285,901 and \$297,099, respectively, equal to the required contributions for each year.

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the 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.

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

Public Employees' Retirement System (PERS)

At June 30, 2021, the District reported a liability of \$4,940,441 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2019, which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2020, the District's proportion was 0.0302957295 percent, which was an increase of 0.0009033781 from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized full accrual pension expense of \$121,681 in the government-wide financial statements. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 160,274	\$ 2,068,609
Net difference between projected and actual earnings on pension plan investments	168,868	
Changes in proportion	226,456	106,972
Difference between expected and actual experience	89,957	17,472
District contributions subsequent to the measurement date	369,940	
	<u>\$ 1,015,495</u>	<u>\$ 2,193,053</u>

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

\$369,940 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction of the net pension liability as follows:

Year ended June 30:	
2022	\$ (588,424)
2023	(518,232)
2024	(313,884)
2025	(103,785)
2026	(23,173)
	<u>\$ (1,547,498)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

	<u>June 30, 2020</u>
Inflation	
Price	2.75%
Wage	3.25%
Salary increases	
Through 2026	2.00 - 6.00%
	based on years of service
Thereafter	3.00 - 7.00%
	based on years of service
Investment rate of return	7.00%

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

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 a generational basis. Mortality improvement is based on Scale MP-2020.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

<u>Asset Class</u>	June 30, 2020	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100%</u>	

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 78% 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 to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate - The following presents the District's proportionate share of the net pension liability as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 6,219,191	\$ 4,940,441	\$ 3,855,387

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances of the local group at June 30, 2020 are as follows:

Deferred outflows of resources	\$ 2,347,583,337
Deferred inflows of resources	7,849,949,467
Net pension liability	16,435,616,426
 District's proportion	 0.0302957295%

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 is \$407,705,399.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years, respectively.

Teachers Pensions and Annuity Fund (TPAF) – Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2019 was \$83,064,868. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2021, the State's proportionate share of the TPAF net pension liability associated with the District was 0.126144854 percent, which was a decrease of 0.0005555684% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$5,165,327 for contributions incurred by the State.

Actuarial assumptions

The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2020
Inflation:	
Price	2.75%
Wage	3.25%
Salary increases	
Through 2026	1.55 - 4.55%
	based on years of service
Thereafter	2.75% - 5.65%
	based on years of service
Investment rate of return	7.00%

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

<u>Asset Class</u>	June 30, 2020	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020 based on 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. 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 78% 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 projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

Sensitivity of the State's proportionate share of the net pension liability associated with the District to changes in the discount rate

The following presents the net pension liability of the State as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease (4.40%)	At Current Discount Rate (5.40%)	At 1% Increase (6.40%)
State's proportionate share of the District's net pension liability	\$ 97,569,416	\$ 83,064,868	\$ 71,021,276

Pension plan fiduciary net position

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

Additional Information

Collective balances of the local group at June 30, 2020 are as follows:

Deferred outflows of resources	\$ 9,626,548,228
Deferred inflows of resources	14,591,988,841
Net pension liability	65,993,498,688
District's proportion	0.126144854%

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

Collective pension expense for the plan for the measurement period ended June 30, 2019 is \$4,099,006,933.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 7.99, 8.04, 8.29, 8.30, 8.30, 8.30 and 8.50 years, respectively.

7. Post-Retirement Benefits

Plan Description

The District contributes to the New Jersey State Health Benefits Program (the "SHBP"), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

Funding Policy

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2020, the State contributed \$1.578 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay as-you-go" contributions have decreased from Fiscal Year 2019 amounts. Reductions are attributable to various cost savings initiatives implemented by the State, including new Medicare Advantage contracts. The State has appropriated \$1.775 billion in Fiscal Year 2021 as the State's contribution to fund pay-as-you-go PRM costs. The

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

State's contributions to the SHBP for post-retirement benefits on behalf of the District for the years ended June 30, 2021, 2020, and 2019 were \$1,176,800, \$1,522,419, and \$1,153,978, respectively, which equaled the required contributions for each year.

As the employer contributions for local government education employers are legally required to be funded by the State, this constitutes a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity.

The State is also responsible for the cost attributable P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service.

The State of New Jersey Provides post-retirement (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2020, the State paid PRM benefits for 143,053 State and local retirees.

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion or 13.8 percent from the \$76.0 billion liability recorded in Fiscal Year 2019.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

The State provides OPEB benefits through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

Total OPEB Liability

The nonemployer OPEB liability from New Jersey’s plan is \$67,809,962,608.

The following members were covered by the benefit terms:

Local Education	June 30, 2019
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	<u>366,108</u>

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The State’s proportionate share of the net OPEB liability associated with the District as of June 30, 2020 was \$71,105,092, or 0.10%. Additional information can be obtained from the State of New Jersey’s comprehensive annual financial report

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary Increases:		
Through 2026	1.55 - 4.45% based on years of service	2.00 - 6.00% based on age
Thereafter	1.55 - 4.45% based on years of service	3.00 - 7.00% based on age

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

Actuarial Assumptions and Other Inputs

Preretirement mortality rates were based on the Pub-2010 Headcount-Weighted Healthy Employee Male/Female mortality improvement projections from the central year using the MP-2020 scale. Postretirement mortality rates were based in the Pub-2010 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2020 scale. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational improvements projections from the central year using the MP-2020 scale.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of the actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 - June 30, 2018 for TPAF and PERS, respectively.

Healthcare Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For Medicare Part B reimbursement, the trend rate is 5.0%.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is 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.

Changes in the Total Nonemployer OPEB Liability

The following represents the change in the State's proportionate share of the OPEB liability associated with the District:

Balance at June 30, 2019	\$ 43,808,407
Increased by:	
Service cost	1,922,036
Interest cost	1,579,740
Member contributions	37,520
Differences between expected and actual experiences	12,006,813
Changes of assumptions	<u>12,988,457</u>
	72,342,973
Decreased by:	
Gross Benefit Contributions	<u>1,237,881</u>
Balance at June 30, 2020	<u><u>\$ 71,105,092</u></u>

The State's proportionate share of deferred outflows and inflows of resources associated with the District at June 30, 2020 was \$25,415,637 and \$17,796,757, respectively.

The following represents sensitivity of the State's proportionate share of the net OPEB liability associated with the District to changes in the discount rate and healthcare cost trend rate:

	1% Decrease (1.21%)	At Current Discount Rate (2.21%)	1% Increase (3.21%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	<u>\$ 85,720,859</u>	<u>\$ 71,105,092</u>	<u>\$ 59,676,970</u>

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

The following presents the State’s proportionate share of the net OPEB liability associated with the District calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 57,398,428	\$ 71,105,092	\$ 87,426,682

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

For the year ended June 30, 2021, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$3,926,110 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2020 are as follows:

Deferred outflows of resources	\$ 24,023,298,802
Deferred inflows of resources	\$ 19,101,933,244
Collective OPEB expense	\$ 3,337,755,596

8. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2020 amounted to \$191,711 analyzed as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 191,711	
Special Revenue Fund		\$ 191,711
	\$ 191,711	\$ 191,711

The interfund payable in the Special Revenue Fund in the amount of \$191,711 represents short-term loans from the General Fund at June 30, 2021. All interfunds are expected to be liquidated within one year.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

9. Economic Dependency

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

10. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies. The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board.

Based on a potential for disputed unemployment claims we cannot determine any liability at the year end of June 30, 2021. Therefore, there will be no provision in the financial statements for the unemployment liability.

11. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds and does not retain risk of loss. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverages over the past three years. A complete schedule of insurance coverage can be found in the statistical section of this report.

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

12. Deferred Compensation Plans

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

13. Restricted Assets

The cash set aside for capital projects are classified as restricted assets as they are lease proceeds held by a trustee for construction in progress. The funds will be released by the trustee once the capital project is complete.

14. Maintenance Reserve Account

A maintenance reserve account was established by the District by way of a Board approved resolution in the amount of \$350,000 in June 2014 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP).

Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line – item appropriation amounts, or both. The 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. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year. The activity of the maintenance reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance, July 1, 2020	\$ 956,885
Deposit:	
Approved by June 2021 board resolution	17,317
Ending Balance, June 30, 2021	<u>\$ 974,202</u>

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2021.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

15. Capital Reserve Account

A capital reserve account was established by the District in June 2015, by way of a Board resolution, and issued for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years in the amount of \$450,000. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the 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 (June 1 to June 30) 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. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning balance, July 1, 2020	\$	1,313,748
Deposit:		
Approved by June 2021 board resolution		1,500,000
Withdrawals		
Withdrawal approved through annual budget		700,000
Ending Balance, June 30, 2021	<u>\$</u>	<u>2,113,748</u>

The June 30, 2021 LRFP balance of local support costs of uncompleted projects exceeds the amount set aside in capital reserve.

16. Transfers

The following presents a reconciliation of transfers during the 2021 fiscal year:

	<u>In</u>	<u>Out</u>
General Fund	\$ 42,019	\$ 700,000
Capital Projects Fund	700,000	
Debt Service Fund		42,019
	<u>\$ 742,019</u>	<u>\$ 742,019</u>

The transfer from the debt service fund to the general fund represents a transfer of previously received note premium to offset interest expense in the general fund. The transfer to the capital projects fund of \$700,000 represents the non-financed share of a capital project to be completed in the next fiscal year.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

17. Change in Accounting Principle/Restatement

Effective in the fiscal year ended June 30, 2021, the District implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* as described in the recently issued accounting pronouncements footnote above. The implementation of this Statement required a restatement of prior year fund balance and net position in the governmental fund financial statements.

Beginning Special Revenue Budgetary Fund Balances Per Schedules C-2 and E-1 at June 30, 2020	\$ -
Special Revenue Fund Adjustments	
Recognition of the Following June 30, 2020 Balances:	
Scholarship net position	61,247
Due to student groups	<u>150,335</u>
Total	211,582
Beginning Special Revenue Fund Budgetary Fund Balance Per Schedules C-2 and E-1 at June 30, 2020 (as restated)	<u>\$ 211,582</u>
Beginning Special Revenue Fund Modified Accrual Fund Balance Per Schedule B-2 at June 30, 2020	\$ -
Special Revenue Fund Adjustments	
Recognition of the Following June 30, 2020 Balances:	
Scholarship net position	61,247
Due to student groups	<u>150,335</u>
Total	211,582
Beginning Special Revenue Fund Modified Accrual Fund Balance Per Schedule B-2 at June 30, 2020 (as restated)	<u>\$ 211,582</u>
Beginning Full Accrual Net Position Per Schedule A-2 at June 30, 2020	\$ 2,273,722
Adjustments to Government-Wide Net Position	
Recognition of the Following June 30, 2020 Balances:	
Scholarship net position	61,247
Due to student groups	<u>150,335</u>
Total	211,582
Beginning Full Accrual Net Position Per Schedule A-2 at June 30, 2020 (as restated)	<u>\$ 2,485,304</u>

Required Supplementary Information – Part II
Pensions and OPEB Schedules

Hasbrouck Heights School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System
Required Supplementary Information
Last Ten Fiscal Years*

	June 30,						
	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset) - Local Group	0.0302957295%	0.0293923514%	0.0298688450%	0.0299685921%	0.0289073770%	0.0303813350%	0.0316564510%
District's proportionate share of the net pension liability (asset)	\$ 4,940,441	\$ 5,296,056	\$ 5,881,036	\$ 6,976,209	\$ 8,561,536	\$ 6,820,001	\$ 4,642,698
District's covered-employee payroll	\$ 2,288,484	\$ 2,318,711	\$ 2,232,757	\$ 2,168,360	\$ 2,086,600	\$ 2,084,989	\$ 2,023,905
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	215.88%	228.41%	271.22%	334.33%	410.63%	336.97%	218.48%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	58.32%	56.27%	53.59%	48.10%	40.14%	47.93%	48.52%

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 ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Note to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.

Hasbrouck Heights School District
Schedule of District Contributions
Public Employees' Retirement System
Required Supplementary Information
Last Ten Fiscal Years*

	June 30,						
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 331,420	\$ 285,901	\$ 297,099	\$ 281,227	\$ 277,627	\$ 261,198	\$ 260,972
Contributions in relation to the contractually required contribution	(331,420)	(285,901)	(297,099)	(281,227)	(277,627)	(261,198)	(260,972)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 2,318,711	\$ 2,232,757	\$ 2,168,360	\$ 2,086,600	\$ 2,084,989	\$ 2,023,905	\$ 2,125,036
Contributions as a percentage of covered-employee payroll	14.29%	12.80%	13.70%	13.48%	13.32%	12.91%	12.28%

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Hasbrouck Heights School District
 Schedule of the State's Proportionate Share of the Net Pension Liability Associated With the District
 Teachers' Pension and Annuity Fund
 Required Supplementary Information
 Last Ten Fiscal Years*

	June 30,						
	2021	2020	2019	2018	2017	2016	2015
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.126144854%	0.126700422%	0.127827264%	0.127612158%	0.0119992590%	0.0122610640%	0.0115794520%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 83,064,868	\$ 77,757,245	\$ 81,320,960	\$ 86,040,719	\$ 94,393,812	\$ 77,495,161	\$ 61,888,404
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 83,064,868</u>	<u>\$ 77,757,245</u>	<u>\$ 81,320,960</u>	<u>\$ 86,040,719</u>	<u>\$ 94,393,812</u>	<u>\$ 77,495,161</u>	<u>\$ 61,888,404</u>
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.48%	25.41%	22.33%	28.71%	33.64%

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 ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make contributions to this plan.

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020.

Hasbrouck Heights School District
Schedule of the State's Proportionate Share of the OPEB Liability Associated With the District
State Health Benefit Local Education Retired Employees Plan
Required Supplementary Information
Last Ten Fiscal Years*

	Year Ended June 30, 2018	Year Ended June 30, 2019	Year Ended June 30, 2020	Year Ended June 30, 2021
State's proportionate share of the OPEB Liability associated with the District -	0.10%	0.10%	0.10%	0.10%
District's proportionate share of the OPEB liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the OPEB liability associated with the District	\$ 53,161,318	\$ 48,372,930	\$ 43,808,407	\$ 71,105,092
Total proportionate share of the OPEB liability associated with the District	<u>-</u> <u>\$ 53,161,318</u>	<u>-</u> <u>\$ 48,372,930</u>	<u>-</u> <u>\$ 43,808,407</u>	<u>-</u> <u>\$ 71,105,092</u>
Balance, beginning	\$ 57,105,712	\$ 53,161,318	\$ 48,372,930	\$ 43,808,407
Increased by:				
Service cost	\$ 2,565,258	\$ 2,124,270	\$ 1,886,773	\$ 1,922,036
Interest cost	1,683,841	1,957,068	1,920,040	1,579,740
Changes of assumptions	-	-	653,187	12,988,457
Differences between expected and actual experiences	-	-	-	12,006,813
Member contributions	45,341	44,705	39,863	37,520
	<u>4,294,440</u>	<u>4,126,043</u>	<u>4,499,863</u>	<u>28,534,566</u>
	<u>61,400,152</u>	<u>57,287,361</u>	<u>52,872,793</u>	<u>72,342,973</u>
Decreased by:				
Changes of assumptions	7,007,505	5,551,036	-	-
Differences between expected and actual experiences	-	2,069,920	7,719,599	-
Gross benefit payments	1,231,329	1,293,475	1,344,787	1,237,881
	<u>8,238,834</u>	<u>8,914,431</u>	<u>9,064,386</u>	<u>1,237,881</u>
Balance, ending	<u>\$ 53,161,318</u>	<u>\$ 48,372,930</u>	<u>\$ 43,808,407</u>	<u>\$ 71,105,092</u>
Covered by employee payroll	<u>\$ 15,512,902</u>	<u>\$ 18,695,998</u>	<u>\$ 16,721,783</u>	<u>\$ 17,494,734</u>
Total OPEB liability as a percentage of covered employee payroll.	342.69%	258.73%	261.98%	406.44%

* 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 ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020.

Required Supplementary Information – Part III

C. Budgetary Comparison Schedules

HASBROUCK HEIGHTS SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

REVENUES:	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Local Sources:					
Local Tax Levy	\$ 30,874,428	\$ -	\$ 30,874,428	\$ 30,874,428	\$ -
Tuition				31,630	31,630
Interest on Investments	30,000		30,000	3,591	(26,409)
Interest Earned on Capital Res	3,000		3,000	-	(3,000)
Interest Earned on Maint Res	500		500	-	(500)
Refund Prior Year Expenditure				51,975	51,975
Unrestricted Miscellaneous	182,135		182,135	62,833	(119,302)
Total Local Sources	<u>31,090,063</u>	<u>-</u>	<u>31,090,063</u>	<u>31,024,457</u>	<u>(65,606)</u>
State Sources:					
Transportation Aid	143,130		143,130	143,130	
Special Education Aid	1,565,729		1,565,729	1,565,729	
Extraordinary Aid	268,258		268,258	423,769	155,511
Categorical Security Aid	185,508		185,508	185,508	
Equalization Aid	877,240	(53,790)	823,450	823,450	
TPAF Pension (On-Behalf - Non-Budgeted)				3,755,132	3,755,132
TPAF Post Retirement Med. Contrib. (On Behalf- Non Budgeted)				1,176,800	1,176,800
TPAF Long-term Disability (On Behalf- Non Budgeted)				1,835	1,835
TPAF Social Security (Reimbursed - Non-Budgeted)				1,105,007	1,105,007
Total - State Sources	<u>3,039,865</u>	<u>(53,790)</u>	<u>2,986,075</u>	<u>9,180,360</u>	<u>6,194,285</u>
Federal Sources:					
Medical Assistance Program	19,785		19,785	15,912	3,873
Total Revenues	<u>34,149,713</u>	<u>(53,790)</u>	<u>34,095,923</u>	<u>40,220,729</u>	<u>6,132,552</u>
EXPENDITURES:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers					
Kindergarten	520,750	(45,755)	474,995	474,995	
Grades 1 - 5	3,226,162	(28,995)	3,197,167	3,184,190	12,977
Grades 6 - 8	2,419,856	(27,027)	2,392,829	2,392,829	-
Grades 9-12	3,307,648	(178,024)	3,129,624	2,988,136	141,488
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	146,729	(66,471)	80,258	64,052	16,206
Purchased Technical Services	258,780	(16,411)	242,369	170,885	71,484
Other Purchased Services	278,000	59,071	337,071	322,286	14,785
General Supplies	244,000	115,670	359,670	261,699	97,971
Textbooks	55,000	(34,600)	20,400	19,289	1,111
Other Objects	16,000	9,415	25,415	25,161	254
Total Regular Programs	<u>10,472,925</u>	<u>(213,127)</u>	<u>10,259,798</u>	<u>9,903,522</u>	<u>356,276</u>

HASBROUCK HEIGHTS SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education - Learning and/or Language Disabilities:					
Salaries of Teachers	\$ 158,130	\$ (23,290)	\$ 134,840	\$ 134,636	\$ 204
Other Salaries for Instruction	72,099		72,099	72,099	
General Supplies	1,000	196	1,196	826	370
Textbooks	500	(196)	304		304
Total Learning and/or Language Disabilities	231,729	(23,290)	208,439	207,561	878
Special Education Instruction -Resource Room/Resource Center					
Salaries of Teachers	2,031,965	191,951	2,223,916	2,223,914	2
Other Salaries for Instruction	437,594	29,743	467,337	467,335	2
General Supplies	8,000	4,132	12,132	12,124	8
Other Objects		234	234	233	1
Total Resource Room/Resource Center	2,477,559	226,060	2,703,619	2,703,606	13
Special Education Instruction - Preschool Disabilities Full Time					
Salaries of Teachers	122,480	44,330	166,810	166,810	
Other Salaries for Instruction	120,165	(24,033)	96,132	96,132	
General Supplies	2,000	365	2,365	1,511	854
Total Preschool Disabilities Full Time	244,645	20,662	265,307	264,453	854
Special Education - Home Instruction					
Salaries of Teachers	55,000	(10,036)	44,964	8,590	36,374
Total Special Education - Home Instruction	55,000	(10,036)	44,964	8,590	36,374
Special Education Instruction - Extended School Year					
Personal Services Salaries	40,000		40,000	33,724	6,276
Other Salaries for Instruction	18,000		18,000	-	18,000
Purchased Professional - Educational Services	25,000	(15,899)	9,101	5,534	3,567
General Supplies	500		500	-	500
Total Special Education Instruction-Extended School Year	83,500	(15,899)	67,601	39,258	28,343
Total Special Education	3,092,433	197,497	3,289,930	3,223,468	66,462
Basic Skills/Remedial - Instruction					
Salaries of Teachers	197,950	12,800	210,750	206,960	3,790
General Supplies	500		500	371	129
Total Basic Skill / Remedial - Instruction	198,450	12,800	211,250	207,331	3,919
Bilingual Education - Instruction					
Salaries of Teachers	176,490	75	176,565	176,565	
General Supplies	1,500	(75)	1,425	557	868
Textbooks	200		200	-	200
Total Bilingual Education - Instruction	178,190	-	178,190	177,122	1,068
School Sponsored Co-Curricular Activities - Instruction					
Personal Services Salaries	227,000		227,000	155,561	71,439
General Supplies	16,000		16,000	1,263	14,737
Miscellaneous Expenditures	9,000		9,000	987	8,013
Total School Sponsored Co-Curricular Activities - Instruction	252,000	-	252,000	157,811	94,189
School Sponsored Athletics - Instruction					
Personal Services Salaries	355,191		355,191	335,447	19,744
Purchased Services	55,000	(1,112)	53,888	51,289	2,599
Supplies and Materials	105,000	18,926	123,926	111,426	12,500
Other Objects	37,000	(10,647)	26,353	26,352	1
Total School Sponsored Athletics - Instruction	552,191	7,167	559,358	524,514	34,844
Total Other Instruction	1,180,831	19,967	1,200,798	1,066,778	134,020
Total Instruction	14,746,189	4,337	14,750,526	14,193,768	556,758

HASBROUCK HEIGHTS SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction					
Tuition - Other LEAs Regular	\$ 15,000	\$ (5,200)	\$ 9,800	\$ -	\$ 9,800
Tuition - Other LEAs Instate Special	826,163	(314,196)	511,967	479,310	32,657
Tuition - Co Vocational - Regular	706,917	14,867	721,784	721,783	1
Tuition - Co Vocational - Special	368,550	(14,867)	353,683	279,600	74,083
Tuition to CSSD & Reg. Day Schools	225,918	-	225,918	218,940	6,978
Tuition to Private Schools for the Handicapped - Within State	1,082,619	58,678	1,141,297	1,111,445	29,852
Tuition - Other (Charter Schools)	162,294	(38,753)	123,541	108,799	14,742
Total Undistributed Expenditures - Instruction	3,387,461	(299,471)	3,087,990	2,919,877	168,113
Undistributed Expenditures - Attendance & Social Work					
Salaries	125,034	376	125,410	125,409	1
Total Undistributed Attendance & Social Work	125,034	376	125,410	125,409	1
Undistributed Expenditures - Health Services					
Salaries	272,344		272,344	252,344	20,000
Purchased Professional and Technical Services	60,000		60,000	9,750	50,250
Supplies and Materials	11,000	(938)	10,062	6,976	3,086
Other Objects	3,500	938	4,438	518	3,920
Total Undistributed Expenditures - Health Services	346,844	-	346,844	269,588	77,256
Unidist. Expend. - Other Supp. Serv. Students - Speech					
Salaries	248,335		248,335	248,335	-
Purchased Professional - Educational Services	825,000		825,000	500,503	324,497
Supplies and Materials	6,000		6,000	4,073	1,927
Other Objects	1,000		1,000	-	1,000
Total Unidist. Exp. - Other Supp. Serv. Students - Speech	1,080,335	-	1,080,335	752,911	327,424
Unidist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	361,495		361,495	313,429	48,066
Purchased Professional - Educational Services	237,848		237,848	212,865	24,983
Total Other Supp. Serv. Students - Extra Serv.	599,343	-	599,343	526,294	73,049
Unidist. Expend. - Guidance					
Salaries of Other Professional Staff	617,329	59,072	676,401	676,398	3
Other Purchased Services	750	(528)	222		222
Supplies and Materials	750	(208)	542	393	149
Other Objects	1,250		1,250	875	375
Total Unidist. Expend. - Guidance	620,079	58,336	678,415	677,666	749
Unidist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	757,809		757,809	701,879	55,930
Salaries of Secretarial and Clerical Assistants	112,166		112,166	112,166	
Misc Pur Serv (400-500)	4,000	(500)	3,500	174	3,326
Supplies and Materials	7,000	500	7,500	6,978	522
Other Objects	2,000		2,000	1,295	705
Total Unidist. Expend. - Child Study Teams	882,975	-	882,975	822,492	60,483
Unidist. Expend. - Curriculum					
Salaries Supervisors of Instruction	235,654	1	235,655	235,654	1
Supplies and Materials	3,000	(1)	2,999	1,219	1,780
Other Objects	2,500		2,500	2,054	446
Purchased Professional - Educational Services					
Total Curriculum	241,154		241,154	238,927	2,227
Unidist. Expend. - Educational Media Serv./School Library					
Salaries	347,984		347,984	347,603	381
Other Purchased Services	6,000		6,000	-	6,000
Supplies and Materials	13,000		13,000	5,624	7,376
Other Objects	700		700	130	570
Total Unidist. Expenditures - Edu. Media Serv./School Library	367,684	-	367,684	353,357	14,327
Unidist. Expend. - Instructional Staff Training Services					
Other Purchased Services (400 - 500 series)	8,000		8,000	315	7,685
Total Instructional Staff Training Services	8,000		8,000	315	7,685

HASBROUCK HEIGHTS SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Support Services - General Administration					
Salaries	\$ 295,144	\$ 1	\$ 295,145	\$ 295,144	\$ 1
Legal Services	75,000	44,464	119,464	106,023	13,441
Audit Fees	36,750	15,938	52,688	52,688	
Other Purchased Prof Services	-	60,795	60,795	52,524	8,271
Purchased Technical Services	15,050	9,817	24,867	24,866	1
Communications/Telephone	66,502		66,502	61,226	5,276
BOE Other Purchased Services	2,500		2,500	199	2,301
Miscellaneous Purchased Services	61,615	758	62,373	60,519	1,854
General Supplies	7,000	(3,438)	3,562	2,667	895
Miscellaneous Expenditures	15,849	328	16,177	16,177	
BOE Membership Dues and Fees	13,250	(1,086)	12,164	11,987	177
Total Undist. Exp. - Support Services - General Administration	588,660	127,577	716,237	684,020	32,217
Undist. Expend. - Support Services - School Administration					
Salaries of Principals/Assistant Principals	789,678	4	789,682	789,678	4
Salaries of Other Professional Staff	133,304	1	133,305	133,304	1
Salaries of Secretarial and Clerical Assistants	254,184	(381)	253,803	239,389	14,414
Supplies and Materials	40,000		40,000	15,830	24,170
Miscellaneous Expenditure	13,000		13,000	6,320	6,680
Total Undist. Expend. - Support Serv. - School Administration	1,230,166	(376)	1,229,790	1,184,521	45,269
Undistributed Expenditures - Central Services					
Personal Services Salaries	374,592	30,587	405,179	405,178	1
Other Purchased Professional Services	-	24,698	24,698	24,698	
Purchased Technical Services	11,500	3,155	14,655	13,580	1,075
Misc. Purchased Services (400 -500 series)	500	1,795	2,295	-	2,295
Supplies and Materials	10,000	(5,450)	4,550	4,491	59
Interest on Bond Anticipation Note	139,285		139,285	139,284	1
Miscellaneous Expenditures	3,000	(1,570)	1,430	1,430	
Total Undistributed Expenditures - Central Services	538,877	53,215	592,092	588,661	3,431
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	63,702	27,417	91,119	91,118	1
Purchased Technical Services	4,000	5,344	9,344	9,343	1
Other Purchased Services	34,250	24,727	58,977	58,226	751
Supplies and Materials	34,250	17,500	51,750	49,943	1,807
Other Objects	500	500	1,000	812	188
Total Undistributed Expenditures - Admin. Info. Tech	136,702	75,488	212,190	209,442	2,748

HASBROUCK HEIGHTS SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Required Maint for School Facilities					
Salaries	\$ 112,504	\$ 1,500	\$ 114,004	\$ 114,004	\$ -
Cleaning, Repair, and Maintenance Services	210,000	628,501	838,501	726,128	112,373
General Supplies	15,000	7,000	22,000	6,636	15,364
Other Objects	500		500		500
Total Undist. Expend - Required Maint for School Facilities	338,004	637,001	975,005	846,768	128,237
Undistributed Expenditures - Custodial					
Salaries	867,889	(1,500)	866,389	834,494	31,895
Salaries of Non-Instructional Aides	170,230	(43,510)	126,720	92,318	34,402
Cleaning, Repair, and Maintenance	125,000	(65,098)	59,902	57,565	2,337
Other Purchased Property Services	48,000	(21,300)	26,700	24,714	1,986
Insurance	152,658	16,244	168,902	168,902	
Miscellaneous Purchased Services	5,138	711	5,849	5,531	318
General Supplies	160,000	26,761	186,761	186,760	1
Energy (Natural Gas)	125,000		125,000	78,052	46,948
Energy (Electricity)	240,000	(2,020)	237,980	195,138	42,842
Other Objects	16,000	(6,089)	9,911	9,910	1
Total Undist. Exp. - Custodial services	1,909,915	(95,801)	1,814,114	1,653,384	160,730
Undistributed Expenditures - Care & Upkeep of Grounds					
Cleaning, Repair, and Maintenance	65,000	32,052	97,052	66,876	30,176
General Supplies	1,000	(500)	500	47	453
Other Objects	250	1,000	1,250	1,084	166
Total - Care & Upkeep of Grounds	66,250	32,552	98,802	68,007	30,795
Undistributed Expenditures - Security					
Salaries	81,752	546	82,298	82,298	
Purchased Prof Services	130,500	(11,506)	118,994	118,994	
Cleaning, Repair, and Maintenance	55,000	(25,650)	29,350	29,349	1
General Supplies	1,000	22,412	23,412	14,003	9,409
Other Objects	250		250	-	250
Total Security	268,502	(14,198)	254,304	244,644	9,660
Undistributed Expenditures - Student Transportation Services					
Sal for Pupil Trans (Betwn. Home & School) - Regular	40,000		40,000	37,879	2,121
Sal for Pupil Trans (Betwn. Home & School) - Other	5,000		5,000	1,397	3,603
Cleaning, Repair, & Maint. Services	15,000		15,000	10,772	4,228
Aid in Lieu Charter Schools	8,000		8,000	1,300	6,700
Contract Serv. (Other Betwn. Home and School) - Vendors	60,000		60,000	40,051	19,949
Contract Serv. (Betwn. Home & School) - Joint Agrmnts	18,863	(18,863)			
Contract Serv. (Special Ed Students) - Joint Agrmnts	789,136	189,381	978,517	967,269	11,248
Transportation Supplies	10,000	(5,000)	5,000	1,875	3,125
Other Objects	1,000		1,000	326	674
Total Undistributed Expend. - Student Transportation Expenses	946,999	165,518	1,112,517	1,060,869	51,648

HASBROUCK HEIGHTS SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated Benefits - Employee Benefits					
Social Security Contributions	\$ 365,000	\$ -	\$ 365,000	\$ 365,000	\$ -
Other Retirement Contributions - PERS	356,166	10,254	366,420	361,255	5,165
Unemployment Compensation	30,000	(16,170)	13,830		13,830
Workmen's Compensation	145,000	(31,281)	113,719	113,628	91
Health Benefits	4,514,631	(465,100)	4,049,531	4,003,567	45,964
Tuition Reimbursement	50,000	(3,565)	46,435	3,282	43,153
Other Employee Benefits	99,918	34,846	134,764	134,625	139
Total Unallocated Benefits - Employee Benefits	5,560,715	(471,016)	5,089,699	4,981,357	108,342
On-behalf TPAF Contributions (non-budgeted)				3,755,132	(3,755,132)
On-behalf Post Retirement Med. Contribution (non-budgeted)				1,176,800	(1,176,800)
On-behalf Long-term Disability (non-budgeted)				1,835	(1,835)
On-behalf Social Security Contributions (non-budgeted)				1,105,007	(1,105,007)
				6,038,774	(6,038,774)
Total Expenditures - Current Expense	33,989,888	273,538	34,263,426	38,441,051	(4,177,625)
Capital Outlay					
Instructional Equipment		67,161	67,161	57,247	9,914
Maintenance Equipment		75,339	75,339	14,703	60,636
School Buses - Regular	20,467		20,467	20,466	1
Total Equipment	20,467	142,500	162,967	92,416	70,551
Facilities Acquisitions and Construction Services					
Construction Services	1,029,000	(739,396)	289,604	235,966	53,638
Infrastructure		950	950		950
Other Objects	6,858		6,858	6,858	
Total Facilities Acquisitions and Construction Services	1,035,858	(738,446)	297,412	242,824	54,588
Assets Acquired Under Capital Leases (non-budgeted)				478,931	(478,931)
Total Capital Outlay	1,056,325	(595,946)	460,379	814,171	(353,792)
Interest Deposit Capital Reserve	3,000		3,000		3,000
Interest Earned Maintenance Reserve	500		500		500
Total General Fund Expenditures	35,049,713	(322,408)	34,727,305	39,255,222	(4,527,917)
(Deficiency) Excess of Revenues (Under) Over Expenditures	(900,000)	268,618	(631,382)	965,507	1,596,889
Other Financing Sources (Uses):					
Operating Transfers Out:					
Transfer from Debt Service Fund				42,019	42,019
Capital Reserve Transfer to Capital Projects		(700,000)	(700,000)	(700,000)	
Capital Leases (non-budgeted)				478,931	478,931
Total Other Financing Sources (Uses)	-	(700,000)	(700,000)	(179,050)	520,950
(Deficiency) Excess of Revenues and Other Financing Sources (Under) Over Expenditures and Other Financing Sources	(900,000)	(431,382)	(1,331,382)	786,457	2,117,839
Fund Balances, Beginning of Year	3,820,245		3,820,245	3,820,245	
Fund (Deficit) Balances, End of Year	<u>\$ 2,920,245</u>	<u>\$ (431,382)</u>	<u>\$ 2,488,863</u>	<u>\$ 4,606,702</u>	<u>\$ 2,117,839</u>
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)					
Budgeted fund balance	\$ (200,000)		\$ (200,000)	\$ 1,917,839	\$ 2,117,839
Withdrawal from capital reserve	(700,000)		(700,000)	(700,000)	-
Decrease in state aid		\$ (53,790)	(53,790)	(53,790)	-
Adjustment for prior year encumbrances		(377,592)	(377,592)	(377,592)	-
Total	<u>\$ (900,000)</u>	<u>\$ (431,382)</u>	<u>\$ (1,331,382)</u>	<u>\$ 786,457</u>	<u>\$ 2,117,839</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital Reserve				\$ 2,113,748	
Maintenance Reserve				974,202	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				311,021	
Assigned:					
Designated for Subsequent Year's Expenditures				200,000	
Year-End Encumbrances				347,697	
Unassigned Fund Balance				660,034	
				4,606,702	
Less: State Aid Revenue Not Recognized for GAAP basis				(258,297)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 4,348,405</u>	

HASBROUCK HEIGHTS SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

C-2

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
State Sources	\$ 211,980	\$ 117,671	\$ 329,651	\$ 245,427	\$ (84,224)
Federal Sources	598,392	450,394	1,048,786	854,986	(193,800)
Local Sources	-	-	-	84,403	84,403
	<u>810,372</u>	<u>568,065</u>	<u>1,378,437</u>	<u>1,184,816</u>	<u>(193,621)</u>
Total Revenues					
Expenditures:					
Instruction:					
Salaries of Teachers	130,944	35,602	166,546	137,230	29,316
Purchased Professional/Educational Services	183,828	20,521	204,349	131,095	73,254
Other Purchased Services (400-500 series)	-	1,186	1,186	-	1,186
Tuition	410,000	(12,074)	397,926	397,926	-
General Supplies	7,800	49,023	56,823	28,642	28,181
Textbooks	11,300	6,355	17,655	17,603	52
	<u>743,872</u>	<u>100,613</u>	<u>844,485</u>	<u>712,496</u>	<u>131,989</u>
Total Instruction					
Support Services					
Personal Services - Salaries	20,800	6,943	27,743	27,611	132
Personal Services - Employee Benefits	-	14,862	14,862	4,213	10,649
Purchased Professional and Technical	45,700	310,340	356,040	238,555	117,485
General Supplies	-	134,307	134,307	117,538	16,769
Other Objects	-	1,000	1,000	-	1,000
Scholarships Awarded	-	-	-	3,000	(3,000)
Student Activities	-	-	-	119,679	(119,679)
	<u>66,500</u>	<u>467,452</u>	<u>533,952</u>	<u>510,596</u>	<u>23,356</u>
Total Support Services					
Total Expenditures					
	<u>810,372</u>	<u>568,065</u>	<u>1,378,437</u>	<u>1,223,092</u>	<u>155,345</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(38,276)</u>	<u>\$ (38,276)</u>
Fund Balances, Beginning of Year (Restated)				<u>211,582</u>	
Fund Balances, End of Year				<u>\$ 173,306</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 62,986	
Student Activities				110,320	
Total Fund Balance				<u>\$ 173,306</u>	

HASBROUCK HEIGHTS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

C-3

Note A: Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures.

		General Fund	Special Revenue Fund
Sources/Inflows of Resources:			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	C-1, C-2	\$ 40,220,729	\$ 1,184,816
Difference - Budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
2019-2020 State aid payment recognized in 2020-2021 for GAAP statements.		256,367	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.		(258,297)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	B-2	\$ 40,218,799	\$ 1,184,816
Uses/Outflows of Resources:			
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	C-1, C-2	\$ 39,255,222	\$ 1,223,092
Difference - Budget to GAAP:			
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	B-2	\$ 39,255,222	\$ 1,223,092

Supplementary Information

E. Special Revenue Fund

HASBROUCK HEIGHTS SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

E-1
 Sheet #1

	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Security Aid	Nonpublic Teach Stem	Nonpublic Chapter 192	
					Compensatory Education	English as a Second Language
Revenues						
State Sources	\$ 17,603	\$ 29,275	\$ 34,726	\$ 7,420	\$ 74,114	\$ 3,553
Federal Sources						
Local Sources						
Total Revenues	17,603	29,275	34,726	7,420	74,114	3,553
Expenditures						
Instruction:						
Salaries of Teachers				6,892		
Purchased Professional/Educational Services					74,114	3,553
Textbooks	17,603					
Total Instruction	17,603		-	6,892	74,114	3,553
Support Services:						
Personal Services - Salaries		26,682				
Personal Services - Employee Benefits		2,011		528		
Services			34,726			
Supplies and Materials		582				
Total Support Services	-	29,275	34,726	528	-	-
Total Expenditures	17,603	29,275	34,726	7,420	74,114	3,553
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-
Fund Balance, July 1 - Restated	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

HASBROUCK HEIGHTS SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

E-1
 Sheet #2

	Title I Part A	IDEA Basic Part B	IDEA Preschool	Title II A	Title III	Title IV	Nonpublic Chapter 193		
							Supplementary Instruction	Examination and Classification	Corrective Speech
Revenues									
State Sources							\$ 19,347	\$ 27,308	\$ 32,081
Federal Sources	\$ 131,562	\$ 465,750	\$ 19,354	\$ 27,347	\$ 12,940	\$ 2,000			
Local Sources									
Total Revenues	131,562	465,750	19,354	27,347	12,940	2,000	19,347	27,308	32,081
Expenditures									
Instruction:									
Salaries of Teachers	122,213				2,765				
Purchased Professional/Educational Services						2,000	19,347		32,081
Tuition		378,572	19,354						
General Supplies					4,634				
Total Instruction	122,213	378,572	19,354	-	7,399	2,000	19,347	-	32,081
Support Services:									
Personal Services - Salaries					929				
Personal Services - Employee Benefits	9,349				271				
Purchased Professional Educational Services		87,178		27,347	1,500				
Purchased Professional and Technical Services								27,308	
Supplies and Materials					2,841				
Total Support Services	9,349	87,178	-	27,347	5,541	-	-	27,308	-
Total Expenditures	131,562	465,750	19,354	27,347	12,940	2,000	19,347	27,308	32,081
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-
Fund Balance, July 1 - Restated	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

HASBROUCK HEIGHTS SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

E-1
Sheet #3

	Elementary and Secondary School Emergency Relief Funds (ESSER) CARES Act Education Stabilization Fund	Coronavirus Relief Fund (CRF) School Reopening and Remote Learning	Scholarship Fund	Student Activity Fund	Totals June 30, 2021
Revenues					
State Sources					\$ 245,427
Federal Sources	\$ 105,062	\$ 90,971			854,986
Local Sources			\$ 4,739	\$ 79,664	84,403
Total Revenues	105,062	90,971	4,739	79,664	1,184,816
Expenditures					
Instruction:					
Salaries of Teachers	5,360				137,230
Purchased Professional/Educational Services					131,095
Tuition					397,926
General Supplies		24,008			28,642
Textbooks					17,603
Total Instruction	5,360	24,008	-	-	712,496
Support Services:					
Personal Services - Salaries					27,611
Personal Services - Employee Benefits	410				12,569
Purchased Professional Educational Services					116,025
Purchased Professional and Technical Services	5,242	46,898			114,174
Supplies and Materials	94,050	20,065			117,538
Scholarships Awarded			3,000		3,000
Student Activities				119,679	119,679
Total Support Services	99,702	66,963	3,000	119,679	510,596
Total Expenditures	105,062	90,971	3,000	119,679	1,223,092
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	1,739	(40,015)	(38,276)
Fund Balance, July 1 - Restated, See Note 17	-	-	61,247	150,335	211,582
Fund Balance, June 30	\$ -	\$ -	\$ 62,986	\$ 110,320	\$ 173,306

F. Capital Projects Fund

HASBROUCK HEIGHTS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

F-1

Issue/Project Title	Modified Appropriation	Expenditures to Date		Balance, 6/30/2021
		Prior Years Expenditures	Current Expended	
Middle/High School Mechanical Upgrades	\$ 4,279,524	\$ 4,165,327	\$ -	\$ 114,197
Euclid Mechanical Upgrades	1,199,372	1,198,937	-	435
Lincoln Mechanical Upgrades	1,246,212	1,246,212		
2021 Project	1,560,000		-	1,560,000
TOTAL	<u>\$ 8,285,108</u>	<u>\$ 6,610,476</u>	<u>\$ -</u>	<u>\$ 1,674,632</u>

HASBROUCK HEIGHTS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Revenues and Other Financing Sources	
Interest (Due Debt Service Fund)	\$ 3
SDA Grant	59,829
Transfer from Capital Reserve	700,000
Capital Lease	860,000
	<hr/>
Total Revenues and Other Financing Sources	1,619,832
	<hr/>
Expenditures and Other Financing Uses	
Purchased professional services	-
Construction services	-
Architect Fees	-
	<hr/>
Total Expenditures and Other Financing Uses	-
	<hr/>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	1,619,832
	<hr/>
Transfers out	-
	<hr/>
Fund Balance, beginning of year	54,800
	<hr/>
Fund Balance, end of year	\$ 1,674,632
	<hr/> <hr/>
Conversion to GAAP based financial statements:	
Fund Balance, budgetary basis above	\$ 1,674,632
Less:	
Long-term debt authorized but not issued	(3,955,327)
Fund Balance (B-1)	<u>\$ (2,280,695)</u>

I. Long-Term Debt

HASBROUCK HEIGHTS SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities of Bonds and Loans Outstanding June 30, 2021		Interest Rate	Balance July 1, 2020	Retired	Balance June 30, 2021
			Date	Amount				
\$1,740,000 School Bonds	7/1/2014	\$ 1,740,000	8/15/2021	\$ 180,000	2.00%-2.50%	\$ 940,000	\$ 175,000	\$ 765,000
			8/15/2022	190,000				
			8/15/2023	195,000				
			8/15/2024	200,000				
Refunding School Bonds; Refunds school refunding bonds issued on 4/7/05	7/23/2015	4,745,000	8/15/2021	605,000	3.00%	2,465,000.00	585,000	1,880,000
			8/15/2022	625,000				
			8/15/2023	650,000				
						\$ 3,405,000	\$ 760,000	\$ 2,645,000

See Independent Auditors' Report

HASBROUCK HEIGHTS SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Purpose</u>	<u>Original Issue</u>	<u>Balance June 30, 2020</u>	<u>Issued</u>	<u>Matured or Canceled</u>	<u>Balance June 30, 2021</u>
Canon Copiers (2021)	\$ 285,855		\$ 285,855	\$ 49,247	\$ 236,608
Bleachers (2021)	860,000		860,000	175,133	684,867
School Bus (2017)	93,940	\$ 38,342		18,752	19,590
Dell Computers (2017)	318,618	81,199		81,199	-
Dell Computers (2018)	63,661	31,791		15,503	16,288
Dell Computers (2020)	162,156	105,413		51,405	54,008
Dell Computers (2020)	60,772	46,947		10,591	36,356
Dell Computers (2020)	64,170	50,091		11,647	38,444
Dell Computers (2021)	149,840		149,840	52,406	97,434
Dell Computers (2021)	43,237		43,236	15,493	27,743
TEQ Lease (2020)	68,394	53,281		12,316	40,965
ACER Financial (2020)	31,151	25,479		5,939	19,540
		<u>\$ 432,543</u>	<u>\$1,338,931</u>	<u>\$ 499,631</u>	<u>\$ 1,271,843</u>

See Independent Auditors' Report

HASBROUCK HEIGHTS SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

I-3

REVENUES	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Local Sources					
Local Tax Levy	\$ 591,393	\$ -	\$ 591,393	\$ 591,393	\$
State Sources					
Debt Service Aid	206,912		206,912	206,912	
Total Revenues	<u>798,305</u>		<u>798,305</u>	<u>798,305</u>	
Regular Debt Service:					
Principal on Bonds	760,000		760,000	760,000	
Interest on Bonds	91,650		91,650	91,650	-
Total Expenditures	<u>851,650</u>		<u>851,650</u>	<u>851,650</u>	-
(Deficiency) of Revenues Under Expenditures	(53,345)		(53,345)	(53,345)	-
Other Financing Sources:					
Transfers out				(42,019)	(42,019)
(Deficiency) of Revenues and Other Sources (Under) Expenditures	(53,345)		(53,345)	(95,364)	(42,019)
Fund Balance, Beginning of Year	95,928		95,928	95,928	
Fund Balance, End of Year	<u>\$ 42,583</u>	<u>\$ -</u>	<u>\$ 42,583</u>	<u>\$ 564</u>	<u>\$ (42,019)</u>

See Independent Auditors' Report

Introduction to the Statistical Section

STATISTICAL SECTION

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

Contents

Exhibit

Financial Trends

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

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

HASBROUCK HEIGHTS SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (unaudited)

J-1

	2012	2013	2014	2015	June 30, 2016	2017	2018	2019	2020 (Restated)	2021
Governmental activities										
Net Investment in capital assets,										
Restricted	\$ 8,866,227	\$ 79,815	\$ 722,622	\$ 845,032	\$ 1,477,030	\$ 3,184,357	\$ 7,762,981	\$ 8,874,736	\$ 10,468,888	\$ 7,826,556
Unrestricted	2,048,865	2,604,032	2,911,788	1,386,416	1,543,510	1,643,510	2,243,510	2,454,347	2,482,215	4,272,277
Total governmental activities net position	<u>\$ 11,355,387</u>	<u>\$ 2,858,334</u>	<u>\$ 4,037,579</u>	<u>\$ (4,079,052)</u>	<u>\$ (3,536,520)</u>	<u>\$ (3,085,568)</u>	<u>\$ (251,317)</u>	<u>\$ 726,319</u>	<u>\$ 2,485,304</u>	<u>\$ 4,502,153</u>
Business-type activities										
Unrestricted	\$ 422,669	\$ 476,639	\$ 505,384	\$ 549,438	\$ 609,004	\$ 588,105	\$ 568,731	\$ 556,512	\$ 594,301	\$ 550,171
Total business-type activities net position	<u>\$ 422,669</u>	<u>\$ 476,639</u>	<u>\$ 505,384</u>	<u>\$ 549,438</u>	<u>\$ 609,004</u>	<u>\$ 588,105</u>	<u>\$ 568,731</u>	<u>\$ 556,512</u>	<u>\$ 594,301</u>	<u>\$ 550,171</u>
District-wide										
Net Investment in capital assets										
Restricted	\$ 8,866,227	\$ 79,815	\$ 722,622	\$ 845,032	\$ 1,477,030	\$ 3,184,357	\$ 7,762,981	\$ 8,874,736	\$ 10,468,888	\$ 7,826,556
Unrestricted	2,048,865	2,604,032	2,911,788	1,386,416	1,543,510	1,643,510	2,243,510	2,454,347	2,482,215	4,272,277
Total district net position	<u>\$ 11,778,056</u>	<u>\$ 3,334,973</u>	<u>\$ 4,542,963</u>	<u>\$ (3,529,614)</u>	<u>\$ (2,927,516)</u>	<u>\$ (2,497,463)</u>	<u>\$ 317,414</u>	<u>\$ 1,282,831</u>	<u>\$ 3,079,605</u>	<u>\$ 5,052,324</u>

Source: ACFR Schedule A-1 and District Records
 GASB 68 was implemented during the 2015 Fiscal Year, which required
 restatement of the beginning balance.

GASB 84 was implemented during the 2021 fiscal year, which required the establishment of new restricted fund balances for Unemployment Compensation, Student Activity, and Scholarship accounts.

HASBROUCK HEIGHTS SCHOOL DISTRICT
CHANGES IN NET POSITION (DEFICIT)
LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (unaudited)

J-2
 Sheet #1

	Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction										
Regular	\$ 9,688,415	\$ 11,712,322	\$ 11,898,575	\$ 11,118,742	\$ 12,955,085	\$ 16,442,957	\$ 17,169,122	\$ 16,902,388	\$ 16,266,368	\$ 17,735,934
Special education	2,580,175	3,219,855	3,369,768	3,572,400	4,250,640	5,562,604	5,710,487	5,836,713	5,384,980	5,856,586
Other special education	837,943	663,788	954,998	775,700	1,206,852	1,448,872	1,749,399	1,687,982	1,687,024	1,793,336
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition	2,514,312	2,659,415	2,947,018	2,875,701	2,819,933	2,984,551	2,610,946	2,958,742	3,177,719	3,454,209
Student and instruction related services	3,658,864	4,777,808	4,716,062	4,236,669	5,126,097	6,053,709	5,527,049	5,593,922	5,638,495	6,632,957
School administrative services	764,733	1,267,248	1,203,928	1,232,176	729,565	2,063,849	2,213,726	2,878,945	1,549,616	2,140,620
General and other administration	1,647,304	1,277,420	1,113,537	1,369,359	2,525,470	1,585,115	1,681,808	873,684	1,729,518	1,871,707
Plant operations and maintenance	2,000,457	2,172,803	2,452,148	2,499,991	2,269,536	3,037,806	3,590,178	4,356,623	4,175,341	3,622,076
Pupil transportation	738,513	653,674	701,864	673,390	827,807	921,197	812,192	826,962	750,644	1,135,146
Business and other support services	62,161	61,033	-	-	-	-	-	-	-	127,723
Interest on long-term debt/lease payment/other	455,831	371,769	581,807	750,364	458,751	540,009	126,551	229,944	392,978	34,114
Unallocated depreciation/amortization/other	1,043,606	9,651,199	-	-	-	341,748	-	-	-	-
Total governmental activities expenses	<u>25,992,314</u>	<u>38,488,334</u>	<u>29,939,705</u>	<u>29,104,492</u>	<u>33,169,736</u>	<u>40,982,417</u>	<u>41,191,458</u>	<u>42,145,905</u>	<u>40,752,683</u>	<u>44,404,408</u>
Business-type activities:										
Food service	542,610	459,545	479,702	508,418	503,341	517,246	584,865	558,567	449,429	151,188
Keys and other programs	335,981	540,595	435,643	417,212	425,075	417,174	376,539	450,844	370,354	142,121
Total business-type activities expense	<u>878,591</u>	<u>1,000,140</u>	<u>915,345</u>	<u>925,630</u>	<u>928,416</u>	<u>934,420</u>	<u>961,404</u>	<u>1,009,411</u>	<u>819,783</u>	<u>293,309</u>
Total district expenses	<u>\$ 26,870,905</u>	<u>\$ 39,488,474</u>	<u>\$ 30,855,050</u>	<u>\$ 30,030,122</u>	<u>\$ 34,098,152</u>	<u>\$ 41,916,837</u>	<u>\$ 42,152,862</u>	<u>\$ 43,155,316</u>	<u>\$ 41,572,466</u>	<u>\$ 44,697,717</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Operating grants and contributions	\$ 2,760,240	\$ 3,346,953	\$ 918,842	\$ 980,872	\$ 3,918,280	\$ 10,301,427	\$ 793,712	\$ 806,044	\$ 868,055	\$ 1,100,413
Capital grants and contributions						531,738	1,609,642	-	-	
Total governmental activities program revenues	<u>2,760,240</u>	<u>3,346,953</u>	<u>918,842</u>	<u>980,872</u>	<u>3,918,280</u>	<u>10,833,165</u>	<u>2,403,354</u>	<u>806,044</u>	<u>868,055</u>	<u>1,100,413</u>

HASBROUCK HEIGHTS SCHOOL DISTRICT
CHANGES IN NET POSITION (DEFICIT)
LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (unaudited)

J-2
 Sheet #2

	Year ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Charges for services										
Food service	\$ 401,654	\$ 368,943	\$ 382,324	\$ 360,360	\$ 375,761	\$ 393,830	\$ 395,933	\$ 429,935	\$ 331,163	\$ 2,088
Keys and other programs	472,575	566,585	431,099	468,661	468,778	379,319	376,475	397,864	396,943	100,541
Operating grants and contributions	127,566	131,362	130,667	142,350	143,443	140,373	169,621	169,393	129,466	146,550
Capital grants and contributions										
Total business type activities program revenues	<u>1,001,795</u>	<u>1,066,890</u>	<u>944,090</u>	<u>971,371</u>	<u>987,982</u>	<u>913,522</u>	<u>942,029</u>	<u>997,192</u>	<u>857,572</u>	<u>249,179</u>
Total district program revenues	<u>\$ 3,762,035</u>	<u>\$ 4,413,843</u>	<u>\$ 1,862,932</u>	<u>\$ 1,952,243</u>	<u>\$ 4,906,262</u>	<u>\$ 11,746,687</u>	<u>\$ 3,345,383</u>	<u>\$ 1,803,236</u>	<u>\$ 1,725,627</u>	<u>\$ 1,349,592</u>
Net (Expense)/Revenue										
Governmental activities	\$ (26,235,223)	\$ (35,141,381)	\$ (29,020,863)	\$ (28,123,620)	\$ (29,355,301)	\$ (30,289,625)	\$ (38,788,104)	\$ (41,339,861)	\$ (39,884,628)	\$ (43,303,995)
Business-type activities	123,204	66,750	28,745	45,741	59,566	(20,898)	(19,375)	(12,219)	37,789	(44,130)
Total district-wide net expense	<u>\$ (26,112,019)</u>	<u>\$ (35,074,631)</u>	<u>\$ (28,992,118)</u>	<u>\$ (28,077,879)</u>	<u>\$ (29,295,735)</u>	<u>\$ (30,310,523)</u>	<u>\$ (38,807,479)</u>	<u>\$ (41,352,080)</u>	<u>\$ (39,846,839)</u>	<u>\$ (43,348,125)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 23,332,543	\$ 24,154,512	\$ 25,506,891	\$ 26,544,747	\$ 27,211,837	\$ 27,951,872	\$ 28,355,966	\$ 29,237,321	\$ 29,929,574	\$ 30,874,428
Taxes levied for debt service	544,321	616,448	609,408	626,631	706,288	620,898	665,472	727,048	798,514	591,393
Grants and contributions	1,908,636	1,392,326	3,730,917	1,556,062	1,632,506	1,650,675	12,317,036	12,008,380	10,337,181	13,620,588
Tuition received	167,283	128,504	59,380	160,000	69,615	45,914	60,457	43,412	38,271	31,630
Cancellation of unfunded capital projects				(1,608,545)						
Investment Earnings	8,349	7,278					71,768	109,757	72,425	3,594
Rentals	5,100									
Refund Prior Years Expenditures	23,360									
Miscellaneous income	69,301	332,460	293,513	183,688	173,742	535,296	151,656	191,079	256,066	199,211
Total governmental activities	<u>26,058,893</u>	<u>26,631,528</u>	<u>30,200,109</u>	<u>27,462,583</u>	<u>29,793,988</u>	<u>30,804,655</u>	<u>41,622,355</u>	<u>42,316,997</u>	<u>41,432,031</u>	<u>45,320,844</u>
Business-type activities:										
Investment earnings/other expense				(1,687)						
Transfers										
Total business-type activities				<u>(1,687)</u>						
Total district-wide	<u>\$ 26,058,893</u>	<u>\$ 26,631,528</u>	<u>\$ 30,200,109</u>	<u>\$ 27,460,896</u>	<u>\$ 29,793,988</u>	<u>\$ 30,804,655</u>	<u>\$ 41,622,355</u>	<u>\$ 42,316,997</u>	<u>\$ 41,432,031</u>	<u>\$ 45,320,844</u>
Change in Net Position (Deficit)										
Governmental activities	\$ (176,330)	\$ (8,509,853)	\$ 1,179,246	\$ (661,037)	\$ 438,687	\$ 515,030	\$ 2,834,251	\$ 977,136	\$ 1,547,403	\$ 2,016,849
Business-type activities	123,204	66,750	28,745	44,054	59,566	(20,898)	(19,375)	(12,219)	37,789	(44,130)
Total district	<u>\$ (53,126)</u>	<u>\$ (8,443,103)</u>	<u>\$ 1,207,991</u>	<u>\$ (616,983)</u>	<u>\$ 498,253</u>	<u>\$ 494,132</u>	<u>\$ 2,814,876</u>	<u>\$ 964,917</u>	<u>\$ 1,585,192</u>	<u>\$ 1,972,719</u>

HASBROUCK HEIGHTS SCHOOL DISTRICT
FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

J-3

	Year ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund									(Restated)	
Restricted for	\$ 398,385	\$ 941,405	\$ 1,234,903	\$ 1,850,318	\$ 2,043,773	\$ 1,643,510	\$ 2,243,510	\$ 2,439,477	\$ 2,581,654	\$ 3,398,971
Assigned to							797,807	814,994	577,592	547,697
Unassigned	472,264	440,295	456,169	474,184	397,648	642,813	378,027	247,099	404,632	401,737
Total general fund	<u>\$ 870,649</u>	<u>\$ 1,381,700</u>	<u>\$ 1,691,072</u>	<u>\$ 2,324,502</u>	<u>\$ 2,441,421</u>	<u>\$ 2,286,323</u>	<u>\$ 3,419,344</u>	<u>\$ 3,501,570</u>	<u>\$ 3,563,878</u>	<u>\$ 4,348,405</u>
All Other Governmental Funds										
Unreserved, reported in:										
Capital projects fund (deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,589,994)	\$ (3,900,527)	\$ (3,900,527)	\$ (2,280,695)
Restricted for:										
Special revenue fund									211,582	173,306
Capital projects fund	1,643,440	1,641,973	1,640,566			(297,605)				
Debt services fund	7,040	20,654	36,318	81,088	73,261	14,879	54,871	57,141	95,928	564
Total all other governmental funds	<u>\$ 1,650,480</u>	<u>\$ 1,662,627</u>	<u>\$ 1,676,884</u>	<u>\$ 81,088</u>	<u>\$ 73,261</u>	<u>\$ (282,726)</u>	<u>\$ (3,535,123)</u>	<u>\$ (3,843,386)</u>	<u>\$ (3,593,017)</u>	<u>\$ (2,106,825)</u>

Source: ACFR Schedule B-1 and District Income

GASB 84 was implemented during the 2021 fiscal year, which required the establishment of new restricted fund balances for Unemployment Compensation, Student Activity, and Scholarship accounts.

HASBROUCK HEIGHTS SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

J-4
Sheet #1

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Local Tax Levy	\$ 23,876,774	\$ 24,770,960	\$ 26,116,299	\$ 27,171,378	\$ 27,918,125	\$ 28,572,770	\$ 29,021,438	\$ 29,964,369	\$ 30,728,088	\$ 31,465,821
Other Local Revenue	271,300	409,342	371,247	335,684	262,309	290,155	229,012	343,431	366,762	234,435
State sources	3,311,772	4,208,415	4,040,437	4,555,988	4,915,741	14,729,012	7,796,489	7,904,875	8,294,515	9,690,598
Local Sources	-	-	-	50,000	-	-	-	-	-	-
Federal sources	54,141	589,765	609,322	617,726	635,044	652,012	604,120	588,561	648,183	870,898
Total revenue	<u>27,513,987</u>	<u>29,978,482</u>	<u>31,137,305</u>	<u>32,730,776</u>	<u>33,731,219</u>	<u>44,243,949</u>	<u>37,651,059</u>	<u>38,801,236</u>	<u>40,037,548</u>	<u>42,261,752</u>
Expenditures										
Instruction										
Regular Instruction	8,581,952	8,620,124	8,471,816	8,597,979	8,719,704	9,053,513	9,291,163	9,709,302	9,709,331	9,903,522
Special Education Instruction	2,087,605	2,259,813	2,379,806	2,306,417	2,883,326	3,031,456	3,016,578	3,242,476	3,167,038	3,223,468
Other	704,163	623,103	719,688	623,074	871,575	890,041	1,000,601	1,067,457	1,061,837	1,066,778
Total Instruction	<u>11,373,720</u>	<u>11,503,040</u>	<u>11,571,310</u>	<u>12,127,470</u>	<u>12,474,605</u>	<u>12,975,010</u>	<u>13,308,342</u>	<u>14,019,235</u>	<u>13,938,206</u>	<u>14,193,768</u>
Undistributed:										
Tuition	2,514,312	2,322,098	2,596,479	2,503,491	2,400,266	2,630,433	2,202,510	2,528,450	2,769,602	2,919,877
Support Services-Students	3,132,058	3,369,783	3,234,440	3,577,338	3,796,496	3,767,996	3,306,271	3,670,766	3,551,010	3,766,959
General Administration	523,589	597,516	974,938	654,037	619,169	592,594	571,102	557,894	601,088	684,020
School Administration	925,912	1,008,811	969,640	974,595	1,110,888	1,154,133	1,191,414	1,193,016	1,180,407	1,184,521
Other Administrative Services	131,543	112,768	102,414	422,875	508,894	472,831	498,330	547,646	471,355	209,442
Operations and Maintenance	1,700,198	1,835,799	2,088,368	2,089,633	2,266,962	2,367,389	2,419,586	3,129,863	3,348,090	3,401,464
Student Transportation	694,603	628,024	687,797	660,067	810,755	891,781	765,689	786,674	707,775	1,060,869
Business and Other Support Services:										
Employee Benefits	3,321,779	2,963,788	4,071,906	4,195,448	4,533,247	4,637,833	4,782,949	5,153,084	5,126,086	4,981,357
On-behalf TPAF Pension Contributions	349,364	2,378,341	1,293,041	1,715,198	2,104,645	2,631,388	3,176,484	3,700,465	3,863,177	6,038,774
Reimbursed TPAF Social Security Contributions	702,312	881,007	891,939	921,581	872,113	967,307	951,108	989,392	1,137,190	-
Transfers - Charter Schools	62,161	61,033	-	29,608	-	-	-	-	-	-
Total Undistributed	<u>14,057,831</u>	<u>16,158,968</u>	<u>16,910,962</u>	<u>17,743,871</u>	<u>19,023,435</u>	<u>20,113,685</u>	<u>19,865,443</u>	<u>22,257,250</u>	<u>22,755,780</u>	<u>24,247,283</u>
Capital Outlay:										
Equipment	-	-	-	-	-	-	-	-	-	92,416
Increase in Capital Reserve	-	-	-	-	-	-	47,412	-	-	-
Facilities Acquisition and Construction Services										
Assets Acquired under Capital Leases	-	68,475	-	-	72,000	347,907	657,917	536,785	-	478,931
Assets Acquired under Mortgages	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	49,407	1,379,076	4,902,031	-	-	-
Capital Lease Payment	262,530	149,565	154,775	382,243	86,781	90,801	-	63,661	386,643	-
Total Capital Outlay	<u>540,743</u>	<u>328,481</u>	<u>379,122</u>	<u>770,553</u>	<u>347,356</u>	<u>1,864,835</u>	<u>5,673,999</u>	<u>1,026,003</u>	<u>1,742,993</u>	<u>814,171</u>
Total General and Capital Expenditures	<u>25,972,294</u>	<u>27,990,489</u>	<u>28,861,394</u>	<u>30,641,894</u>	<u>31,845,396</u>	<u>34,953,530</u>	<u>38,847,784</u>	<u>37,302,488</u>	<u>38,436,979</u>	<u>39,255,222</u>
Special Revenue:										
Federal	586,791	589,766	609,322	617,726	635,044	648,731	568,510	584,184	621,143	854,986
State	267,986	263,738	259,593	313,146	305,602	256,632	225,202	221,041	233,825	245,427
Local	2,183	56,135	49,927	50,000	875	-	-	819	13,087	122,679
Total Special Revenue Expenditures	<u>856,960</u>	<u>909,639</u>	<u>918,842</u>	<u>980,872</u>	<u>941,521</u>	<u>905,363</u>	<u>793,712</u>	<u>806,044</u>	<u>868,055</u>	<u>1,223,092</u>

HASBROUCK HEIGHTS SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST FOUR FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

J-4
Sheet #2

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Service Expenditures	\$ 795,716	\$ 874,426	\$ 777,089	\$ 802,077	\$ 888,239	\$ 840,550	\$ 841,725	\$ 966,504	\$ 1,018,062	\$ 851,650
Total Governmental Fund Expenditures	<u>\$ 27,624,970</u>	<u>\$ 29,774,554</u>	<u>\$ 30,557,325</u>	<u>\$ 32,424,843</u>	<u>\$ 33,675,156</u>	<u>\$ 36,699,443</u>	<u>\$ 40,483,221</u>	<u>\$ 39,075,036</u>	<u>\$ 40,323,096</u>	<u>\$ 41,329,964</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	\$ (110,983)	\$ 203,928	\$ 579,980	\$ 305,933	\$ 56,064	\$ 7,544,506	\$ (2,832,162)	\$ (273,800)	\$ (285,548)	\$ 931,788
Other Financing Sources (Uses)										
Premium on Promissory Note in Cap Projects Adjustments						291,055	37,180	(16,398)	-	-
Capital Leases (non-budgeted)	262,530	68,475		382,243	72,000	347,907	657,917	63,661	386,643	1,338,931
Proceeds from refunding				(32,770)						
Cancellation of Unfunded Capital Projects				(1,608,545)						
Write-off of Prior year Revenue			(18,354)	(9,228)	(979)					
Interest earned in Capital Projects Fund							17,689			
Transfers In	2,554	12,800			21	(500,000)				
Transfers Out	(2,554)				(18,014)	500,000				
Total Other Financing Sources (uses)	<u>262,530</u>	<u>81,275</u>	<u>(18,354)</u>	<u>(1,268,300)</u>	<u>53,028</u>	<u>638,962</u>	<u>712,786</u>	<u>47,263</u>	<u>386,643</u>	<u>1,338,931</u>
Net Change in Fund Balances	<u>\$ 151,547</u>	<u>\$ 285,203</u>	<u>\$ 561,626</u>	<u>\$ (962,367)</u>	<u>\$ 109,092</u>	<u>\$ 8,183,468</u>	<u>\$ (2,119,376)</u>	<u>\$ (226,537)</u>	<u>\$ 101,095</u>	<u>\$ 2,270,719</u>
Debt Service as a Percentage of Non Capital Expenditures	2.94%	2.97%	2.58%	2.53%	2.67%	2.29%	2.08%	2.47%	2.52%	2.06%

Source: ACFR Schedule B-2

Note: Non capital expenditures are total expenditures less capital outlay.

HASBROUCK HEIGHTS SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

J-5

Description	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	Annual Totals
Interest on Investments	\$ 3,591	\$ 72,337	\$ 109,757	\$ 54,079	\$ 13,948	\$ 12,324	\$ 8,770	\$ 8,876	\$ 7,279	\$ -	\$ 287,370
Tuition	31,630	38,271	43,412	60,457	45,914	69,616	160,000	59,380	128,504	167,283	772,837
Rentals	-	-	-	-	500	48,400	1,150	51,475	48,900	-	150,425
Prior Year Tuition Refunds	51,975	119,803	14,772	13,466	50,156	25,635	26,957	6,784	46,084	-	303,657
Miscellaneous Income	62,833	81,157	175,489	101,010	179,635	106,334	138,787	244,709	178,576	103,921	1,309,618
Total	\$ 150,029	\$ 311,568	\$ 343,430	\$229,012	\$ 290,153	\$ 262,309	\$ 335,664	\$371,224	\$409,343	\$ 271,204	\$ 2,823,907

Source: District records

HASBROUCK HEIGHTS SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(unaudited)

J-6

<u>Fiscal Year Ended June 30,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2012	\$ 1,544,763,900	\$ 1,654,808,677	93.35%
2013	1,547,020,681	1,712,005,582	90.36%
2014	1,551,931,320	1,678,988,516	92.43%
2015	1,551,911,749	1,764,238,083	87.96%
2016	1,561,099,137	1,788,301,616	87.30%
2017	1,679,791,800	1,764,762,500	95.19%
2018	1,718,394,708	1,788,729,980	96.07%
2019	1,766,657,570	1,798,398,549	98.24%
2020	1,797,767,287	1,858,167,394	96.75%
2021	1,874,325,444	1,903,471,924	98.47%

Source: County Abstract of Ratables

HASBROUCK HEIGHTS SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(rate per \$100 of assessed value)

J-7

<u>Calendar Year</u>	<u>Total Direct School Tax Rate</u>	<u>Overlapping Rates</u>		<u>Total Direct and Overlapping Tax Rate</u>
		<u>Municipality</u>	<u>County</u>	
2012	\$ 1.574	\$ 0.932	\$0.236	\$ 2.742
2013	1.641	0.941	0.254	2.836
2014	1.708	0.946	0.250	2.904
2015	1.767	0.947	0.272	2.986
2016	1.801	0.952	0.282	3.035
2017	1.704	0.888	0.264	2.856
2018	1.705	0.892	0.255	2.852
2019	1.706	0.890	0.249	2.845
2020	1.719	0.901	0.256	2.876
2021	1.685	0.883	0.256	2.824

Source: Tax Collector

HASBROUCK HEIGHTS SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
UNAUDITED

J-8

<u>Taxpayers</u>	<u>2012</u>		<u>2021</u>	
	Assessed Valuation	As a % of District's Net Assessed Valuation	Assessed Valuation	As a % of District's Net Assessed Valuation
650 Terrace Ave LLC	\$ 38,003,000	2.05%	\$ 28,000,000	1.49%
Heights Plaza, Associates	24,500,000	1.46%	24,000,000	1.28%
Heights Plaza, LLC	15,817,000	0.63%	23,422,400	1.25%
Ess Prisa LLC	15,503,000	0.83%	16,122,700	0.86%
621 Route 46 Associates	14,470,600	0.78%	19,594,200	1.05%
Ottawa House Limited	12,980,000	0.70%	17,176,600	0.92%
611 Routh 46, LLC	11,900,000	0.64%	12,750,000	0.68%
Suncroft HHH LLC	11,500,000	0.62%	14,339,000	0.77%
377 LaSalle Group	11,450,200	0.62%	11,990,000	0.64%
Skyline Associates	9,920,000	0.53%	14,905,300	0.80%
Total	\$ 166,043,800	8.86%	\$ 182,300,200	9.74%

Source: Municipal Tax Assessor

HASBROUCK HEIGHTS SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2012	\$ 23,332,543	\$ 23,332,543	100.00%
2013	24,770,960	24,770,960	100.00%
2014	26,116,297	26,116,297	100.00%
2015	27,030,709	27,030,709	100.00%
2016	27,804,795	27,804,795	100.00%
2017	28,572,770	28,572,770	100.00%
2018	29,021,438	29,021,438	100.00%
2019	29,964,369	29,964,369	100.00%
2020	30,728,088	30,728,088	100.00%
2021	31,465,821	31,465,821	100.00%

HASBROUCK HEIGHTS SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(unaudited)

J-10

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita ^a
	General Obligation Bonds	Capital Leases	Bond Anticipation Note			
2012	\$ 6,867,842	\$ 371,339		\$ 7,239,181	12,013	\$ 603
2013	6,369,341	290,249		6,659,590	12,055	552
2014	5,855,000	135,474		5,990,474	12,088	496
2015	7,065,000	399,530		7,464,530	12,115	616
2016	6,210,000	321,177		6,531,177	12,091	540
2017	5,540,000	440,190		5,980,190	12,116	494
2018	4,850,000	694,507	\$ 6,225,000	11,769,507	12,054	976
2019	4,140,000	462,442	6,225,000	10,827,442	11,992	903
2020	3,405,000	432,543	6,225,000	10,062,543	11,912	845
2021	2,645,000	1,271,844	6,065,000	9,981,844	11,912	838

Note: Details regarding the District's outstanding debt can be found in the Notes to Financial Statements.

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

HASBROUCK HEIGHTS SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
 Unaudited

J-11

<u>Fiscal Year Ended June 30,</u>	<u>Estimated School District Population</u>	<u>Assessed Value</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2012	12,013	\$ 1,865,367,200	\$ 6,820,000	0.37%	\$ 567.72
2013	12,055	1,544,763,900	6,369,341	0.41%	528.36
2014	12,088	1,551,931,320	5,855,000	0.38%	484.36
2015	12,115	1,551,911,749	7,065,000	0.46%	583.16
2016	12,091	1,561,099,137	6,210,000	0.40%	513.61
2017	12,116	1,679,791,800	5,540,000	0.33%	457.25
2018	12,054	1,718,394,708	4,850,000	0.28%	402.36
2019	11,992	1,766,657,570	4,140,000	0.23%	345.23
2020	11,912	1,797,767,287	3,405,000	0.19%	285.85
2021	11,912	1,874,325,444	2,645,000	0.14%	222.04

Source: Data regarding District population was provided by the State Department of Labor.

Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation.

HASBROUCK HEIGHTS SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021
(unaudited)

J-12

Net Direct Debt of District as of June 30, 2021		
Bonds issued	\$ 2,645,000	
Bond Anticipation Note	<u>6,065,000</u>	
		\$ 8,710,000
Net Overlapping Debt of School District		
Borough of Hasbrouck Heights (100%)	10,521,448	
County of Bergen - Borough's share (0.10%)	<u>213,386</u>	
		<u>10,734,834</u>
Total Direct and Overlapping Bond Debt as of June 30, 2021		<u><u>\$ 19,444,834</u></u>

Source:
Borough of Hasbrouck Heights Chief Financial Officer and Bergen County Treasurer's Office.

HASBROUCK HEIGHTS SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
(unaudited)

J-13

Equalized valuation basis

2021	\$	1,918,215,567
2020		1,909,066,285
2019	\$	1,817,005,608

	(A)	<u>\$ 5,644,287,460</u>
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	(A-3)	\$ 1,881,429,153.33
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	(B)	75,257,166
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	(C)	<u>8,710,000</u>
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	(B-C)	<u>\$ 66,547,166</u>
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2021

Debt limit	\$	75,257,166
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Net school debt		<u>8,710,000</u>
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School borrowing margin available	\$	<u>66,547,166</u>
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Total net debt applicable to the limit as a percentage of debt limit	11.574%
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Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey
Department of Treasury, Division of Taxation

- a Limit set by NJSA 18A:24-19 for a K through 12 District; other limits apply to other districts

HASBROUCK HEIGHTS SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(unaudited)

J-14

<u>Year</u>	<u>Estimated School District Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2012	11,979	\$ 69,056	9.40%
2013	12,013	72,164	8.80%
2014	12,055	71,699	8.60%
2015	12,088	74,480	5.00%
2016	12,115	77,767	6.50%
2017	12,091	79,407	4.60%
2018	12,116	81,676	4.20%
2019	12,054	86,404	3.90%
2020	11,992	89,456	N/A
2021	11,912	N/A	10.30%

Source: New Jersey State Department of Education

N/A - Data Not Available

HASBROUCK HEIGHTS SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT AND PREVIOUS FISCAL YEARS
(unaudited)

J-15

Employer	2012		2021	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
N/A	N/A	N/A	N/A	N/A
		<u>0.00%</u>		<u>0.00%</u>

N/A - Data Not Available

HASBROUCK HEIGHTS SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

J-16

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction										
Regular	95.3	95.3	104.6	104.4	106.4	106.0	106.2	105.0	106.0	110.2
Special Education	22.0	22.0	27.4	32.4	34.4	32.4	33.0	37.6	37.0	37.6
Other Instruction	26.6	26.6	26.0	29.0	30.0	31.0	40.0	28.0	26.0	27.0
Support Services:										
Attendance & Social Work	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.2	3.1	3.1
Health Services	3.0	3.0	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
Student & Instruction Related Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.6	2.6	2.6
Extraordinary Services	11.0	11.0	17.0	15.0	15.0	14.5	14.0	15.5	14.0	13.0
Support Services - Students Regular	4.5	4.5	6.0	6.0	6.0	6.0	5.0	6.0	7.0	8.0
Support Services - Students Special	8.7	8.7	8.8	8.4	9.0	9.0	9.0	9.0	9.0	9.0
Improvement of Instructional Services	0.0	0.0	0.0	2.0	2.0	2.0	1.0	1.0	2.0	2.0
Educational Media/School Library	4.5	4.5	4.8	4.8	4.8	4.8	3.8	3.8	3.8	3.8
General administration	2.0	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administrative Services	10.3	10.3	10.6	10.6	12.1	12.1	12.1	13.8	12.4	11.7
Central Services	4.5	4.5	4.0	4.0	4.0	4.0	4.0	4.0	4.2	4.3
Administrative Information Technology	0.5	0.5	0.3	0.3	1.3	1.3	1.3	1.2	1.2	1.3
Plant Operations and Maintenance	12.0	12.0	14.0	14.0	15.0	15.0	14.3	14.3	14.3	15.0
Pupil transportation	1.5	1.5	0.5	0.5	0.5	0.0	0.5	1.0	1.0	1.0
Other support services	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	2.0	2.0
Total	<u>210.4</u>	<u>210.4</u>	<u>234.6</u>	<u>241.0</u>	<u>250.0</u>	<u>248.7</u>	<u>254.8</u>	<u>251.6</u>	<u>251.2</u>	<u>257.1</u>

Source: District Records

HASBROUCK HEIGHTS SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(unaudited)

J-17

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Pupil/Teacher Ratio Senior High School</u>	<u>Pupil/Teacher Ratio Middle School</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA) ^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2012	1,770.0	\$ 26,224,844	\$ 14,816	0.77%	117	15.13	15.13	15.13	1,805.7	1,734.6	5.56%	96.10%
2013	1,896.0	27,988,994	14,762	-0.37%	134	14.15	14.15	14.15	1,903.5	1,821.7	5.42%	95.70%
2014	1,892.0	26,675,523	14,099	-4.49%	132	14.33	14.33	14.33	1,883.5	1,811.6	-0.74%	96.18%
2015	1,875.0	27,615,185	14,728	3.52%	137	13.69	13.71	13.71	1,869.6	1,796.8	-0.48%	96.11%
2016	1,866.0	28,523,853	15,286	3.79%	142	13.14	13.14	13.14	1,859.0	1,787.7	-0.59%	96.16%
2017	1,849.0	29,472,818	15,940	1.62%	141	13.11	13.11	13.11	1,850.1	1,771.9	-0.48%	95.77%
2018	1,805.0	29,839,905	16,092	0.95%	139	12.99	12.97	12.97	1,799.6	1,727.2	-2.73%	95.98%
2019	1,786.0	32,110,038	17,979	11.73%	143	12.52	12.49	12.49	1,780.0	1,709.4	-1.09%	96.03%
2020	1,763.0	33,049,969	18,746	4.27%	143	12.33	12.33	12.33	1,752.1	1,700.8	-1.58%	97.07%
2021	1,739.5	33,625,369	19,186	2.35%	148	11.77	11.77	11.77	1,710.3	1,675.4	-2.39%	97.96%

Note: Enrollment based on annual October District count.

Operating expenditures equal total expenditures less debt service, capital outlay and on-behalf payments made from the State of New Jersey.

HASBROUCK HEIGHTS SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(unaudited)

J-18

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>District Building</u>										
<u>Elementary</u>										
Square Feet	33,317	33,317	33,317	33,317	33,317	33,317	33,317	33,317	33,317	33,317
Capacity (students)	425	425	425	425	425	425	425	425	425	425
Enrollment	394	455	448	439	439	387	387	387	353	342
Square Feet	33,317	33,317	33,317	33,317	33,317	33,317	33,317	33,317	33,317	33,317
Capacity (students)	425	425	425	425	425	425	425	425	425	425
Enrollment	454	469	455	446	439	414	414	414	386	384
<u>Middle/High School</u>										
Square Feet	103,681	103,681	103,681	103,681	103,681	103,681	103,681	103,681	103,681	103,681
Capacity (students)	850	850	850	850	850	850	850	850	850	850
Enrollment	944	999	989	990	990	1,048	1,048	1,036	1,024	983
Number of Schools at June 30										
Elementary = 2	2	2	2	2	2	2	2	2	2	2
Middle School =1	1	1	1	1	1	1	1	1	1	1
Senior High School = 1	1	1	1	1	1	1	1	1	1	1
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October District count.

HASBROUCK HEIGHTS SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITY
LAST TEN FISCAL YEARS
(unaudited)

J-19

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

<u>*School Facilities</u>	<u>School Number</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Hasbrouck Heights Middle/High School	50	\$ 154,006	\$ 200,817	\$ 211,204	\$ 176,635	\$ 254,185	\$ 286,350	\$ 252,529	\$ 389,590	\$ 840,442	\$ 485,336
Euclid	60	51,335	66,939	70,401	58,878	84,728	95,450	84,176	129,863	94,443	199,654
Lincoln	80	51,336	66,939	70,401	58,878	84,728	95,450	84,176	129,863	179,239	161,778
Total School Facilities		<u>\$ 256,677</u>	<u>\$ 334,695</u>	<u>\$ 352,006</u>	<u>\$ 294,391</u>	<u>\$ 423,641</u>	<u>\$ 477,250</u>	<u>\$ 420,881</u>	<u>\$ 649,316</u>	<u>\$ 1,114,124</u>	<u>\$ 846,768</u>

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

HASBROUCK HEIGHTS SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021
(unaudited)

J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Alliance Ins. Fund (SAIF)		
Commercial Property - Blanket Building and Contents, Flood, Earthquake	\$53,728,293	\$2,500
Comprehensive General Liability	5,000,000	
Comprehensive Automobile Liability	5,000,000	
Commercial Inland Marine Coverage	Various	
Board of Education Legal Liability-Darwin National-PGU	5,000,000	5,000
Crime Coverage (Blanket Dishonesty)	500,000	1,000
Auto Physical Damage Coverage		1,000
 Umbrella Liability - SAIF Insurance AL/GL only	 15,000,000	
 Boiler and Machinery - SAIF (Hartford Steam)	 100,000,000	 2,500
 Environmental Impairment Liability Ace Illinois Insurance Company	 1,000,000 25,000,000	 1,000 Policy Agregate
 Student and Athletic Insurance Full Excess	 25,000 5,000,000	
 Additional Excess Liability Policy New Jersey Unshared Excess Program	 30,000,000	
 Foreign Liability	 1,000,000	
 Workers Compensation - Sober VII JIF	 Pool Limits	
 Official Bonds		
Dina Messery, Board Secretary/Business Admin.	25,000	
Robyn Scholz, Assistant to the Business Admin.	10,000	

Single Audit Section

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed in Accordance With *Government Auditing
Standards***

Independent Auditors' Report

**The Honorable President and Members of
the Board of Education
Hasbrouck Heights School District
County of Bergen
Hasbrouck Heights, New Jersey**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the financial statements of the governmental activities, the business-type activities, and each major fund of the Hasbrouck Heights School District, in the County of Bergen, State of New Jersey (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 14, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 14, 2022

David J. Gannon

David J. Gannon, CPA
Licensed Public School Accountant, No. 2305

Report on Compliance For Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular 15-08

Independent Auditors' Report

**The Honorable President and Members of
the Board of Education
Hasbrouck Heights School District
County of Bergen
Hasbrouck Heights, New Jersey**

Report on Compliance for Each Major Federal and State Program

We have audited the Hasbrouck Heights School District, in the County of Bergen, State of New Jersey's (the "District") compliance with the types of compliance requirements described in *OMB Compliance Supplement* and *New Jersey State Aid/Grant Compliance Supplemental Requirements* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2021. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, Uniform Guidance, and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 14, 2022

David J. Gannon

David J. Gannon, CPA
Licensed Public School Accountant, No. 2305

HASBROUCK HEIGHTS SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

K-3
 Schedule A

Federal Grantor/ Pass-Through Grantor Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Award Amount	Grant Period	Balance, June 30, 2020			Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balance	Balance, June 30, 2021		
						Accounts Receivable	Deferred Revenue	Due To Grantor					(Accounts Receivable)	Deferred Revenue	Due To Grantor
U.S. Department of Health and Human Services															
Passed Through State Department of Education															
General Fund:															
Medical Assistance Program (SEMI)	93.778	2105NJ5MAP	N/A	\$ 27,040	7/1/20-6/30/21				\$ 15,912	\$ (15,912)					
Total General Fund									15,912	(15,912)					
Special Revenue Fund:															
U.S. Department of Education—Passed-Through State															
State Department of Education															
Special Education Cluster:															
I.D.E.A. Part B Basic	84.027	H027A190100	IDEA-xxxx-20	427,640	7/1/19-9/30/20	\$ (26,456)			26,456						
I.D.E.A. Part B Basic	84.027	H027A200100	IDEA-xxxx-21	511,883	7/1/20-9/30/21				215,039	(465,750)			\$ (250,711)		
I.D.E.A. Part B Preschool	84.173	H173A190114	IDEA-xxxx-20	19,082	7/1/19-9/30/20	(5,452)			5,452						
I.D.E.A. Part B Preschool	84.173	H173A200114	IDEA-xxxx-21	19,354	7/1/20-9/30/21				19,354	(19,354)					
Subtotal of Special Education Cluster:						(31,908)			266,301	(485,104)			(250,711)		
Title I, Part A	84.010A	S010A50030	NCLB-xxxx-20	180,506	7/1/19-9/30/20	(68,865)			68,865						
Title I, Part A	84.010A	S010A50030	NCLB-xxxx-21	163,744	7/1/20-9/30/21				65,797	(131,562)			(65,765)		
Title I Part A Subtotal:						(68,865)			134,662	(131,562)			(65,765)		
Title II, Part A	84.367A	S367A150029	NCLB-xxxx-20	35,091	7/1/19-9/30/20	(187)			187						
Title II, Part A	84.367A	S367A150029	NCLB-xxxx-21	44,713	7/1/20-9/30/21				4,400	(27,347)			(22,947)		
Title II Part A Subtotal:						(187)			4,587	(27,347)			(22,947)		
Title III, No Child Left Behind	84.365A	S365A150030	NCLB-xxxx-20	28,003	7/1/19-9/30/20	(11,722)			11,722						
Title III, No Child Left Behind	84.365A	S365A150030	NCLB-xxxx-21	24,442	7/1/20-9/30/21				602	(12,940)			(12,338)		
Title III, Immigrant	84.365A	S365A150030	NCLB-xxxx-21	3,927	7/1/20-9/30/21										
Title III Subtotal:						(11,722)			12,324	(12,940)			(12,338)		
Title IV	84.424	S365A150030	NCLB-xxxx-20	17,810	7/1/19-9/30/20	(3,395)			3,395						
Title IV	84.424	S365A150030	NCLB-xxxx-21	20,698	7/1/20-9/30/21					(2,000)			(2,000)		
Title IV Subtotal:						(3,395)			3,395	(2,000)			(2,000)		
COVID-19 - CARES - ESSER I	84.425D	S425D200027	N/A	136,368	3/13/20-9/30/22	(741)			97,330	(105,062)			(8,473)		
COVID-19 - CRF Cluster:															
COVID-19 - CRF - Nonpublic Digital Divide	21.019	S377A130031	N/A	12,572	7/16/20-10/31/21								-		
COVID-19 - CRF - Grant Program	21.019	S377A130031	N/A	77,908	3/13/20-9/30/22				77,908	(66,545)			\$ 11,363		
Passed-Through County of Bergen, New Jersey															
COVID-19 - CRF - Grant Program	21.019	S377A130031	N/A	33,818	3/13/20-9/30/22				33,918	(24,426)			9,492		
COVID-19 - CRF Cluster Subtotal									111,826	(90,971)			-	20,855	
Total Special Revenue Fund						(116,818)			630,425	(854,986)			(362,234)	20,855	
U.S. Department of Agriculture—Passed-Through State															
Department of Education															
Enterprise Fund:															
Child Nutrition Cluster:															
National School Lunch Program	10.555	2020NJ304199	N/A	101,356	7/1/19-6/30/20	(1,660)			1,660						
National School Lunch Program	10.555	2021NJ304199	N/A	123,848	7/1/19-6/30/21				100,837	(123,748)			(22,911)		
National School Lunch Program - CARES Act	10.555	2021NJ304199	N/A	4,352	7/1/19-6/30/21				4,352	(4,352)					
Food Donations Program (NC)	10.555	2021NJ304199	N/A	11,702	7/1/20-6/30/21				11,702	(11,702)					
Subtotal Child Nutrition Cluster:						(1,660)			118,551	(139,802)			(22,911)	-	
Total Federal Awards						\$ (116,818)			\$ 764,888	\$ (1,010,700)			\$ (385,145)	\$ 20,855	

(NC) - Non-cash transaction
 N/A - Not Available

The accompanying notes to the schedules of Federal awards and State financial assistance are an integral part of this statement.

HASBROUCK HEIGHTS SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

K-4
 Schedule B

State Grantor/Program Title	Grant or State Project Number	Award Amount	Grant Period	Balance, June 30, 2020		Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balance	Balance, June 30, 2021		MEMO	
				Accounts Receivable	Due To Grantor					Accounts Receivable	Due To Grantor	Budgetary Receivable	Cumulative Expenditures
State Department of Education:													
General Funds:													
Special Education Aid	20-495-034-5120-089	\$ 1,565,896	7/1/19-6/30/20	\$ (149,074)		\$ 149,074							
Special Education Aid	21-495-034-5120-089	1,565,729	7/1/20-6/30/21			1,416,925	\$ (1,565,729)					\$ (148,804)	\$ 1,565,729
Extraordinary Aid	20-495-034-5120-044	164,884	7/1/19-6/30/20	(164,884)		164,884							
Extraordinary Aid	19-495-034-5120-044	423,769	7/1/20-6/30/21			16,515	(423,769)			\$ (407,254)			423,769
Transportation Aid	20-495-034-5120-014	143,130	7/1/19-6/30/20	(13,626)		13,626							
Transportation Aid	21-495-034-5120-014	143,130	7/1/20-6/30/21			129,526	(143,130)					(13,604)	143,130
Equalization Aid	20-495-034-5120-078	798,393	7/1/19-6/30/20	(76,007)		76,007							
Equalization Aid	21-495-034-5120-078	823,450	7/1/20-6/30/21			745,191	(823,450)					(78,259)	823,450
Security Aid	20-495-034-5120-084	185,508	7/1/19-6/30/20	(17,660)		17,660							
Security Aid	21-495-034-5120-078	185,508	7/1/20-6/30/21			167,878	(185,508)					(17,630)	185,508
On-behalf TPAF Pension Contributions	20-495-034-5095-001	3,755,132	7/1/20-6/30/21			3,755,132	(3,755,132)						3,755,132
On-behalf TPAF Post Retirement Medical	20-495-034-5095-002	1,176,800	7/1/20-6/30/21			1,176,800	(1,176,800)						1,176,800
On-behalf TPAF LT Disability	20-495-034-5094-004	1,835	7/1/20-6/30/21			1,835	(1,835)						1,835
On-behalf TPAF Social Security Contributions	20-495-034-5095-006	1,137,190	7/1/19-6/30/20	(150,539)		150,539							
On-behalf TPAF Social Security Contributions	21-495-034-5095-006	1,105,007	7/1/20-6/30/21			1,050,667	(1,105,007)				(54,340)		1,105,007
Total General Funds				(571,790)		9,032,259	(9,180,360)				(461,594)	(258,297)	9,180,360
Special Revenue Funds													
Teachers' Grant	N/A	7,420	7/1/20-6/30/21				(7,420)				(7,420)		7,420
NJ Nonpublic Aid:													
Textbook Aid	20-100-034-5120-064	14,126	7/1/19-6/30/20		\$ 3,547				\$ (3,547)				
Textbook Aid	21-100-034-5120-064	17,655	7/1/20-6/30/21			17,655	(17,603)				\$ 52		17,603
Compensatory Education	20-100-034-5120-067	74,629	7/1/19-6/30/20		16,060				(16,060)				
Compensatory Education	21-100-034-5120-067	80,994	7/1/20-6/30/21			80,994	(74,114)				6,880		74,114
English as a Second Language	20-100-034-5120-067	4,136	7/1/19-6/30/20		910				(910)				
English as a Second Language	21-100-034-5120-067	7,905	7/1/20-6/30/21			7,905	(3,553)				4,352		3,553
Transportation	20-100-034-5120-067	15,893	7/1/19-6/30/20			15,893			(15,893)				
Handicapped Services:													
Supplemental Instruction	20-100-034-5120-066	20,642	7/1/19-6/30/20			3,421			(3,421)				
Supplemental Instruction	21-100-034-5120-066	20,237	7/1/20-6/30/21			20,237	(19,347)				890		19,347
Examination and Classification	20-100-034-5120-066	28,052	7/1/19-6/30/20		6,498				(6,498)				
Examination and Classification	21-100-034-5120-066	57,032	7/1/20-6/30/21			57,032	(27,308)				29,724		27,308
Corrective Speech	20-100-034-5120-066	51,039	7/1/19-6/30/20		4,102				(4,102)				
Corrective Speech	21-100-034-5120-066	46,481	7/1/20-6/30/21			46,481	(32,081)				14,400		32,081
Nursing Services	21-100-034-5120-070	29,478	7/1/20-6/30/21			29,478	(29,275)				203		29,275
Technology	20-100-034-5120-373	9,648	7/1/19-6/30/20		125				(125)				
Security Aid	21-100-034-5120-509	50,575	7/1/20-6/30/21			50,575	(43,082)	\$ 8,356			15,849		43,082
Total Special Revenue Funds					50,556	310,357	(253,783)	8,356	(50,556)		(7,420)	72,350	253,783
Capital Projects Fund													
Addt. State School Buldng Aid - SDA Grant	G5-4866	1,510,659	7/1/20-6/30/21	(2,269,673)		2,329,502	(59,829)						2,329,502
Total Capital Projects Fund				(2,269,673)		2,329,502	(59,829)						2,329,502
Debt Service Fund:													
Debt Service Aid	21-495-034-5120-075	206,912	7/1/20-6/30/21			206,912	(206,912)						206,912
Total Debt Service Fund						206,912	(206,912)						206,912
State Department of Agriculture													
Enterprise Fund:													
State School Lunch Program	20-100-010-3350-023	3,536	7/1/19-6/30/20	(26)		26							
State School Lunch Program	21-100-010-3350-023	6,748	7/1/20-6/30/21			6,081	(6,748)				(667)		6,748
				(26)		6,107	(6,748)				(667)		6,748
Total State Financial Assistance				\$ (2,841,489)	\$ 50,556	\$ 11,885,137	\$ (9,707,632)	\$ 8,356	\$ (50,556)	\$ (469,681)	\$ 72,350	\$ (258,297)	\$ 11,977,305

N/A - Not Available

General Fund:
 On-Behalf TPAF Contributions:

Pension Contributions	\$ 3,755,132
Post Retirement Medical	1,176,800
Long-term Disability	1,835
	4,933,767
Total State Financial Assistance Subject to Single Audit	\$ (4,773,865)

The accompanying notes to the schedules of Federal awards and State financial assistance are an integral part of this statement.

HASBROUCK HEIGHTS SCHOOL DISTRICT

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

June 30, 2021

1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include the activity of all federal awards and state financial assistance programs of the Board of Education, Hasbrouck Heights School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal and state awards are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements*, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes the last two state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(1,930) for the general fund and \$-0- for the special revenue fund. See Exhibit "C-3" (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

HASBROUCK HEIGHTS SCHOOL DISTRICT

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

June 30, 2021

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

	<u>State</u>	<u>Federal</u>	<u>Total</u>
General Fund	\$ 9,178,430	\$ 15,912	\$ 9,194,342
Special Revenue Fund	245,427	854,986	1,100,413
Capital Projects Fund	59,829		59,829
Debt Service Fund	206,912		206,912
Food Service Fund	<u>6,748</u>	<u>139,802</u>	<u>146,550</u>
Total Awards and Financial Assistance	<u>\$ 9,697,346</u>	<u>\$ 1,010,700</u>	<u>\$ 10,708,046</u>

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. OTHER

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions, respectively. TPAF Social Security Contributions represent the amount reimbursed by the State for the employer's share of Social Security for TPAF members for the year ended June 30, 2021.

The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2021 amounted to \$4,933,767. Since on-behalf post retirement pension, medical and disability insurance benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

6. INDIRECT COSTS

The District elected not to use the 10% de minimis indirect cost rate as allowed by the Uniform Guidance.

HASBROUCK HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED June 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified? _____ Yes √ No
- 2) Were significant deficiencies identified that are not considered to be material weaknesses? _____ Yes √ None Reported

Noncompliance material to basic financial statements noted?

_____ Yes √ No

Federal Awards Section

Internal control over major programs:

- 1) Material weakness(es) identified? _____ Yes √ No
- 2) Were significant deficiencies identified that are not considered to be material weaknesses? _____ Yes √ No

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with OMB Uniform Guidance?

_____ Yes √ No

Identification of Major Federal Programs:

<u>Assistance Listing</u>	<u>FAIN #</u>	<u>Name of Federal Program or Cluster</u>
<u>Number(s)</u>		
84.027	H027A200100	IDEA Part B, Basic and Preschool (Special Education Cluster)
84.173	H173A200114	

Dollar threshold used to distinguish between Type A and Type B Programs:

\$750,000

Auditee qualified as low-risk auditee?

 √ Yes _____ No

HASBROUCK HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Financial Assistance

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 √ Yes No

Internal control over major programs:

1) Material weakness(es) identified)

 Yes √ No

2) Significant deficiencies identified that are not considered to be material weaknesses?

 Yes √ None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 05-08?

 Yes √ No

Identification of major state programs:

GMIS/Program Number

Name of State Program or Cluster

495-034-5094-003

Reimbursed TPAF Social Security Contributions

Dollar Threshold used to distinguish between Type A and Type B Programs

\$750,000

HASBROUCK HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED June 30, 2021

Section II - Financial Statement Findings

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

Section III - Summary of Auditors' Results

This section identifies the significant deficiencies, material weaknesses, and instances of non-compliance, including questioned costs, related to the audit of major federal and state programs, as required by 2 CFR 200 Section 516(a) and New Jersey Treasury Circular OMB 15-08, respectively.

a) Federal Award Findings and Questioned Costs:

No Compliance or internal control findings noted that are required to be reported in accordance with 2 CFR 200 Section 516(a).

b) State Financial Assistance Findings and Questioned Costs:

No Compliance or internal control findings noted that are required to be reported in accordance with New Jersey Treasury Circular OMB 15-08.

HASBROUCK HEIGHTS SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FISCAL YEAR ENDED June 30, 2021

Section IV:

a) Federal Award Findings and Questioned Costs:

NONE

b) State Financial Assistance Findings and Questioned Costs:

NONE