

**SCHOOL DISTRICT  
OF THE  
BOROUGH OF HIGH BRIDGE**

**High Bridge School District  
High Bridge, New Jersey**

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

**Comprehensive Annual  
Financial Report**

**of the**

**High Bridge School District**

**High Bridge, New Jersey**

**For the Fiscal Year Ended June 30, 2021**

**Prepared by**

**High Bridge School District  
Board of Education**

HIGH BRIDGE SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2021

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal .....	1
Organizational Chart .....	4
Roster of Officials .....	5
Consultants and Advisors.....	6
 FINANCIAL SECTION.....	 7
Independent Auditors’ Report.....	8
Required Supplementary Information.....	11
Management’s Discussion and Analysis .....	12
Basic Financial Statements (Sections A. and B.).....	21
A. District-Wide Financial Statements.....	22
A-1 Statement of Net Position .....	23
A-2 Statement of Activities.....	24
B. Fund Financial Statements.....	26
B-1 Balance Sheet – Governmental Funds .....	27
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds.....	28
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	30
B-4 Statement of Net Position – Proprietary Funds.....	31
B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds .....	32
B-6 Statement of Cash Flows – Proprietary Funds.....	33
Notes to the Basic Financial Statements .....	34
Required Supplementary Information .....	71
L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits Other than Pensions .....	72
L-1 Schedule of District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System.....	72
L-2 Schedule of District Contributions – Public Employees Retirement System .....	73
L-3 Schedule of State’s Proportionate Share of the Net Pension Liability Attributable to the District - Teachers’ Pension and Annuity Fund.....	74
L-4 Schedule of State Contributions – Teachers’ Pension and Annuity Fund .....	75
L-5 Schedule of Changes in the State’s Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios.....	76
Notes to Required Supplementary Information .....	77

HIGH BRIDGE SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

FINANCIAL SECTION (Cont'd)

C. Budgetary Comparison Schedules .....	79
C-1 Budgetary Comparison Schedule – General Fund .....	80
C-2 Combining Budgetary Schedule – Special Revenue Fund .....	91
C-3 Budgetary Comparison Schedule – Note to RSI .....	92

Other Supplementary Schedules (D. – I.)

D. School Level Schedules (Not Applicable).....	93
E. Special Revenue Fund .....	94
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis.....	95
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis .....	97
F. Capital Projects Fund (Not Applicable).....	98
G. Proprietary Funds.....	99
Enterprise Fund:	
G-1 Statement of Net Position .....	100
G-2 Statement of Revenue, Expenses and Changes in Fund Net Position.....	101
G-3 Statement of Cash Flows .....	102
H. Fiduciary Activities (Not Applicable) .....	103
I. Long-Term Debt .....	104
I-1 Schedule of Serial Bonds .....	105
I-2 Schedule of Obligations Under Capital Leases (Not Applicable)	
I-3 Debt Service Fund Budgetary Comparison Schedule.....	106
J. STATISTICAL SECTION (Unaudited).....	107
J-1 Net Position by Component .....	108
J-2 Changes in Net Position.....	109
J-3 Fund Balances – Governmental Funds .....	111
J-4 Changes in Fund Balance, Governmental Funds .....	112
J-5 General Fund Other Local Revenue by Source .....	113
J-6 Assessed Value and Estimated Actual Value of Taxable Property.....	114
J-7 Direct and Overlapping Property Tax Rates .....	115
J-8 Principal Property Taxpayers (Current Year and Nine Years Ago) .....	116
J-9 Property Tax Levies and Collections .....	117

HIGH BRIDGE SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

J. STATISTICAL SECTION (Unaudited) (Cont'd)

J-10	Ratios of Outstanding Debt by Type .....	118
J-11	Ratios of Net General Bonded Debt Outstanding .....	119
J-12	Ratios of Direct and Overlapping Governmental Activities Debt .....	120
J-13	Legal Debt Margin Information .....	121
J-14	Demographic and Economic Statistics .....	122
J-15	Principal Employers, Current and Nine Years Ago .....	123
J-16	Full-time Equivalent District Employees by Function/Program.....	124
J-17	Operating Statistics .....	125
J-18	School Building Information .....	126
J-19	Schedule of Allowable Maintenance Expenditures by School Facility .....	127
J-20	Insurance Schedule .....	128

K. SINGLE AUDIT SECTION..... 129

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	130
K-2	Independent Auditors' Report on Compliance for Each Major State Program and Report on Internal Control over Compliance.....	132
K-3	Schedule of Expenditures of Federal Awards.....	134
K-4	Schedule of Expenditures of State Awards.....	135
K-5	Notes to the Schedules of Expenditures of Federal and State Awards .....	136
K-6	Schedule of Findings and Questioned Costs.....	138
K-7	Summary Schedule of Prior Audit Findings .....	140

INTRODUCTORY SECTION  
(UNAUDITED)

# HIGH BRIDGE SCHOOL DISTRICT

## HIGH BRIDGE MIDDLE SCHOOL

50 Thomas Street  
High Bridge, NJ 08829  
Ph: 908-638-4101  
Fx: 908-638-4211



## HIGH BRIDGE ELEMENTARY SCHOOL

40 Fairview Avenue  
High Bridge, NJ 08829  
Ph: 908-638-4105  
Fx: 908-638-4260

Gregory A Hobaugh, Ed.D.  
Superintendent

John Jennings  
SBA / Board Secretary

December 7, 2021

The Honorable President and Members  
of the Board of Education  
High Bridge School District  
County of Hunterdon, New Jersey

Dear Board Members:

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

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

The District provides a full range of educational services appropriate to grade levels Preschool through 8. These include regular as well as special education for classified children.

### **2) ECONOMIC CONDITION AND OUTLOOK:**

The Borough of High Bridge has a population of about 5,000. It extends 5.94 square miles, and is a small suburban community. It is primarily residential with small percentages of its land dedicated for commercial business and open space. The Mayor and Council have worked diligently to develop and upgrade the downtown business area by creating a merchant center through zoning changes and incentives. This combined effort has resulted in a much more picturesque Main Street.

### 3) MAJOR INITIATIVES:

The Borough of High Bridge, a Preschool - 8, two-school district, takes great pride in the provision of a rigorous, high quality and inclusive educational program.

Major district initiatives include the following:

- Expansion of the preschool program from three (3) full day sessions to four (4) full day sessions.
- New preschool playground funded by PEA.
- Implement Multi-Tiered System Support (MTSS) academic and behavioral support. The program design includes professional development (pd), academic and behavioral support.
- Implement a new Reading Series for grades Kindergarten through Second. American Reading Company will provide trainers to instruct and mentor teaching staff. Next year the district will implement the same program for grades Three-Five.
- The elementary school will continue to utilize Wingman as our Social/Emotional Program expanding the program with lunch bunch and grade/building level activities.
- Our middle school is working at identifying gaps during online learning due to COVID-19.
- Provide remediation for students who are identified as at-risk due to COVID-19.
- All middle school students will participate in One Book One School about a refugee to foster empathy, openness and kindness.

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

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.



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

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

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

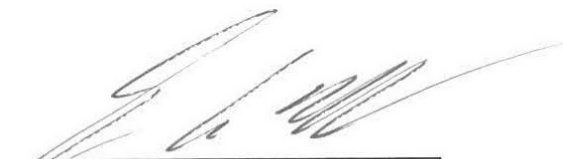
8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Board is a member of the School Alliance Insurance Fund ("SAIF").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


9) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP CPAs, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

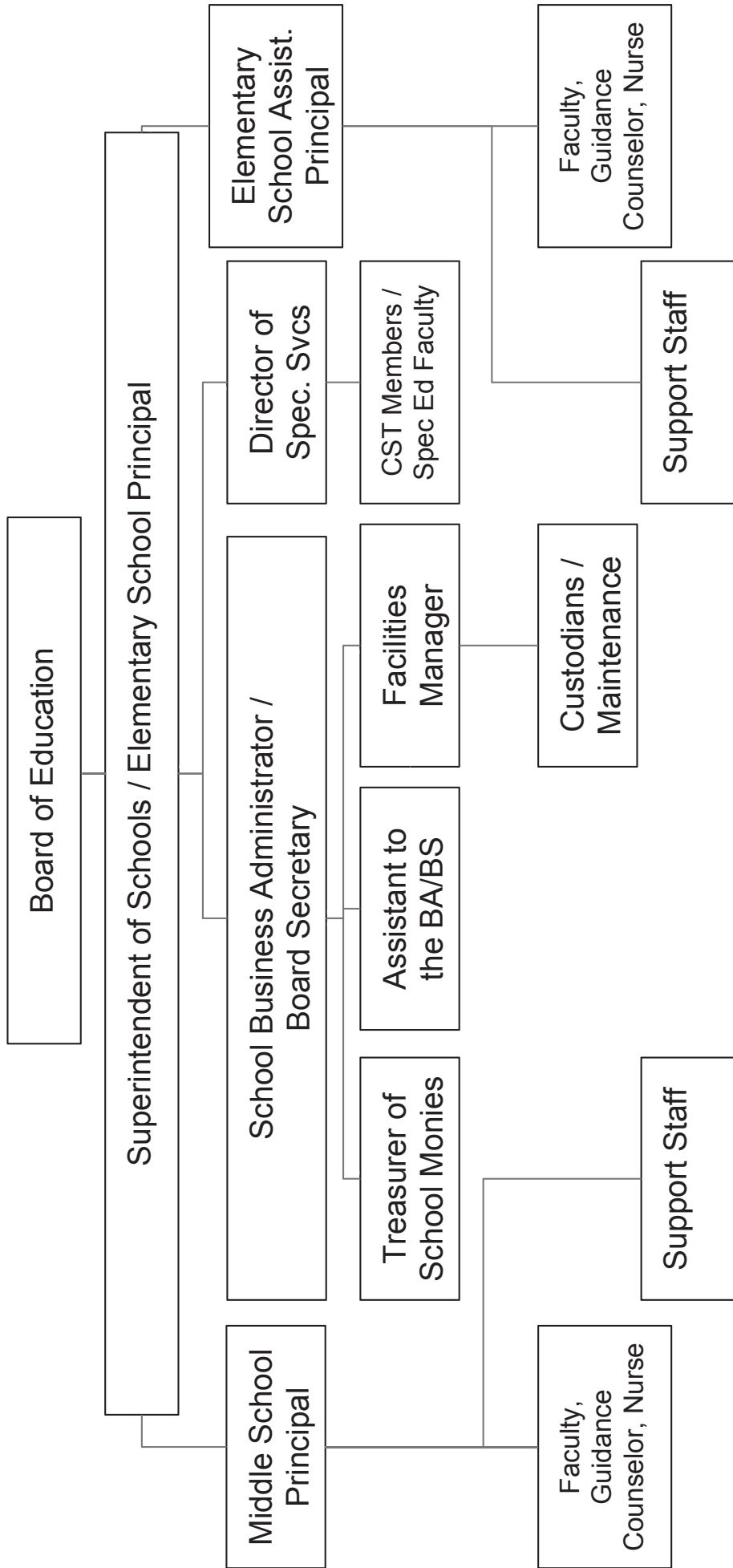
10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the High Bridge Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance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

Respectfully submitted,

  
\_\_\_\_\_  
Gregory A. Hobaugh, Ed.D.  
Superintendent of Schools

  
\_\_\_\_\_  
John Jennings  
Business Administrator/Board Secretary

HIGH BRIDGE SCHOOL DISTRICT  
ORGANIZATIONAL CHART



**HIGH BRIDGE SCHOOL DISTRICT**  
**ROSTER OF OFFICIALS**  
**JUNE 30, 2021**

Members of the Board of Education

Term Expires

Cindy Sharkey, President	2023
Karyn Gove, Vice President	2022
Robert Imhoff	2022
Erin Delgado	2023
James Garner	2021
Colleen Poles	2021
Tori Thomsen	2021

Other Officials

Title

Gregory Hobaugh, Ed. D	Superintendent
John Jennings	Business Administrator/Board Secretary
Judy Favino	Treasurer of School Monies
Busch Law Group	Attorneys

**HIGH BRIDGE SCHOOL DISTRICT**  
**CONSULTANTS AND ADVISORS**  
JUNE 30, 2021

**Architects**

Gianfranco Architects and Engineers  
555 East Main Street, Suite 1  
Chester, NJ 07930

**Audit Firm**

Nisivoccia LLP  
Mount Arlington Corporate Center  
200 Valley Road, Suite 300  
Mount Arlington, NJ 07856

**Attorneys**

Busch Law Group  
450 Main Street  
Metuchen, NJ 08840

Schenck, Price, Smith & King, LLP  
220 Park Avenue  
Florham Park, NJ 07932

**Official Depository**

Peapack-Gladstone Bank  
PO Box 700  
Bedminster, NJ 07921

FINANCIAL SECTION

## Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
High Bridge School District  
County of Hunterdon, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the High Bridge School District (the "District") in the County of Hunterdon, 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 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 opinions 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 audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 District'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.

### ***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, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 17 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the pension and Postemployment benefit schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***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 accompanying other supplementary schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”); and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying other supplementary schedules and the schedules of expenditures of federal and state awards 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 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 other supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable President and Members  
of the Board of Education  
High Bridge School District  
Page 3

The accompanying other information such as the introductory and statistical sections has 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 it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated December 7, 2021 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.

December 7, 2021  
Mount Arlington, New Jersey

NISIVOCCIA LLP

*Francis Jones of Nisivoccia LLP*  
Francis Jones  
Licensed Public School Accountant #1154  
Certified Public Accountant



REQUIRED SUPPLEMENTARY INFORMATION -  
MANAGEMENT'S DISCUSSION AND ANALYSIS

## **High Bridge School District Management's Discussion and Analysis**

This section of High Bridge School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

### **Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the entire District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements show how services were financed in the short-term as well as what remains for future spending. The fund financial statements present all funds of the District. The General Fund is by far the most significant fund.

### **Overview of the Financial Statements**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services.

**High Bridge School District  
Management's Discussion and Analysis**

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

**Figure A-1  
Organization of High Bridge School District's Financial Report**

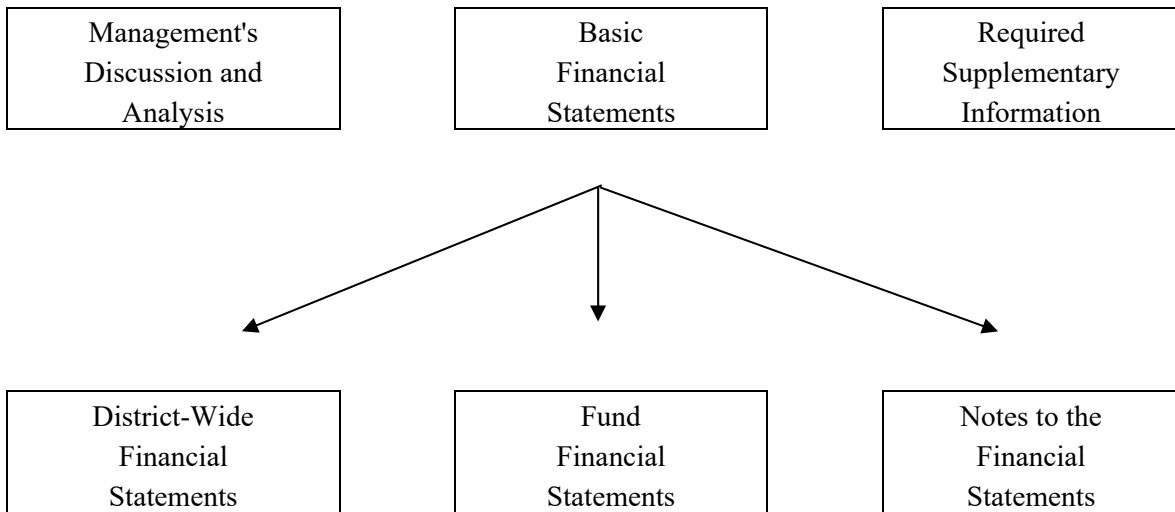


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents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

**High Bridge School District  
Management's Discussion and Analysis**

**Figure A-2**

*Major Features of the District-Wide and Fund Financial Statements*

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenue, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

## High Bridge School District Management's Discussion and Analysis

### *District-wide Statements*

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

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

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

In the district-wide financial statements, the District's activities are divided into two categories:

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

### *Fund Financial Statements*

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

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

The District has two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The *internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.

**High Bridge School District  
Management's Discussion and Analysis**

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

**Financial Analysis of the District as a Whole**

*Net Position.* The District's combined net position was \$6,678,908 on June 30, 2021, which was \$1,652,866 or 32.89% greater than the prior year (See Figure A-3).

**Figure A-3  
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Total
	2020/21	2019/20*	2020/21	2019/20*	2020/21	2019/20*	Percentage Change 2020/21
Current and							
Other Assets	\$ 3,916,866	\$2,556,984	\$ 28,705	\$ 18,277	\$3,945,571	\$2,575,261	
Capital Assets, Net	6,846,406	6,961,567	871	65,226	6,847,277	7,026,793	
Total Assets	<u>10,763,272</u>	<u>9,518,551</u>	<u>29,576</u>	<u>83,503</u>	<u>10,792,848</u>	<u>9,602,054</u>	12.40%
Deferred Outflows of Resources	<u>373,289</u>	<u>313,554</u>			<u>373,289</u>	<u>313,554</u>	19.05%
Other Liabilities	734,468	527,961	6,991	9,206	741,459	537,167	
Long-Term Liabilities							
Outstanding	<u>2,933,746</u>	<u>3,334,437</u>			<u>2,933,746</u>	<u>3,334,437</u>	
Total Liabilities	<u>3,668,214</u>	<u>3,862,398</u>	<u>6,991</u>	<u>9,206</u>	<u>3,675,205</u>	<u>3,871,604</u>	-5.07%
Deferred Inflows of Resources	<u>812,024</u>	<u>953,958</u>			<u>812,024</u>	<u>953,958</u>	-14.88%
Net Position:							
Net Investment in							
Capital Assets	4,511,406	4,231,567	871	1,222	4,512,277	4,232,789	
Restricted	2,792,395	2,019,269			2,792,395	2,019,269	
Unrestricted/(Deficit)	<u>(647,478)</u>	<u>(1,235,087)</u>	<u>21,714</u>	<u>9,071</u>	<u>(625,764)</u>	<u>(1,226,016)</u>	
Total Net Position	<u>\$ 6,656,323</u>	<u>\$5,015,749</u>	<u>\$ 22,585</u>	<u>\$ 10,293</u>	<u>\$6,678,908</u>	<u>\$ 5,026,042</u>	32.89%

\* Restated

**High Bridge School District  
Management's Discussion and Analysis**

*Changes in Net Position.* Net position from governmental activities increased \$1,640,574 mostly due to increases in state aid, and net position from business-type activities increased \$12,292 due to revenues exceeding expenses related to Food Service.

**Figure A-4  
Changes in Net Position from Operating Results**

	Governmental Activities	Business-Type Activities	Total School District	Governmental Activities	Business-Type Activities	Total School District	Total Percentage Change
	2020/21	2020/21	2020/21	2019/20	2019/20	2019/20	2020/21
Revenue:							
Program Revenue:							
Charges for Services	\$ 33,996	\$ 346	\$ 34,342	\$ 31,418	\$ 46,823	\$ 78,241	
Operating Grants and Contributions	4,214,965	82,020	4,296,985	4,125,941	43,120	4,169,061	
Capital Grants and Contributions					64,004	64,004	
General Revenue:							
Property Taxes	7,020,901		7,020,901	6,832,760		6,832,760	
Other	201,850	9	201,859	95,494	73	95,567	
Total Revenue	<u>11,471,712</u>	<u>82,375</u>	<u>11,554,087</u>	<u>11,085,613</u>	<u>154,020</u>	<u>11,239,633</u>	2.80%
Expenses:							
Instruction	6,437,786		6,437,786	6,607,692		6,607,692	
Pupil and Instruction Services	1,531,094		1,531,094	1,463,113		1,463,113	
Administrative and Business	675,000		675,000	680,579		680,579	
Maintenance and Operations	1,043,166		1,043,166	785,921		785,921	
Pupil Transportation	14,175		14,175	62,733		62,733	
Other	129,917	70,083	200,000	127,537	92,817	220,354	
Total Expenses	<u>9,831,138</u>	<u>70,083</u>	<u>9,901,221</u>	<u>9,727,575</u>	<u>92,817</u>	<u>9,820,392</u>	0.82%
Increase/(Decrease) in Net Position	<u>\$ 1,640,574</u>	<u>\$ 12,292</u>	<u>\$ 1,652,866</u>	<u>\$ 1,358,038</u>	<u>\$ 61,203</u>	<u>\$ 1,419,241</u>	16.46%

**Governmental Activities**

As discussed elsewhere in this commentary, the financial position of the District improved significantly. The District will continue sound fiscal management in order to maintain its existing programs, provide programs and services for students with special needs and meet the rising costs of fixed obligations.

Careful management of expenses remains essential for the District to maintain its financial health.

Figure A-5 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation and other expenses. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial obligation placed on the District's taxpayers by each of these functions.

**High Bridge School District  
Management's Discussion and Analysis**

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

**Figure A-5**

	<b>Net Cost of Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2020/21</u>	<u>2020/21</u>	<u>2019/20</u>	<u>2019/20</u>
Instruction	\$ 6,437,786	\$ 2,317,571	\$ 6,607,692	\$ 2,581,241
Pupil and Instruction Services	1,531,094	1,531,094	1,463,113	1,463,113
Administrative and Business	675,000	550,024	680,579	564,009
Maintenance and Operations	1,043,166	1,043,166	785,921	785,921
Transportation	14,175	10,405	62,733	48,395
Other	129,917	129,917	127,537	127,537
	<u>\$ 9,831,138</u>	<u>\$ 5,582,177</u>	<u>\$ 9,727,575</u>	<u>\$ 5,570,216</u>

***Business-Type Activities***

Net position from the District's business-type activity increased \$12,292 (Refer to Figure A-4). Factors contributing to these results included:

- Food service revenues exceeded expenses by \$12,292 mostly due to the Seamless Summer Option Program which resulted in revenues exceeding expenses related to the Food Service Fund which accounted for the overall increase in the net position of the business-type activities.

**Financial Analysis of the District's Funds**

The District's financial position improved during the year mostly due to a continued effort to be more efficient concerning expenditures and an emphasis on budgetary savings. Programs were reduced in order to balance the budget. The Board of Education meets monthly to review any items that may have a significant financial impact on the District, and address each item accordingly.

**General Fund Budgetary Highlights**

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



**High Bridge School District  
Management's Discussion and Analysis**

**Capital Asset and Long Term Liabilities**

**Figure A-6**

	<b>Capital Assets (Net of Depreciation)</b>						Percentage Change 2020/21
	Governmental Activities		Business-Type Activities		Total School District		
	2020/21	2019/20	2020/21	2019/20*	2020/21	2019/20*	
Land	\$ 4,826,600	\$ 4,826,600			\$ 4,826,600	\$ 4,826,600	
Site Improvements	98,592	105,835			98,592	105,835	
Buildings and Building Improvements	1,797,011	1,950,316			1,797,011	1,950,316	
Furniture, Machinery, and Equipment	124,203	78,816	\$ 871	\$ 1,222	125,074	80,038	
<b>Total Capital Assets (Net of Depreciation)</b>	<b>\$ 6,846,406</b>	<b>\$ 6,961,567</b>	<b>\$ 871</b>	<b>\$ 1,222</b>	<b>\$ 6,847,277</b>	<b>\$ 6,962,789</b>	-1.66%

\* Restated

**Figure A-7**

	<b>Outstanding Long-Term Liabilities</b>			Percentage Change 2020/21
	2020/21	2019/20	2020/21	
	Bonds Payable	\$ 2,335,000	\$ 2,730,000	
Net Pension Liability	931,740	877,690		
Compensated Absences Payable	82,006	121,747		
	<b>\$ 3,348,746</b>	<b>\$ 3,729,437</b>	-10.21%	

**Factors Bearing on the District's Future Revenue/Expense Changes**

It has proven to be a challenging year as we explored different avenues of saving money and reducing expenses. A major concern is the continued reliance on local property taxes in light of possible state funding decreases. It has become increasingly difficult for the District to maintain their level of service with the increases in property tax rates. This problem appears to be statewide, and is not exclusive to High Bridge School District.

The District must allocate funds for "fixed" obligations, which increase from year to year. The State mandates that two-tenths of one percent of the buildings' value be set aside in the annual budget for "required" building maintenance. A maintenance reserve account was established a few years ago to provide for unexpected building repairs. In addition, the budget includes funds for repair and maintenance of the District's equipment. Special education programs and related services, including out of district placements and transportation, cannot be predicted with certainty; however, the District maintains its commitment to meet the needs of these students. A large cost savings is continued to be recognized from the District's integrated preschool program which provides services in district rather than paying the higher cost of out-of-district tuition.

**High Bridge School District  
Management's Discussion and Analysis**

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 40 Fairview Avenue, High Bridge, NJ 08829.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

HIGH BRIDGE SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,135,107	\$ 18,523	\$ 1,153,630
Receivables from Other Governments:			
Federal	19,636	7,172	26,808
State	287,459	249	287,708
Other	41,795		41,795
Other Accounts Receivable	2,500		2,500
Inventory		2,761	2,761
Restricted Cash and Cash Equivalents	2,430,369		2,430,369
Capital Assets, Net			
Sites (Land)	4,826,600		4,826,600
Depreciable Site Improvements, Buildings and Building Improvements and Furniture, Machinery and Equipment	2,019,806	871	2,020,677
Total Assets	<u>10,763,272</u>	<u>29,576</u>	<u>10,792,848</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows - Pensions	<u>373,289</u>		<u>373,289</u>
Total Deferred Outflows of Resources	<u>373,289</u>		<u>373,289</u>
<b>LIABILITIES</b>			
Accrued Interest Payable	38,917		38,917
Accounts Payable	131,675	3,495	135,170
Unearned Revenue	148,876	3,496	152,372
Noncurrent Liabilities:			
Due Within One Year	415,000		415,000
Due Beyond One Year	2,933,746		2,933,746
Total Liabilities	<u>3,668,214</u>	<u>6,991</u>	<u>3,675,205</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows - Pensions	<u>812,024</u>		<u>812,024</u>
Total Deferred Inflows of Resources	<u>812,024</u>		<u>812,024</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,511,406	871	4,512,277
Restricted for:			
Capital Projects	1,808,390		1,808,390
Maintenance Reserve	434,049		434,049
Excess Surplus	362,026		362,026
Unemployment Compensation	176,610		176,610
Student Activities	11,320		11,320
Unrestricted/(Deficit)	<u>(647,478)</u>	<u>21,714</u>	<u>(625,764)</u>
Total Net Position	<u>\$ 6,656,323</u>	<u>\$ 22,585</u>	<u>\$ 6,678,908</u>

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

HIGH BRIDGE SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>							
<b>Instruction:</b>							
Regular	\$ 4,235,288	\$ 33,996	\$ 3,061,181		\$ (1,140,111)	\$ (1,140,111)	
Special Education	2,082,409		1,025,038		(1,057,371)	(1,057,371)	
Other Instruction	120,089				(120,089)	(120,089)	
<b>Support Services:</b>							
Tuition	41,007				(41,007)	(41,007)	
Student & Instruction Related Services	1,490,087				(1,490,087)	(1,490,087)	
General Administrative Services	249,855		54,385		(195,470)	(195,470)	
School Administrative Services	263,897		70,591		(193,306)	(193,306)	
Central Services	140,130				(140,130)	(140,130)	
Administrative Information Technology	21,118				(21,118)	(21,118)	
Plant Operations and Maintenance	1,043,166				(1,043,166)	(1,043,166)	
Pupil Transportation	14,175		3,770		(10,405)	(10,405)	
Interest on Long-Term Debt	129,917				(129,917)	(129,917)	
<b>Total Governmental Activities</b>	<b>9,831,138</b>	<b>33,996</b>	<b>4,214,965</b>		<b>(5,582,177)</b>	<b>(5,582,177)</b>	

HIGH BRIDGE SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities: Food Service	\$ 70,083	\$ 346	\$ 82,020		\$ 12,283	\$ 12,283	
Total Business-Type Activities	70,083	346	82,020		12,283	12,283	
Total Primary Government	\$ 9,901,221	\$ 34,342	\$ 4,296,985	\$ -0-	\$ (5,582,177)	12,283	(5,569,894)
General Revenue:							
Taxes:							
		Property Taxes, Levied for General Purposes, Net			\$ 6,567,650	\$ 6,567,650	
		Taxes Levied for Debt Service			453,251	453,251	
		Federal and State Aid not Restricted			78,249	78,249	
		Investment Earnings			1,263	\$ 9	1,272
		Restricted Miscellaneous Income			12,580	12,580	
		Miscellaneous Income			109,758	109,758	
		Total General Revenues			7,222,751	9	7,222,760
		Change in Net Position			1,640,574	12,292	1,652,866
		Net Position - Beginning (as Restated)			5,015,749	10,293	5,026,042
		Net Position - Ending			\$ 6,656,323	\$ 22,585	\$ 6,678,908

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

FUND FINANCIAL STATEMENTS



HIGH BRIDGE SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,092,547	\$ 42,560	\$ 1,135,107
Receivables From Other Governments:			
Federal		19,636	19,636
State	287,459		287,459
Other		41,795	41,795
Other Accounts Receivable	2,500		2,500
Restricted Cash and Cash Equivalents	<u>2,419,049</u>	<u>11,320</u>	<u>2,430,369</u>
Total Assets	<u>\$ 3,801,555</u>	<u>\$ 115,311</u>	<u>\$ 3,916,866</u>
<b>LIABILITIES AND FUND BALANCES:</b>			
Liabilities:			
Accounts Payable	\$ 61,675		\$ 61,675
Unearned Revenue		<u>\$ 148,876</u>	<u>148,876</u>
Total Liabilities	<u>61,675</u>	<u>148,876</u>	<u>210,551</u>
Fund Balances:			
Restricted for:			
Capital Reserve Account	1,808,390		1,808,390
Maintenance Reserve Account	434,049		434,049
Excess Surplus - 2022-2023	362,026		362,026
Excess Surplus - 2021-2022	427,590		427,590
Unemployment Compensation	176,610		176,610
Student Activities		11,320	11,320
Assigned to:			
Year End Encumbrances	105,851		105,851
Unassigned:			
General Fund	425,364		425,364
Special Revenue Fund/(Deficit)		<u>(44,885)</u>	<u>(44,885)</u>
Total Fund Balances/(Deficit)	<u>3,739,880</u>	<u>(33,565)</u>	<u>3,706,315</u>
Total Liabilities and Fund Balances	<u>\$ 3,801,555</u>	<u>\$ 115,311</u>	

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) is Different Because:

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. The cost of the assets is \$11,437,194 and the accumulated depreciation is \$4,590,788.	6,846,406
Long-Term Liabilities, including Bonds Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(2,417,006)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(38,917)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(931,740)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	303,289
Deferred Inflows	<u>(812,024)</u>
Net Position of Governmental Activities	<u>\$ 6,656,323</u>

HIGH BRIDGE SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>REVENUE:</b>				
Local Sources:				
Local Tax Levy	\$ 6,567,650		\$ 453,251	\$ 7,020,901
Tuition Charges	33,996			33,996
Interest Earned on Capital Reserve Funds	991			991
Interest Earned on Maintenance Reserve Funds	273			273
Restricted Miscellaneous Revenue		\$ 12,580		12,580
Miscellaneous	109,757	42,075		151,832
Total - Local Sources	6,712,667	54,655	453,251	7,220,573
State Sources	3,313,009	463,595	78,249	3,854,853
Federal Sources		178,627		178,627
Total Revenue	<u>10,025,676</u>	<u>696,877</u>	<u>531,500</u>	<u>11,254,053</u>
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	2,159,439	497,166		2,656,605
Special Education Instruction	985,646	101,809		1,087,455
Other Instruction	111,162			111,162
Support Services and Undistributed Costs:				
Tuition	41,007			41,007
Student & Instruction Related Services	1,248,166	10,300		1,258,466
General Administrative Services	186,042			186,042
School Administrative Services	172,078			172,078
Central Services	120,805			120,805
Administrative Information Technology	21,118			21,118
Pupil Transportation	14,175			14,175

HIGH BRIDGE SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>EXPENDITURES</b>				
Plant Operations and Maintenance	\$ 742,277			\$ 742,277
Benefits - Allocated and Unallocated	3,023,236			3,023,236
Debt Service:				
Principal			\$ 395,000	395,000
Interest and Other Charges			136,500	136,500
Capital Outlay		\$ 128,435		128,435
Total Expenditures	<u>8,825,151</u>	<u>737,710</u>	<u>531,500</u>	<u>10,094,361</u>
Excess/(Deficiency) of Revenue over/(under) Expenditures	1,200,525	(40,833)		1,159,692
<b>OTHER FINANCING SOURCES/(USES)</b>				
Transfers	(26,914)	26,914		
Total Other Financing Sources/(Uses)	<u>(26,914)</u>	<u>26,914</u>		
Net Change in Fund Balances	1,173,611	(13,919)		1,159,692
Fund Balance/(Deficit)—July 1 (As Restated)	<u>2,566,269</u>	<u>(19,646)</u>		<u>2,546,623</u>
Fund Balance/(Deficit)—June 30	<u>\$ 3,739,880</u>	<u>\$ (33,565)</u>	<u>\$ - 0 -</u>	<u>\$ 3,706,315</u>

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

HIGH BRIDGE SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ 1,159,692
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 differs from capital outlays in the period.		
Depreciation expense	\$ (121,909)	
Capital outlays net of Disposals/Adjustments	6,748	(115,161)
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 financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		39,741
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)		
		395,000
In the Statement of Activities, interest on Long-Term Debt in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. When accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).		
		6,583
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Change in Net Pension Liability		(54,050)
Change in Deferred Outflows		66,835
Change in Deferred Inflows		141,934
Change in Net Position - Governmental Funds (Exhibit A-2)		\$ 1,640,574

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

HIGH BRIDGE SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 18,523
Intergovernmental Accounts Receivable:	
State	249
Federal	7,172
Inventories	2,761
	28,705
Total Current Assets	28,705
Non-Current Assets:	
Capital Assets:	
Equipment	171,816
Accumulated Depreciation	(170,945)
	871
Total Non-Current Assets	871
Total Assets	29,576
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable- Vendors	3,495
Unearned Revenue - Donated Commodities	1,068
Unearned Revenue - Prepaid Sales	2,428
	6,991
Total Liabilities	6,991
<b>NET POSITION:</b>	
Investment in Capital Assets	871
Unrestricted	21,714
	22,585
Total Net Position	\$ 22,585

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

HIGH BRIDGE SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>
Operating revenue	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 296
Other Miscellaneous	50
	346
Total Operating Revenue	346
Operating Expenses:	
Cost of Sales - Reimbursable Programs	46,274
Salaries, Benefits & Payroll Taxes	13,115
Supplies, Insurance & Other Costs	2,027
Management Fee	7,346
Depreciation	351
Miscellaneous Expenses	970
	70,083
Total Operating Expenses	70,083
Operating (Loss)	(69,737)
Non-Operating Revenue	
Local Sources:	
Interest Income	9
State Sources:	
COVID 19 - Seamless Summer Option	1,693
Federal Sources:	
COVID 19 - Seamless Summer Option	72,054
Food Distribution Program	8,273
	82,029
Total Non-Operating Revenue	82,029
Change in Net Position	12,292
Net Position - Beginning of Year (as Restated)	10,293
Net Position - End of Year	\$ 22,585

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

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

	<u>Business-Type Activities - Enterprise Funds</u>
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 346
Payments to Food Service Vendor	(60,663)
Net Cash (Used for) Operating Activities	<u>(60,317)</u>
Cash Flows From Noncapital Financing Activities:	
State Sources	1,488
Federal Sources	69,095
Net Cash Provided by Investing Activities	<u>70,583</u>
Cash Flows From Investing Activities:	
Interest Income	9
Net Cash Provided by Investing Activities	<u>9</u>
Net Increase in Cash and Cash Equivalents	10,275
Cash and Cash Equivalents, July 1	<u>8,248</u>
Cash and Cash Equivalents, June 30	<u>\$ 18,523</u>
Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (69,737)
Adjustment to Reconcile Operating Loss to Cash (Used for) Operating Activities:	
Depreciation	351
Food Distribution Program	8,273
Changes in Assets and Liabilities:	
Decrease in Inventory	3,011
(Decrease) in Accounts Payable	(1,878)
(Decrease) in Unearned Revenue - Donated Commodities	(274)
(Decrease) in Unearned Revenue - Prepaid Sales	(63)
Net Cash (Used for) Operating Activities	<u>\$ (60,317)</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$7,999 and \$8,273, respectively, the fiscal year ended June 30, 2021.

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.



HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

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

B. Basis of Presentation: (Cont'd)

Fund Financial Statements:

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

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

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

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

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

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

The District reports the following proprietary fund:

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2021 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 9,990,961	\$ 855,994
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary basis recognizes Encumbrances as Expenditures and Revenue whereas the GAAP basis does not.		(116,004)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	171,919	28,686
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(137,204)</u>	<u>(71,799)</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 10,025,676</u>	<u>\$ 696,877</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule		
	\$ 8,825,151	\$ 853,714
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(116,004)</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 8,825,151</u>	<u>\$ 737,710</u>

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

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

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

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

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

N.J.S.A. 17:9-41 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 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 of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

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

H. Encumbrances: (Cont'd)

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

K. Capital Assets:

The District has established a formal system of accounting for its capital assets. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

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

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

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

L. Long Term Liabilities:

In the district-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2021.

N. Compensated Absences:

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for accumulated sick days and begin vesting with the employee after fifteen years of service.

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

O. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

P. Fund Balance Appropriated:

General Fund: Of the \$3,739,880 General Fund fund balance at June 30, 2021, \$1,808,390 is restricted in the capital reserve account; \$434,049 is restricted in the maintenance reserve account; \$362,026 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2023, \$427,590 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2022, \$105,851 is assigned for year-end encumbrances, \$176,610 is restricted for unemployment compensation, and \$425,364 is unassigned which is \$137,204 less than the Budgetary basis, due to the final state aid payments, which are not recognized until the fiscal year ending June 30, 2022.

Special Revenue Fund: Of the \$(33,565) Special Revenue Fund fund balance at June 30, 2021, \$(44,885) is unassigned due to the last two state aid payments, which are not recognized on a GAAP Basis, and \$11,320 is restricted for student activities.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation. New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus as noted above.

The District's unassigned fund balance in the General Fund and Special Revenue Fund is less on a GAAP basis than the budgetary basis by \$137,204 and \$43,113 respectively as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payments in the subsequent fiscal year, the school district cannot recognize the last state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final state aid payments and not the fund balance reported on the fund statement which excludes the last state aid payments.

Q. Deficit in Net Position/Fund Balance:

The District had a deficit in the governmental activities unrestricted net position at June 30, 2021 of \$647,478 activities primarily due to liabilities and deferred inflows and outflows related to pensions. The Special Revenue Fund had a deficit in fund balance of \$33,565 and a deficit in unassigned fund balance of \$44,885 respectively. The deficits in the Special Revenue Fund are due to the last two state aid payments that are not recognized on a GAAP basis. The deficits are not an indication that the District is facing financial difficulties and are a permitted practice under generally accepted accounting principles.

R. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2021 related to pensions.

The District had a deferred inflow of resources at June 30, 2021 related to pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

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

R. Net Position (Cont'd)

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

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

S. Fund Balance Restrictions, Commitments and Assignments:

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2021.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources in the General Fund for encumbrances at June 30, 2021.

T. Revenue - Exchange and Nonexchange Transactions:

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



HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

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

T. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

U. Operating Revenue and Expenses:

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

V. Management Estimates:

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

W. Pensions:

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

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

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, 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 and

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

All collateral must be deposited with the Federal Reserve Bank 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.

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

Investments: (Cont'd)

- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4) ; or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c.313 (C.40A:5A-1 et seq.);
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
  - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
  - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
  - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
  - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

As of June 30, 2021, cash and cash equivalents of the District consisted of the following:

	Restricted Cash and Cash Equivalents					Total
	Cash and Cash Equivalents	Capital Reserve Account	Maintenance Reserve Account	Unemployment Compensation	Student Activities	
Checking & Savings Accounts	\$ 1,153,630	\$ 1,808,390	\$ 434,049	\$ 176,610	\$ 11,320	\$ 3,583,999
	\$ 1,153,630	\$ 1,808,390	\$ 434,049	\$ 176,610	\$ 11,320	\$ 3,583,999

During the period ended June 30, 2021 the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2021, was \$3,583,999 and the bank balance was \$3,710,094.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the High Bridge Board of Education by inclusion of \$1 on October 9, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$ 1,132,399
Increased by:	
Interest Earnings	991
Unspent Capital Outlay Funds Returned	250,000
Board Resolution	675,000
	2,058,390
Decreased by:	
Budgeted Withdrawal	(250,000)
Ending Balance, June 30, 2021	\$ 1,808,390

The June 30, 2021 Capital Reserve balance does not exceed the local support costs of uncompleted capital projects in the District's Long Range Facilities Plan ("LRFP"). The withdrawal from the capital reserve account was for use in DOE approved facilities projects, consistent with the District's LRFP.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$1 was established by the High Bridge Board of Education on June 30, 2003. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess, unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year’s budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district’s school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year’s budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$	333,776
Increased by:		
Interest Earnings		273
Board Resolution		<u>100,000</u>
Ending Balance, June 30, 2021	\$	<u><u>434,049</u></u>

NOTE 6. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2021, the District made no transfers to Capital Outlay.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2021 were as follows:

	Beginning Balance as Restated	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 4,826,600			\$ 4,826,600
Total Capital Assets Not Being Depreciated	<u>4,826,600</u>			<u>4,826,600</u>
Capital Assets Being Depreciated:				
Site Improvements	445,416			445,416
Buildings and Building Improvements	4,394,743	\$ 130,102	\$ (189,470)	4,335,375
Machinery and Equipment	1,763,687	66,116		1,829,803
Total Capital Assets Being Depreciated	<u>6,603,846</u>	<u>196,218</u>	<u>(189,470)</u>	<u>6,610,594</u>
Governmental Activities Capital Assets	<u>11,430,446</u>	<u>196,218</u>	<u>(189,470)</u>	<u>11,437,194</u>
Less Accumulated Depreciation for:				
Site Improvements	(339,581)	(7,243)		(346,824)
Buildings and Building Improvements	(2,444,427)	(93,937)		(2,538,364)
Machinery and Equipment	(1,684,871)	(20,729)		(1,705,600)
	<u>(4,468,879)</u>	<u>(121,909)</u>		<u>(4,590,788)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 6,961,567</u>	<u>\$ 74,309</u>	<u>\$ (189,470)</u>	<u>\$ 6,846,406</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 171,816			\$ 171,816
Less Accumulated Depreciation	<u>(170,594)</u>	<u>\$ (351)</u>		<u>(170,945)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 1,222</u>	<u>\$ (351)</u>	<u>\$ - 0 -</u>	<u>\$ 871</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 2,499
Special Education Instruction	2,280
Other Special Instruction	1,524
Other Instruction	1,341
Student and Instruction Related Services	1,682
School Administrative Services	1,548
General Administrative Services	6,425
Operations and Maintenance of Plant	<u>104,610</u>
	<u>\$ 121,909</u>

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2021, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2020	Accrued	Retired	Balance 6/30/2021
Bonds Payable	\$ 2,730,000		\$ 395,000	\$ 2,335,000
Compensated Absences Payable	121,747	\$ 35,980	75,721	82,006
Net Pension Liability	877,690	54,050		931,740
	\$ 3,729,437	\$ 90,030	\$ 470,721	\$ 3,348,746

A. Bonds Payable:

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

The District had bonds outstanding as of June 30, 2021 as follows:

<u>Serial Bonds - 1999 Refunding Bonds</u>		
Final Maturity Date	Interest Rate	Amount
2/15/2026	4.875 - 4.90%	\$ 2,335,000

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

Fiscal Year Ending June 30,	Bonds		Total
	Principal	Interest	
2022	\$ 415,000	\$ 116,750	\$ 531,750
2023	440,000	96,000	536,000
2024	465,000	75,520	540,520
2025	495,000	50,120	545,120
2026	520,000	25,110	545,110
	\$ 2,335,000	\$ 363,500	\$ 2,698,500

The bonds will be liquidated by the Debt Service Fund.

B. Bonds Authorized But Not Issued:

As of June 30, 2021, the Board had no bonds authorized but not issued.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 8. LONG-TERM LIABILITIES (Cont'd)

C. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. There is no current portion of the compensated absences balance of the governmental funds and business type activities in the current year. The long-term liability balance of compensated absences is \$82,006 for Governmental Activities and \$ - 0 - for Business-type Activities.

Compensated absences will be liquidated by the General Fund.

D. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2021 is \$-0- and the long-term portion is \$931,740. See Note 9 for further information on the PERS.

NOTE 9. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

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



HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$62,504 for 2021.

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

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

At June 30, 2021, the District reported a liability of \$931,740 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 as of 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 members, actuarially determined. At June 30, 2020, the District's proportion was 0.0057%, which was an increase of 0.0008% from its proportion measured as of June 30, 2019.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

For the fiscal year ended June 30, 2021, the District recognized a pension benefit of \$91,561. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2016	5.57	\$ 30,227	
	2017	5.48		\$ 88,197
	2018	5.63		86,527
	2019	5.21		68,715
	2020	5.16		146,690
			<u>30,227</u>	<u>390,129</u>
Changes in Proportion	2016	5.57		57,229
	2017	5.48	50,076	
	2018	5.63	21,244	
	2019	5.21		361,371
	2020	5.16	152,928	
			<u>224,248</u>	<u>418,600</u>
Difference Between Expected and Actual Experience	2016	5.57	917	
	2017	5.48	2,623	
	2018	5.63		3,295
	2019	5.21	5,253	
	2020	5.16	8,173	
			<u>16,966</u>	<u>3,295</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00	(11,403)	
	2018	5.00	(10,574)	
	2019	5.00	2,559	
	2020	5.00	51,266	
			<u>31,848</u>	
Contribution Subsequent to Measurement Date	2020	1.00	70,000	
			<u>\$ 373,289</u>	<u>\$ 812,024</u>

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2021	\$ (116,916)
2022	(106,592)
2023	(60,915)
2024	(24,633)
2025	(5,328)
	\$ (314,384)

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:

Inflation Rate:	
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%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-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, 2014 to June 30, 2018.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets 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 Management Strategies	3.00%	3.40%

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 upon 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.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

	June 30, 2020		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 1,170,307	\$ 931,740	\$ 725,494

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2021, the State of New Jersey contributed \$1,028,536 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$1,351,295.

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

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

At June 30, 2021, the State's proportionate share of the net pension liability associated with the District was \$23,103,955. 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 District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the District's proportion was 0.0351%, which was a decrease of 0.001% from its proportion measured as of June 30, 2019.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	23,103,955
Total	<u>\$ 23,103,955</u>

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$1,351,295 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2021 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.50	\$ 461,324,773	
	2015	8.30	1,638,696,238	
	2016	8.30	4,304,747,820	
	2017	8.30		\$ 6,882,861,832
	2018	8.29		4,349,959,805
	2019	8.04		3,009,143,115
	2020	7.99	1,411,170,422	
			7,815,939,253	14,241,964,752
Difference Between Expected and Actual Experience	2014	8.50		4,393,807
	2015	8.30	101,207,836	
	2016	8.30		53,533,223
	2017	8.30	122,460,660	
	2018	8.29	763,099,015	
	2019	8.04		116,909,940
	2020	7.99		7,520,890
			986,767,511	182,357,860
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00	(226,008,261)	
	2018	5.00	(192,060,744)	
	2019	5.00	108,662,078	
	2020	5.00	965,582,162	
			656,175,235	
		\$ 9,458,881,999	\$ 14,424,322,612	

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2021	\$ (262,056,928)
2022	(188,358,995)
2023	(774,174,971)
2024	(1,939,112,462)
2025	(1,466,451,639)
Thereafter	(335,285,618)
	\$ (4,965,440,613)

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 in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 – 4.45% based on years of service
Thereafter	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

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



HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets 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 Management Strategies	3.00%	3.40%

Discount Rate – TPAF

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 made based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on pension 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.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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 State's proportionate share of the net pension liability associated with the District 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 were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	At 1% Decrease (4.40%)	At Current Discount Rate (5.40%)	At 1% Increase (6.40%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 27,138,301	\$ 23,103,955	\$ 19,754,108

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$5,097 for the fiscal year ended June 30, 2021. Employee contributions to DCRP amounted to \$8,831 for the year ended June 30, 2021.

NOTE 10. RISK MANAGEMENT

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits

The District is a member of the School Alliance Insurance Fund (the “Fund”). This public entity risk management pool provides general liability, property and automobile coverage and workers’ compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

The Fund is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

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

The June 30, 2021 audit report for the Fund is not available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2020 is as follows:

Total Assets	\$	51,526,293
Net Position	\$	20,539,909
Total Revenue	\$	43,264,723
Total Expenses	\$	41,642,801
Change in Net Position	\$	1,621,922
Members Dividends	\$	-0-

Financial statements for the Fund are available at the Fund’s Executive Director’s Office:

Public Entity Group Administrative Services  
6000 Midlantic Drive, Suite 300  
Mt. Laurel, NJ 08054  
(609) 386-6060

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.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

The following is a summary of the District's contributions, employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Employee Contributions and Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$ 52,824	\$ 7,669	\$ 347	\$ 176,610
2019-2020	50,000	7,806	68	116,464
2018-2019		7,704	6,512	58,726

NOTE 11. ECONOMIC DEPENDENCY

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

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund balances at June 30, 2021.

NOTE 13. DEFERRED COMPENSATION

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

- |   |   |
|---|---|
| AXA Equitable Life Insurance Company<br>Lincoln National Life Insurance Company<br>Lincoln Investment Planning, LLC | Security Benefit Group<br>Siracusa Benefits Program |
|---|---|

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 14. TAX CALENDAR

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

Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined, agreed-upon schedule.

NOTE 15. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

The District is periodically involved in pending lawsuits. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial statements of the District.

Encumbrances

At June 30, 2021, the District had the following encumbrances payable:

General Fund	Special Revenue Fund	Total Governmental Funds
<u>\$ 105,851</u>	<u>\$ 116,004</u>	<u>\$ 221,855</u>

On the District's Governmental Funds Balance Sheet as of June 30, 2021, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$116,004 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in unearned revenue.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 15. CONTINGENT LIABILITIES (Cont'd)

Accounts Payable

At June 30, 2021, the District had the following accounts payable:

	<u>Governmental Funds</u>	<u>District Contribution Subsequent to the Measurement Date</u>	<u>Total Governmental Activities</u>	<u>Business-Type Activities Proprietary Funds</u>
Vendors	\$ 12,972		\$ 12,972	\$ 3,495
Due to State of New Jersey		\$ 70,000	70,000	
Payroll Deductions and Withholdings	48,703		48,703	
	<u>\$ 61,675</u>	<u>\$ 70,000</u>	<u>\$ 131,675</u>	<u>\$ 3,495</u>

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Plan Description and Benefits Provided (Cont'd)

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2018, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	148,051
Active Plan Members	216,892
Total	364,943

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

Actuarial Assumptions and Other Inputs

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

Inflation Rate	2.50%	
	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 3.05% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 3.05% based on service years	3.00 - 7.00% based on service years

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2016 – June 30, 2019 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.



HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

	Total OPEB Liability
Balance at June 30, 2018	\$ 17,349,941
Changes for Year:	
Service Cost	580,675
Interest on the Total OPEB Liability	685,550
Difference Between Expected and Actual Experiences	(3,746,634)
Changes of Assumptions	218,456
Gross Benefit Payments by the State	(449,759)
Contributions from Members	13,332
Net Changes	(2,698,380)
Balance at June 30, 2019	\$ 14,651,561

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
Total OPEB Liability Attributable to the District	\$ 17,309,283	\$ 14,651,561	\$ 12,540,412

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 12,072,233	\$ 14,651,561	\$ 18,066,061

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

For the fiscal year ended June 30, 2021 the District recognized OPEB expense of \$657,937 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2019 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 1,705,738
Changes in Assumptions	2018	9.51		1,467,165
	2019	9.29	\$ 194,941	
			194,941	3,172,903
Differences Between Expected and Actual Experience	2018	9.51		1,386,928
	2019	9.29		2,294,464
Changes in Proportion	N/A	N/A		(263,544)
			\$ 194,941	\$ 6,590,751

N/A - Not Available

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2020	\$ (894,115)
2021	(894,115)
2022	(894,115)
2023	(894,115)
2024	(894,115)
Thereafter	(2,188,780)
	\$ (6,659,355)

NOTE 17. PRIOR PERIOD ADJUSTMENT

GASB 84, *Fiduciary Activities*, was implemented during the fiscal year ended June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance Trust Fund which had previously been reported in the Fiduciary Funds is now reported in the General Fund. The Student Activities Fund (which includes Athletic Activities) are not reported in the Special Revenue Fund.

In addition, the District made prior year adjustments in the District Wide and the Proprietary Fund Financial Statements to adjust capital assets due to an updated appraisal report as of June 30, 2021. As a result, the District Wide and the Proprietary Fund Financial Statements have been restated as detailed below and on the following page.

	Balance June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 as Restated
<u>Statement of Net Activities - Governmental Activities:</u>			
Net Position - Ending	\$ 4,890,245	\$ 125,504	\$ 5,015,749
<u>Statement of Net Activities - Business-type Activities:</u>			
Capital Assets - Equipment	\$ 235,820	\$ (64,004)	\$ 171,816
Investment in Capital Assets	65,226	(64,004)	1,222
Net Position - Ending	74,297	(64,004)	10,293

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 17. PRIOR PERIOD ADJUSTMENT (Cont'd)

	Balance June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 as Restated
<u>Statement of Revenues, Expenditures and Changes in</u>			
<u>Fund Balances - Governmental Funds:</u>			
General Fund:			
Fund Balance - June 30	\$ 2,449,805	\$ 116,464	\$ 2,566,269
Special Revenue Fund:			
Fund Balance - June 30	\$ (28,686)	\$ 9,040	\$ (19,646)
 <u>Statement of Revenues, Expenditures and Changes in</u>			
<u>Fund Balances - Proprietary Funds:</u>			
Food Service Fund:			
Capital Assets - Equipment	\$ 235,820	\$ (64,004)	\$ 171,816
Investment in Capital Assets	65,226	(64,004)	1,222
Net Position - June 30	74,297	(64,004)	10,293
 <u>Statement of Changes in Fiduciary Net Position -</u>			
<u>Fiduciary Funds:</u>			
Unemployment Compensation Trust:			
Net Position - End of the Year	\$ 116,464	\$ (116,464)	\$ -0-
Student Activities Fund:			
Net Position - End of the Year	\$ 9,040	\$ (9,040)	\$ -0-

NOTE 18. SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey continues to cause disruption of the District's financial operations. Though the impact on the District's operations cannot be reasonably estimated at this date, it is likely that there will continue to be an impact on certain revenues in the General Fund other than state aid and the local tax levy. There have been additional operating expenses in the General Fund due to schools re-opening on a full-time basis.

The District's Food Service Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2022 as the District continues to offer free lunch to all students under the seamless summer option.

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

HIGH BRIDGE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability	0.0090272079%	0.0092239230%	0.0064083651%	0.0072587968%	0.0074604124%	0.0048710533%	0.0057136077%
District's proportionate share of the net pension liability	\$ 1,690,140	\$ 2,070,586	\$ 1,897,974	\$ 1,689,732	\$ 1,468,918	\$ 877,690	\$ 931,740
District's covered employee payroll	\$ 604,158	\$ 624,463	\$ 520,502	\$ 491,789	\$ 379,573	\$ 375,248	\$ 424,861
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	279.75%	331.58%	364.64%	343.59%	386.99%	233.90%	219.30%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

HIGH BRIDGE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 74,419	\$ 79,301	\$ 57,488	\$ 68,818	\$ 74,821	\$ 48,462	\$ 62,504
Contributions in relation to the contractually required contribution	(68,220)	(79,301)	(57,488)	(68,818)	(74,821)	(48,462)	(62,504)
Contribution deficiency/(excess)	\$ 6,199	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 624,463	\$ 520,502	\$ 491,789	\$ 379,573	\$ 375,248	\$ 424,861	\$ 438,832
Contributions as a percentage of covered employee payroll	11.92%	15.24%	11.69%	18.13%	19.94%	11.41%	14.24%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

HIGH BRIDGE SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 TEACHERS' PENSION AND ANNUITY FUND  
 LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
State's proportion of the net pension liability attributable to the District	0.0354432720%	0.0346341701%	0.0358560443%	0.0353942738%	0.0334722717%	0.0354961310%	0.0350863740%
State's proportionate share of the net pension liability attributable to the District	\$ 18,943,275	\$ 21,890,275	\$ 28,206,647	\$ 23,864,096	\$ 21,294,340	\$ 21,784,311	\$ 23,103,955
District's covered employee payroll	\$ 3,484,640	\$ 3,555,755	\$ 3,591,847	\$ 3,639,669	\$ 3,764,351	\$ 3,705,157	\$ 3,737,292
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	543.62%	615.63%	785.30%	655.67%	565.68%	587.95%	618.20%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	33.64%	25.41%	26.49%	26.95%	24.60%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.



HIGH BRIDGE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE CONTRIBUTIONS  
TEACHERS' PENSION AND ANNUITY FUND  
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 1,019,326	\$ 1,336,598	\$ 2,119,337	\$ 1,653,184	\$ 1,241,386	\$ 1,284,897	\$ 1,351,295
Contributions in relation to the contractually required contribution	(187,245)	(287,078)	(384,196)	(492,929)	(712,736)	(769,579)	(1,028,536)
Contribution deficiency/(excess)	\$ 832,081	\$ 1,049,520	\$ 1,735,141	\$ 1,160,255	\$ 528,650	\$ 515,318	\$ 322,759
District's covered employee payroll	\$ 3,555,755	\$ 3,591,847	\$ 3,639,669	\$ 3,764,351	\$ 3,705,157	\$ 3,737,292	\$ 4,013,546
Contributions as a percentage of covered employee payroll	5.27%	7.99%	10.56%	13.09%	19.24%	20.59%	25.63%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

HIGH BRIDGE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY  
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS  
LAST THREE FISCAL YEARS

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total OPEB Liability			
Service Cost	\$ 764,073	\$ 634,908	\$ 580,675
Interest Cost	643,971	745,415	685,550
Difference Between Expected and Actual Experience		(2,000,211)	(3,746,634)
Changes in Assumptions	(2,601,464)	(1,990,993)	218,456
Member Contributions	17,406	16,034	(449,759)
Gross Benefit Payments	<u>(472,709)</u>	<u>(463,931)</u>	<u>13,332</u>
Net Change in Total OPEB Liability	(1,648,723)	(3,058,778)	(2,698,380)
Total OPEB Liability - Beginning	<u>22,057,442</u>	<u>20,408,719</u>	<u>17,349,941</u>
Total OPEB Liability - Ending	<u>\$ 20,408,719</u>	<u>\$ 17,349,941</u>	<u>\$ 14,651,561</u>
District's Covered Employee Payroll *	\$ 4,180,218	\$ 4,112,349	\$ 4,131,458
Total OPEB Liability as a Percentage of Covered Employee Payroll	20.48%	23.70%	28.20%

\* - Covered payroll for the fiscal years ending June 30, 2019, 2018, and 2017 are based on the payroll on the June 30, 2018, 2017 and 2016 census data.

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

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

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020. The municipal bond rate changed from 3.50% to 2.21%.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

C. State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -0.37%.

The mortality rates in the valuation as of June 30, 2018 were based on the following:

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

C. State Health Benefit Local Education Retired Employees OPEB Plan (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The mortality rates in the valuation as of June 30, 2019 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The health care trend rates in the valuation as of June 30, 2018 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

HIGH BRIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>General Fund</b>					
<b>Revenues:</b>					
Local Sources:					
Local Tax Levy	\$ 6,567,650		\$ 6,567,650	\$ 6,567,650	
Tuition from Other LEA's	69,498		69,498	33,996	\$ (35,502)
Rents and Royalties	8,500		8,500		(8,500)
Interest Earned on Capital Reserve Funds	400		400	991	591
Interest Earned on Maintenance Reserve Funds	400		400	273	(127)
Miscellaneous	1,920		1,920	109,757	107,837
<b>Total - Local Sources</b>	<b>6,648,368</b>		<b>6,648,368</b>	<b>6,712,667</b>	<b>64,299</b>
<b>State Sources:</b>					
Equalization Aid	1,017,609		1,017,609	1,017,609	
School Choice Aid	32,703		32,703	32,703	
Categorical Transportation Aid	14,338		14,338	14,338	
Categorical Special Education Aid	273,011		273,011	273,011	
Categorical Security Aid	34,384		34,384	34,384	
Nonpublic Transportation Aid				3,770	3,770
Extraordinary Aid				270,014	270,014
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				1,009,332	1,009,332
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				322,327	322,327
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				19,204	19,204
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				432	432
Reimbursed TPAF Social Security Contribution (Non-Budgeted)				281,170	281,170
<b>Total State Sources</b>	<b>1,372,045</b>		<b>1,372,045</b>	<b>3,278,294</b>	<b>1,906,249</b>
<b>Total Revenues</b>	<b>8,020,413</b>		<b>8,020,413</b>	<b>9,990,961</b>	<b>1,970,548</b>

HIGH BRIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures:</b>					
<b>Current Expense:</b>					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 173,546	\$ (59)	\$ 173,487	\$ 172,841	\$ 646
Grades 1-5 - Salaries of Teachers	1,037,849	(3,610)	1,034,239	986,400	47,839
Grades 6-8 - Salaries of Teachers	646,947	(6,962)	639,985	606,834	33,151
Regular Programs - Home Instruction:					
Salaries of Teachers	4,000	1,554	5,554	5,554	
Purchased Professional-Educational Services	1,000	1,446	2,446	1,493	953
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	150,000	(21,000)	129,000	127,581	1,419
Purchased Professional-Technical Services	88,910	3,348	92,258	84,969	7,289
Other Purchased Services	3,776	(3,000)	776		776
General Supplies	207,983	(71,575)	136,408	127,171	9,237
Textbooks	49,018	95,836	144,854	46,596	98,258
<b>Total Regular Programs - Instruction</b>	<b>2,363,029</b>	<b>(4,022)</b>	<b>2,359,007</b>	<b>2,159,439</b>	<b>199,568</b>
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	3,291	(3,291)			
Other Salaries for Instruction	1,500	(1,500)			
General Supplies	2,885	(2,660)	225	225	
<b>Total Multiple Disabilities</b>	<b>7,676</b>	<b>(7,451)</b>	<b>225</b>	<b>225</b>	
Resource Room/Resource Center:					
Salaries of Teachers	624,158		624,158	616,449	7,709
General Supplies	1,275	(1)	1,274	1,269	5
<b>Total Resource Room/Resource Center</b>	<b>625,433</b>	<b>(1)</b>	<b>625,432</b>	<b>617,718</b>	<b>7,714</b>

HIGH BRIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Autism:					
Salaries of Teachers	\$ 367,948		\$ 367,948	\$ 366,428	\$ 1,520
Other Salaries for Instruction	5,122		5,122		5,122
General Supplies	1,400	\$ 1	1,401	1,275	126
Total Autism	374,470	1	374,471	367,703	6,768
Preschool Disabilities - Part Time:					
Other Salaries for Instruction	2,908	(2,908)			
Total Preschool Disabilities - Full Time	2,908	(2,908)			
Home Instruction:					
Purchased Professional Educational Services	2,000		2,000		2,000
Total Home Instruction	2,000		2,000		2,000
Total Special Education - Instruction	1,012,487	(10,359)	1,002,128	985,646	16,482
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	130,092		130,092	88,770	41,322
General Supplies	300		300	187	113
Total Basic Skills/Remedial - Instruction	130,392		130,392	88,957	41,435
Bilingual Education - Instruction:					
General Supplies	250		250		250
Total Bilingual Education - Instruction	250		250		250



HIGH BRIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures:</b>					
School-Sponsored Cocurricular Activities:					
Salaries	\$ 23,000		\$ 23,000	\$ 14,245	\$ 8,755
Purchased Services	3,500		3,500	686	2,814
Travel - All Other	4,000		4,000		4,000
Supplies and Materials	4,675		4,675	433	4,242
Other Objects	345		345		345
Transfer to Cover Deficit (Custodial) Funds	500		500	70	430
<b>Total School-Sponsored Cocurricular Activities</b>	<b>36,020</b>		<b>36,020</b>	<b>15,434</b>	<b>20,586</b>
School-Sponsored Athletics:					
Salaries	12,938	\$ (7,850)	5,088	5,088	
Purchased Services	4,000	(2,250)	1,750	518	1,232
<b>Total School-Sponsored Athletics</b>	<b>16,938</b>	<b>(10,100)</b>	<b>6,838</b>	<b>5,606</b>	<b>1,232</b>
Before/After School Programs - Instruction:					
Salaries	2,465		2,465	1,165	1,300
<b>Total Before/After School Programs - Instruction</b>	<b>2,465</b>		<b>2,465</b>	<b>1,165</b>	<b>1,300</b>
Summer School - Instruction:					
Salaries	2,096		2,096		2,096
<b>Total Summer School - Instruction</b>	<b>2,096</b>		<b>2,096</b>		<b>2,096</b>
<b>Total Instruction</b>	<b>3,563,677</b>	<b>(24,481)</b>	<b>3,539,196</b>	<b>3,256,247</b>	<b>282,949</b>
Undistributed Expenditures - Instruction:					
Tuition to CSSD & Regional Day Schools		16,007	16,007	16,007	
Tuition to Other LEAs Within the State - Special		25,000	25,000	25,000	
Tuition to Private Schools for the Disabled Within the State	79,398	(41,007)	38,391		38,391
<b>Total Undistributed Expenditures - Instruction</b>	<b>79,398</b>		<b>79,398</b>	<b>41,007</b>	<b>38,391</b>
Undistributed Expend. - Attend. & Social Work:					
Salaries	52,849		52,849	51,183	1,666
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<b>52,849</b>		<b>52,849</b>	<b>51,183</b>	<b>1,666</b>

HIGH BRIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Health Services:					
Salaries	\$ 159,714	\$	159,714	\$ 143,258	\$ 16,456
Purchased Professional and Technical Services	1,750		1,750	1,750	
Other Purchased Services	500	(500)			
Supplies and Materials	8,423	1,500	9,923	8,555	1,368
Total Health Services	170,387	1,000	171,387	153,563	17,824
Speech, OT, PT and Related Services:					
Salaries	128,052	(38,695)	89,357	87,556	1,801
Purchased Professional - Educational Services	7,700	74,129	81,829	79,930	1,899
Supplies and Materials	6,800	(76)	6,724	5,745	979
Total Speech, OT, PT and Related Services	142,552	35,358	177,910	173,231	4,679
Students - Extraordinary Services:					
Salaries	9,460		9,460		9,460
Purchased Professional - Educational Services	470,053	(25,000)	445,053	209,992	235,061
Total Students - Extraordinary Services	479,513	(25,000)	454,513	209,992	244,521
Guidance Services:					
Salaries of Other Professional Staff	137,345		137,345	133,890	3,455
Salaries of Secretarial & Clerical Assistants	48,793	610	49,403	45,998	3,405
Supplies and Materials	856		856	224	632
Total Guidance Services	186,994	610	187,604	180,112	7,492

HIGH BRIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures:</b>					
Child Study Team:					
Salaries of Other Professional Staff	\$ 236,191		\$ 236,191	\$ 217,886	\$ 18,305
Salaries of Secretarial and Clerical Assistants	31,178	3,020	34,198	28,628	5,570
Purchased Professional - Educational Services	32,000		32,000	19,057	12,943
Other Purchased Professional and Technical Services	10,000	(3,020)	6,980		6,980
Other Purchased Services	1,100		1,100		1,100
Supplies and Materials	15,673	(1,000)	14,673	11,495	3,178
Other Objects	2,750		2,750	845	1,905
Total Child Study Team	328,892	(1,000)	327,892	277,911	49,981
<b>Improvement of Instructional Staff:</b>					
Salaries of Supervisor of Instruction	66,861		66,861	66,580	281
Salaries of Secretarial and Clerical Assistants	9,062		9,062	9,062	
Other Salaries	2,000		2,000	524	1,476
Total Improvement of Instructional Staff	77,923		77,923	76,166	1,757
<b>Educational Media Services/School Library:</b>					
Salaries	100,113		100,113	100,113	
Purchased Professional and Technical Services	670		670	670	
Supplies and Materials	10,250	3,411	13,661	13,452	209
Total Educational Media Services/School Library	111,033	3,411	114,444	113,565	879
<b>Instructional Staff Training Services:</b>					
Other Salaries		4,575	4,575	3,988	587
Purchased Professional and Educational Services	1,190	(460)	730	523	207
Other Purchased Services	11,200	(815)	10,385	7,932	2,453
Total Instructional Staff Training Services	12,390	3,300	15,690	12,443	3,247

HIGH BRIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures:</b>					
Support Services - General Administration:					
Salaries	\$ 99,538	\$ 3,037	\$ 102,575	\$ 102,575	\$ 21,248
Legal Services	44,600	(3,037)	41,563	20,315	
Audit Fees	23,500		23,500	23,500	
Architectural/Engineering Services	1,750		1,750	1,750	
Other Purchased Professional Services	5,050		5,050	4,735	315
Communications/Telephone	20,000	(1,874)	18,126	12,656	5,470
Travel Other- Superintendent Travel	2,000		2,000	2,000	2,000
BOE Other Purchased Services	4,000		4,000	1,198	2,802
Other Purchased Services (400-500 series)	7,980	2,819	10,799	10,799	
General Supplies	1,000		1,000	398	602
Miscellaneous Expenditures	7,453		7,453	4,096	3,357
BOE Membership Dues and Fees	4,400		4,400	4,020	380
Total Support Services - General Administration	221,271	945	222,216	186,042	36,174
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	140,304	499	140,803	133,141	7,662
Salaries of Secretarial and Clerical Assistants	37,246	1	37,247	37,247	
Supplies and Materials	2,100	(500)	1,600		1,600
Other Objects	5,106		5,106	1,690	3,416
Total Support Services - School Administration	184,756		184,756	172,078	12,678

HIGH BRIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures:</b>					
Support Services - Central Services:					
Salaries	\$ 98,047	\$ (3,300)	\$ 94,747	\$ 88,879	\$ 5,868
Purchased Professional Services	2,550		2,550	1,000	1,550
Purchased Technical Services	32,750		32,750	25,089	7,661
Miscellaneous Purchased Services	950		950	700	250
Supplies and Materials	2,542		2,542	973	1,569
Miscellaneous Expenditures	7,000		7,000	4,164	2,836
Total Support Services - Central Services	143,839	(3,300)	140,539	120,805	19,734
Administrative Information Technology:					
Other Purchase Services (400-500 Series)	30,000		30,000	21,118	8,882
Total Administrative Information Technology	30,000		30,000	21,118	8,882
Custodial Services:					
Salaries	217,881		217,881	184,585	33,296
Salaries of Non-Instructional Aides	14,626		14,626	4,726	9,900
Purchased Professional - Technical Services	10,184		10,184	2,571	7,613
Cleaning, Repair and Maintenance Services	1,400		1,400		1,400
Other Purchased Property Services	23,000		23,000	15,970	7,030
Insurance	69,000	1,518	70,518	70,518	
General Supplies	34,303		34,303	20,015	14,288
Energy (Gasoline)	500		500		500
Energy (Electricity)	83,000		83,000	60,513	22,487
Energy (Natural Gas)	67,000	(8,946)	58,054	48,508	9,546
Other Objects	1,490		1,490	775	715
Total Custodial Services	522,384	(7,428)	514,956	408,181	106,775
Required Maintenance of School Facilities:					
Salaries	145,568		145,568	123,510	22,058
Cleaning, Repair and Maintenance Services	194,740	29,355	224,095	197,007	27,088
General Supplies	10,000	1,398	11,398	4,633	6,765
Total Required Maintenance of School Facilities	350,308	30,753	381,061	325,150	55,911
Care and Upkeep of Grounds:					
Cleaning, Repair & Maintenance Services		8,946	8,946	8,946	
Total Care and Upkeep of Grounds		8,946	8,946	8,946	

HIGH BRIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures:</b>					
<b>Student Transportation Services:</b>					
Other than Between Home and School - Vendors	\$ 9,000	\$	9,000	\$ 1,646	\$ 7,354
Between Home and School - Joint Agreements	4,500		4,500	2,595	1,905
Special Education Students - Joint Agreements	3,000		3,000		3,000
Regular Students - ESCs and CTSAAs	57,900		57,900		57,900
Special Education Students - ESCs and CTSAAs	50,000		50,000		50,000
Aid in Lieu Payments - Non-Public School	15,000		15,000	8,930	6,070
Aid in Lieu Payments - School Choice	3,000		3,000	1,004	1,996
<b>Total Student Transportation Services</b>	<b>142,400</b>		<b>142,400</b>	<b>14,175</b>	<b>128,225</b>
<b>Unallocated Benefits:</b>					
Social Security Contributions	86,500		86,500	58,452	28,048
Other Retirement Contributions- PERS	77,100		77,100	62,504	14,596
Other Retirement Contributions- Regular	7,500		7,500	5,097	2,403
Unemployment Contributions	52,824		52,824		52,824
Workmen's Compensation	79,172	\$ (2,463)	76,709	58,829	17,880
Health Benefits	1,242,994		1,242,994	1,163,299	79,695
Tuition Reimbursement	32,000		32,000	22,057	9,943
Unused Sick Pay to Term/Retired Staff	70,000		70,000	17,990	52,010
Other Employee Benefits	4,993		4,993	2,543	2,450
<b>Total Unallocated Benefits</b>	<b>1,653,083</b>	<b>(2,463)</b>	<b>1,650,620</b>	<b>1,390,771</b>	<b>259,849</b>

HIGH BRIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>On-Behalf Contributions:</b>					
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				\$ 1,009,332	\$ (1,009,332)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				322,327	(322,327)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				19,204	(19,204)
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				432	(432)
Reimbursed TPAF Social Security Contribution (Non-Budgeted)				281,170	(281,170)
Total On-Behalf Contributions				1,632,465	(1,632,465)
Total Personal Services - Employee Benefits	\$ 1,653,083	\$ (2,463)	\$ 1,650,620	3,023,236	(1,372,616)
Total Undistributed Expenditures	4,889,972	45,132	4,935,104	5,568,904	(633,800)
Total Current Expense	8,453,649	20,651	8,474,300	8,825,151	(350,851)
<b>Capital Outlay:</b>					
Facilities Acquisition and Construction Services:					
Other Objects- Debt Service Assessment	8		8		8
Construction Services	250,000		250,000		250,000
Total Facilities Acquisition and Construction Services	250,008		250,008		250,008
Total Capital Outlay	250,008		250,008		250,008
Total Expenditures	8,703,657	20,651	8,724,308	8,825,151	(100,843)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(683,244)	(20,651)	(703,895)	1,165,810	1,869,705
<b>Other Financing Uses:</b>					
Transfers:					
Transfer to Special Revenue Fund - Pre-K Inclusion		(26,914)	(26,914)	(26,914)	
Total Other Financing Uses		(26,914)	(26,914)	(26,914)	
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	(683,244)	(47,565)	(730,809)	1,138,896	1,869,705
Fund Balance, July 1 (As Restated)	2,738,188		2,738,188	2,738,188	
Fund Balance, June 30	\$ 2,054,944	\$ (47,565)	\$ 2,007,379	\$ 3,877,084	\$ 1,869,705

HIGH BRIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

Recapitulation:	
Restricted for:	
Maintenance Reserve Account	\$ 434,049
Capital Reserve Account	1,808,390
Excess Surplus - 2022-2023	362,026
Excess Surplus - 2021-2022	427,590
Unemployment Compensation	176,610
Assigned Fund Balance:	
Year End Encumbrances	105,851
Unassigned	562,568
	3,877,084
Reconciliation to Governmental Fund Statement (GAAP):	
Last Two State Aid Payments not Recognized on a GAAP Basis	(137,204)
Fund Balance per Governmental Funds (GAAP)	\$ 3,739,880



HIGH BRIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
Local Sources		\$ 15,161	\$ 15,161	\$ 27,741	12,580
State Sources	\$ 717,991	(211,283)	506,708	506,708	
Federal Sources	119,525	185,406	304,931	294,631	(10,300)
Total Revenue	837,516	(10,716)	826,800	829,080	2,280
Other Financing Sources:					
Transfer In - Board Contribution - General Fund		26,914	26,914	26,914	
Total Revenues and Other Financing Sources	837,516	16,198	853,714	855,994	
Expenditures:					
Instruction:					
Salaries of Teachers	322,881	(81,119)	241,762	241,762	
Other Salaries for Instruction	67,340	(20,532)	46,808	46,808	
Purchased Professional and Educational Services		396	396	396	
General Supplies	68,697	118,374	187,071	187,071	
Total Instruction	458,918	17,119	476,037	476,037	
Support Services:					
Salaries of Other Professional Staff	128,834	(40,157)	88,677	88,677	
Employee Benefits	136,100	(66,421)	69,679	69,679	
Purchased Professional/Educational Services	72,250	(12,211)	60,039	60,039	
Purchased Professional & Technical Services	6,110	(1,611)	4,499	4,499	
Other Purchased Services	3,513	6,458	9,971	9,971	
Supplies and Materials	1,791	4,286	6,077	6,077	
Student Activities		10,300	10,300	10,300	
Total Support Services	348,598	(99,356)	249,242	249,242	
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment	16,000	76,870	92,870	92,870	
Instructional Equipment	14,000	21,565	35,565	35,565	
Total Facilities Acquisition and Construction Services	30,000	98,435	128,435	128,435	
Total Expenditures	837,516	16,198	853,714	853,714	
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ 2,280	\$ 2,280

HIGH BRIDGE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 9,990,961	\$ 855,994
Differences - Budget to GAAP:		
Budgetary basis recognizes Encumbrances as Revenue and Expenditures whereas the GAAP Basis does not.		(116,004)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	171,919	28,686
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(137,204)</u>	<u>(71,799)</u>
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 <u>\$ 10,025,676</u>	 <u>\$ 696,877</u>
 Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 8,825,151	\$ 853,714
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(116,004)</u>
 Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>\$ 8,825,151</u>	 <u>\$ 737,710</u>

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2021 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest of (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)

SPECIAL REVENUE FUND

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

	Elementary and Secondary Education Act				IDEA Part B Preschool	IDEA Part B Basic
	Title I	Title IIA	Title IV	Preschool Education Aid		
REVENUE:						
Local Sources						
State Sources	\$ 28,250	\$ 6,637	\$ 6,961	\$ 506,708	\$ 1,973	\$ 102,069
Federal Sources						
Total Revenue	28,250	6,637	6,961	506,708	1,973	102,069
Other Financing Sources:						
Transfer In - Board Contribution - General Fund				26,914		
Total Revenues and Other Financing Sources	28,250	6,637	6,961	533,622	1,973	102,069
EXPENDITURES:						
Instruction:						
Salaries of Teachers	25,950	6,637		208,535		
Other Salaries for Instruction				46,808		
Purchased Professional and Educational Services				396	619	11,034
General Supplies				27,168		
Total Instruction	25,950	6,637		282,907	619	11,034
Support Services:						
Salaries of Other Professional Staff			1,426	87,251		
Employee Benefits				69,679		
Purchased Professional/Educational Services	2,300		4,499		1,354	56,385
Purchased Professional & Technical Services						
Other Purchased Services						
Supplies and Materials			1,036			
Student Activities						
Total Support Services	2,300		6,961	156,930	1,354	56,385
Facilities Acquisition and Construction Services:						
Non-Instructional Equipment				92,870		34,650
Instructional Equipment				915		
Total Facilities Acquisition and Construction Services				93,785		34,650
Total Expenditures	\$ 28,250	\$ 6,637	\$ 6,961	\$ 533,622	\$ 1,973	\$ 102,069

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

	CRRSA- ESSER II	Coronavirus Relief Act	COVID-19 Non-public Digital Divide	Local Grant Programs	Student Activities	Totals June 30, 2021
<b>REVENUE:</b>						
Local Sources				\$ 15,161	\$ 12,580	\$ 27,741
State Sources	\$ 111,976	\$ 14,975	\$ 21,790			506,708
Federal Sources						294,631
<b>Total Revenue</b>	<b>111,976</b>	<b>14,975</b>	<b>21,790</b>	<b>15,161</b>	<b>12,580</b>	<b>829,080</b>
<b>Other Financing Sources:</b>						
Transfer In - Board Contribution - General Fund						26,914
<b>Total Revenues and Other Financing Sources</b>	<b>111,976</b>	<b>14,975</b>	<b>21,790</b>	<b>15,161</b>	<b>12,580</b>	<b>855,994</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers				640		241,762
Other Salaries for Instruction						46,808
Purchased Professional and Educational Services						396
General Supplies	111,976	14,975	16,749	4,550		187,071
<b>Total Instruction</b>	<b>111,976</b>	<b>14,975</b>	<b>16,749</b>	<b>5,190</b>		<b>476,037</b>
Support Services:						
Salaries of Other Professional Staff						88,677
Employee Benefits						69,679
Purchased Professional/Educational Services						60,039
Purchased Professional & Technical Services						4,499
Other Purchased Services				9,971		9,971
Supplies and Materials			5,041			6,077
Student Activities					10,300	10,300
<b>Total Support Services</b>			<b>5,041</b>	<b>9,971</b>	<b>10,300</b>	<b>249,242</b>
Facilities Acquisition and Construction Services:						
Non-Instructional Equipment						92,870
Instructional Equipment						35,565
<b>Total Facilities Acquisition and Construction Services</b>						<b>128,435</b>
<b>Total Expenditures</b>	<b>111,976</b>	<b>14,975</b>	<b>21,790</b>	<b>15,161</b>	<b>10,300</b>	<b>853,714</b>

HIGH BRIDGE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

District-Wide Total

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 262,068	\$ 208,535	\$ 53,533
Other Salaries for Instruction	67,340	46,808	20,532
Purchased Professional and Educational Services	5,000	396	4,604
General Supplies	27,369	27,168	201
Total Instruction	<u>361,777</u>	<u>282,907</u>	<u>78,870</u>
Support Services:			
Salaries of Other Professional Staff	126,145	87,251	38,894
Employee Benefits	136,100	69,679	66,421
Supplies and Materials			
Total Support Services	<u>262,245</u>	<u>156,930</u>	<u>105,315</u>
Equipment:			
Non-Instructional Equipment	93,054	92,870	184
Instructional Equipment	915	915	
Total Equipment	<u>93,969</u>	<u>93,785</u>	<u>184</u>
Total Expenditures	<u>\$ 717,991</u>	<u>\$ 533,622</u>	<u>\$ 184,369</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2020-2021 Preschool Education Aid Allocation	\$ 691,077
Add: Actual Preschool Expansion Aid Carryover (June 30, 2020)	1,562
Add: Budgeted Transfer from General Fund	26,914
Total Preschool Education Aid Funds Available for 2020-2021 Budget	719,553
Less: 2020-2021 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(717,991)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021	1,562
Add: June 30, 2021 Unexpended Preschool Education Aid	184,369
2020-2021 Carryover - Preschool Education Aid	<u>\$ 185,931</u>
2020-2021 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2021-2022	<u>\$ 185,931</u>

CAPITAL PROJECTS FUND  
(NOT APPLICABLE)



PROPRIETARY FUNDS

HIGH BRIDGE SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2021

## ASSETS:

## Current Assets:

Cash and Cash Equivalents	\$ 18,523
Intergovernmental Accounts Receivable:	
State	249
Federal	7,172
Inventories	2,761

Total Current Assets	<u>28,705</u>
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## Non-Current Assets:

## Capital Assets:

Equipment	171,816
Accumulated Depreciation	<u>(170,945)</u>

Total Non-Current Assets	<u>871</u>
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Total Assets	<u>29,576</u>
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## LIABILITIES:

## Current Liabilities:

Accounts Payable- Vendors	3,495
Unearned Revenue - Donated Commodities	1,068
Unearned Revenue - Prepaid Sales	2,428

Total Liabilities	<u>6,991</u>
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## NET POSITION:

Net Investment in Capital Assets	871
Unrestricted	<u>21,714</u>

Total Net Position	<u><u>\$ 22,585</u></u>
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HIGH BRIDGE SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Fund</u>
Operating revenue	
Local Sources:	
Daily Sales - Non-Reimbursable Sales	\$ 296
Other Miscellaneous	50
Total Operating Revenue	<u>346</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	46,274
Salaries, Benefits & Payroll Taxes	13,115
Supplies, Insurance & Other Costs	2,027
Management Fee	7,346
Depreciation	351
Miscellaneous Expenses	970
Total Operating Expenses	<u>70,083</u>
Operating (Loss)	<u>(69,737)</u>
Non-Operating Revenue	
Local Sources:	
Interest Income	9
State Sources:	
COVID 19 - Seamless Summer Option	1,693
Federal Sources:	
COVID 19 - Seamless Summer Option	72,054
Food Distribution Program	8,273
Total Non-Operating Revenue	<u>82,029</u>
Change in Net Position	12,292
Net Position - Beginning of Year (Restated)	<u>10,293</u>
Net Position - End of Year	<u>\$ 22,585</u>

HIGH BRIDGE SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Fund</u>
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 346
Payments to Food Service Vendor	(60,663)
Net Cash (Used for) Operating Activities	<u>(60,317)</u>
Cash Flows From Noncapital Financing Activities:	
State Sources	1,488
Federal Sources	69,095
Net Cash Provided by Noncapital Financing Activities	<u>70,583</u>
Cash Flows From Investing Activities:	
Interest Income	9
Net Cash Provided by Investing Activities	<u>9</u>
Net Increase in Cash and Cash Equivalents	10,275
Cash and Cash Equivalents, July 1	<u>8,248</u>
Cash and Cash Equivalents, June 30	<u>\$ 18,523</u>
Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (69,737)
Adjustment to Reconcile Operating Loss to Cash (Used for) Operating Activities:	
Depreciation	351
Food Distribution Program	8,273
Changes in Assets and Liabilities:	
Decrease in Inventory	3,011
(Decrease) in Accounts Payable	(1,878)
(Decrease) in Unearned Revenue - Donated Commodities	(274)
(Decrease) in Unearned Revenue - Prepaid Sales	(63)
Net Cash (Used for) Operating Activities	<u>\$ (60,317)</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$7,999 and \$8,273, respectively, the fiscal year ended June 30, 2021.

FIDUCIARY ACTIVITIES  
(NOT APPLICABLE)

LONG-TERM DEBT

HIGH BRIDGE SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds					Matured	Balance June 30, 2021
			Date	Outstanding		Interest Rate	Balance June 30, 2020		
				June 30, 2021	Amount				
1999 Series Refunding Bonds	05/01/1999	\$ 6,405,000	2/15/2022	\$ 415,000	4.875%	\$ 2,730,000	\$ 395,000	\$ 2,335,000	
			2/15/2023	440,000	4.875%				
			2/15/2024	465,000	4.900%				
			2/15/2025	495,000	4.900%				
			2/15/2026	520,000	4.900%				
						<u>\$ 2,730,000</u>	<u>\$ 395,000</u>	<u>\$ 2,335,000</u>	

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUE:				
Local Sources:				
Local Tax Levy	\$ 453,251	\$ 453,251	\$ 453,251	
State Sources:				
Debt Service Aid Type II	78,249	78,249	78,249	
Total Revenue	<u>531,500</u>	<u>531,500</u>	<u>531,500</u>	
EXPENDITURES:				
Regular Debt Service:				
Interest	136,500	136,500	136,500	
Redemption of Principal	395,000	395,000	395,000	
Total Regular Debt Service	<u>531,500</u>	<u>531,500</u>	<u>531,500</u>	
Total Expenditures	<u>531,500</u>	<u>531,500</u>	<u>531,500</u>	
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	
Fund Balance, July 1	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	\$ -0-
Fund Balance, June 30	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>



**STATISTICAL SECTION**  
**(UNAUDITED)**

This part of the District’s comprehensive annual 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**

	<b><u>Exhibit</u></b>
<b>Financial Trends</b> 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
<b>Revenue Capacity</b> 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
<b>Debt Capacity</b> 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
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
<b>Operating Information</b> These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

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

HIGH BRIDGE SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

June 30,

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
									( Restated)	
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 6,716,877	\$ 6,716,877	\$ 7,150,892	\$ 6,896,677	\$ 6,910,733	\$ 6,956,795	\$ 7,116,316	\$ 3,695,270	\$ 4,231,567	\$ 4,511,406
Restricted	701,557	852,280	1,027,239	1,107,509	1,002,111	1,228,281	1,207,031	1,141,136	2,019,269	2,792,395
Unrestricted (Deficit)	(501,691)	(435,228)	(737,264)	(1,826,430)	(1,054,963)	(1,606,760)	(1,514,321)	(1,304,199)	(1,235,087)	(647,478)
Total Governmental Activities Net Position	\$ 6,916,743	\$ 7,133,929	\$ 7,440,867	\$ 6,177,756	\$ 6,857,881	\$ 6,578,316	\$ 6,809,026	\$ 3,532,207	\$ 5,015,749	\$ 6,656,323
<b>Business-Type Activities:</b>										
Investment in Capital Assets	\$ 12,489	\$ 12,012	\$ 19,519	\$ 23,985	\$ 29,943	\$ 16,106	\$ 17,866	\$ 1,571	\$ 65,226	\$ 871
Unrestricted	12,489	12,012	19,519	23,985	29,943	16,106	17,866	11,523	9,071	21,714
Total Business-Type Activities Net Position	\$ 12,489	\$ 12,012	\$ 19,519	\$ 23,985	\$ 29,943	\$ 16,106	\$ 17,866	\$ 13,094	\$ 74,297	\$ 22,585
<b>District-Wide:</b>										
Net Investment in Capital Assets	\$ 6,716,877	\$ 6,716,877	\$ 7,150,892	\$ 6,896,677	\$ 6,910,733	\$ 6,956,795	\$ 7,116,316	\$ 3,696,841	\$ 4,296,793	\$ 4,512,277
Restricted	701,557	852,280	1,027,239	1,107,509	1,002,111	1,228,281	1,207,031	1,141,136	2,019,269	2,792,395
Unrestricted (Deficit)	(489,202)	(423,216)	(717,745)	(1,802,445)	(1,025,020)	(1,590,654)	(1,496,455)	(1,292,676)	(1,226,016)	(625,764)
Total District Net Position	\$ 6,929,232	\$ 7,145,941	\$ 7,460,386	\$ 6,201,741	\$ 6,887,824	\$ 6,594,422	\$ 6,826,892	\$ 3,545,301	\$ 5,090,046	\$ 6,678,908

Source: School District Financial Reports

HIGH BRIDGE SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses:</b>										
Governmental Activities										
Instruction:										
Regular	\$ 3,660,783	\$ 3,137,938	\$ 3,618,789	\$ 3,823,787	\$ 3,634,495	\$ 4,318,019	\$ 4,109,407	\$ 3,886,221	\$ 4,272,536	\$ 4,235,288
Special Education	1,141,845	1,138,708	1,011,013	1,121,448	1,840,147	2,323,027	1,728,279	2,385,799	2,156,574	2,082,409
Other Special Instruction	294,072	286,591	202,430	206,774	244,301	187,676	269,055	227,659	180,503	120,089
School-Sponsored/Other Instruction	47,808	51,967	46,725	51,714						
Support Services:										
Tuition	76,900	79,600	62,163	110,371	14,833	42,148	57,241			41,007
Student & Instruction Related Services	1,347,699	1,463,455	1,206,011	1,843,458	1,486,272	2,132,378	2,231,582	1,615,900	1,463,113	1,490,087
General Administrative Services	458,793	456,093	374,440	481,293	332,965	293,894	322,056	303,730	257,025	249,855
School Administrative Services	263,053	318,968	257,812	290,230	171,763	340,487	257,618	268,513	263,149	263,897
Central Services					173,029	152,852	156,935	152,736	160,405	140,130
Administrative Information Technology										21,118
Plant Operations and Maintenance	675,216	696,800	638,963	783,523	782,789	853,821	1,206,857	1,034,767	757,473	1,043,166
Pupil Transportation	72,022	78,740	100,735	107,887	97,142	77,383	76,905	93,251	62,733	14,175
Transfer of Funds to Charter Schools									4,412	
Capital Outlay					36,119	46,124				
Interest on Long-Term Debt	280,618	251,583	236,416	224,232	211,703	196,835	203,268	163,592	123,125	129,917
Unallocated depreciation	27,779	29,699	28,253	28,594						
Total Governmental Activities Expenses	8,346,588	7,990,142	7,783,750	9,073,311	9,025,558	10,964,644	10,619,203	10,132,168	9,701,048	9,831,138
Business-Type Activities:										
Food Service	90,284	85,920	96,055	87,505	80,014	102,118	89,536	97,744	92,817	70,083
Preschool Program				21,000						
Total Business-type Activities Expense	90,284	85,920	96,055	108,505	80,014	102,118	89,536	97,744	92,817	70,083
Total District Expenses	\$ 8,436,872	\$ 8,076,062	\$ 7,879,805	\$ 9,181,816	\$ 9,105,572	\$ 11,066,762	\$ 10,708,739	\$ 10,229,912	\$ 9,793,865	\$ 9,901,221
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Instruction - Regular	\$ 139,017	\$ 142,770	\$ 111,371	\$ 125,491	\$ 150,729	\$ 96,990	\$ 75,684	\$ 166,837	\$ 31,418	\$ 33,996
Business and other support services										
Operating Grants and Contributions	2,479,005	2,563,578	2,470,246	3,362,228	3,661,977	4,607,591	4,415,054	4,009,638	4,099,414	4,214,965
Total Governmental Activities Program Revenues	2,618,022	2,706,348	2,581,617	3,487,719	3,812,706	4,704,581	4,490,738	4,176,475	4,130,832	4,248,961
Business-Type Activities:										
Charges for Services:										
Food Service	63,391	52,426	64,688	55,917	38,862	59,454	61,061	61,809	46,823	346
Preschool Program				26,250						
Operating Grants and Contributions	27,031	27,616	36,602	34,679	33,041	28,816	30,213	33,499	43,120	82,020
Capital grants and contributions									64,004	
Total Business-type Activities Program Revenues	90,422	80,042	101,290	116,846	71,903	88,270	91,274	95,308	153,947	82,366
Total District Program Revenues	\$ 2,708,444	\$ 2,786,390	\$ 2,682,907	\$ 3,604,565	\$ 3,884,609	\$ 4,792,851	\$ 4,582,012	\$ 4,271,783	\$ 4,284,779	\$ 4,331,327

HIGH BRIDGE SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Governmental Activities	\$ (5,728,566)	\$ (5,283,794)	\$ (5,202,133)	\$ (5,585,592)	\$ (5,212,852)	\$ (6,260,063)	\$ (6,128,465)	\$ (5,955,693)	\$ (5,570,216)	\$ (5,582,177)
Business-type Activities	138	(5,878)	5,235	8,341	(8,111)	(13,848)	1,738	(2,436)	61,130	12,283
Total District-wide Net Expense	\$ (5,728,428)	\$ (5,289,672)	\$ (5,196,898)	\$ (5,577,251)	\$ (5,220,963)	\$ (6,273,911)	\$ (6,126,727)	\$ (5,958,129)	\$ (5,509,086)	\$ (5,569,894)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 4,811,071	\$ 4,851,221	\$ 5,055,774	\$ 5,281,889	\$ 5,388,481	\$ 5,496,652	\$ 5,808,499	\$ 6,116,349	\$ 6,380,576	\$ 6,567,650
Taxes Levied for Debt Service	532,656	540,344	412,224	454,250	440,891	441,165	445,729	449,357	452,184	453,251
Federal and State Aid not Restricted	(150,255)	11,823							78,066	78,249
Investment Earnings	3,305	1,351	1,548	2,047	2,351	841	9,934	12,385	9,441	1,263
Miscellaneous Income	81,216	96,241	39,525	14,665	135,673	91,840	79,132	180,375	7,987	122,338
Transfers						(50,000)				
Total Governmental Activities	\$ 5,277,993	\$ 5,509,980	\$ 5,509,071	\$ 5,752,851	\$ 5,967,396	\$ 5,980,498	\$ 6,343,294	\$ 6,758,466	\$ 6,928,254	\$ 7,222,751
Business-Type Activities:										
Investment Earnings	\$ 1,008	\$ 5,401	\$ 2,272	\$ 1,375	\$ 14,046	\$ 23	\$ 22	\$ 92	\$ 73	\$ 9
Miscellaneous Income	1,008	5,401	2,272	1,375	14,069	11	22	92	73	9
Total Business-Type Activities	5,279,001	5,506,381	5,511,343	5,754,226	5,981,465	5,980,509	6,343,316	6,758,558	6,928,327	7,222,760
Change in Net Position:										
Governmental Activities	(450,573)	217,186	306,938	167,259	754,544	(279,565)	214,829	802,773	1,358,038	1,640,574
Business-type Activities	1,146	(477)	7,507	9,716	5,958	(13,837)	1,760	(2,344)	61,203	12,292
Total District	\$ (449,427)	\$ 216,709	\$ 314,445	\$ 176,975	\$ 760,502	\$ (293,402)	\$ 216,589	\$ 800,429	\$ 1,419,241	\$ 1,652,866

Source: School District Financial Reports

HIGH BRIDGE SCHOOL DISTRICT  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
 UNAUDITED

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	(Restated) 2020	2021
<b>General Fund:</b>										
Restricted	\$ 707,058	\$ 852,399	\$ 1,113,880	\$ 1,446,063	\$ 1,002,111	\$ 1,228,281	\$ 1,207,031	\$ 1,141,136	\$ 2,338,556	\$ 3,208,665
Assigned	199,214	129,959	135,390	84,384	649,349	50,000	149,914	333,939	105,717	105,851
Unassigned	906,272	982,358	1,249,270	1,530,447	1,808,808	1,543,176	310,598	251,227	121,996	425,364
<b>Total General Fund</b>	<b>\$ 1,812,544</b>	<b>\$ 1,964,716</b>	<b>\$ 2,500,540</b>	<b>\$ 3,060,894</b>	<b>\$ 3,460,267</b>	<b>\$ 2,811,457</b>	<b>\$ 1,667,543</b>	<b>\$ 1,726,302</b>	<b>\$ 2,566,269</b>	<b>\$ 3,739,880</b>
<b>All Other Governmental Funds:</b>										
Unassigned/(Deficit), Reported in:										
Special Revenue Fund	\$ (660)	\$ (660)	\$ (660)	\$ (660)	\$ (660)	\$ (660)	\$ (660)	\$ (660)	\$ (19,646)	\$ (33,565)
Capital Projects Fund		1,245	1,245	1,245	1,245					
Debt Service Fund			(15,342)							
<b>Total All Other Governmental Funds</b>	<b>\$ (660)</b>	<b>\$ 585</b>	<b>\$ (14,757)</b>	<b>\$ 585</b>	<b>\$ 585</b>	<b>\$ (660)</b>	<b>\$ (660)</b>	<b>\$ (660)</b>	<b>\$ (19,646)</b>	<b>\$ (33,565)</b>
<b>Governmental Funds:</b>										
Restricted	\$ 707,058	\$ 852,399	\$ 1,113,880	\$ 1,446,063	\$ 1,002,111	\$ 1,228,281	\$ 1,207,031	\$ 1,141,136	\$ 2,338,556	\$ 3,208,665
Assigned	198,554	130,544	(14,757)	84,969	649,349	50,000	149,914	333,939	105,717	105,851
Unassigned	905,612	982,943	1,099,123	1,531,032	1,809,393	1,542,516	309,938	250,567	102,350	391,799
<b>Total Governmental Funds</b>	<b>\$ 1,811,224</b>	<b>\$ 1,965,886</b>	<b>\$ 2,218,246</b>	<b>\$ 3,062,064</b>	<b>\$ 3,460,853</b>	<b>\$ 2,811,207</b>	<b>\$ 1,666,883</b>	<b>\$ 1,725,642</b>	<b>\$ 2,546,623</b>	<b>\$ 3,706,315</b>

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues:</b>										
Tax Levy	\$ 5,343,727	\$ 5,391,565	\$ 5,467,998	\$ 5,736,139	\$ 5,829,372	\$ 5,937,817	\$ 6,254,228	\$ 6,565,706	\$ 6,832,760	\$ 7,020,901
Tuition Charges	139,017	142,770	111,371	125,491	150,729	96,990	75,684	166,837	31,418	33,996
Interest Earnings					2,351	841	9,934	9,441		1,263
Miscellaneous	84,521	97,592	41,073	16,712	135,673	91,840	79,132	180,375	7,987	164,413
State Sources	2,140,107	2,449,089	2,342,436	2,409,014	2,465,912	2,741,897	2,887,527	2,976,255	3,173,514	3,854,853
Federal Sources	188,643	126,312	127,810	121,133	146,546	130,553	122,477	155,478	121,329	178,627
<b>Total Revenue</b>	<b>7,896,015</b>	<b>8,207,328</b>	<b>8,090,688</b>	<b>8,408,489</b>	<b>8,730,583</b>	<b>8,999,938</b>	<b>9,428,982</b>	<b>10,057,036</b>	<b>10,176,449</b>	<b>11,254,053</b>
<b>Expenditures:</b>										
<b>Instruction</b>										
Regular Instruction	2,514,912	2,444,147	2,982,108	2,632,722	2,216,279	2,376,065	2,285,413	2,176,419	2,429,632	2,656,605
Special Education Instruction	1,034,608	998,682	883,640	886,081	938,450	1,264,243	940,389	1,170,134	1,028,246	1,087,455
Other Special Instruction	266,454	251,349	176,927	163,377	187,850	151,743	210,722	210,428	168,011	111,162
School-Sponsored/Other Instruction	43,318	45,577	40,838	40,860						
<b>Support Services:</b>										
Tuition	76,900	79,600	62,163	110,371	14,833	42,148	57,241			41,007
Student & Instruction Related Services	1,221,129	1,283,495	1,054,071	1,456,557	1,109,566	1,128,662	1,340,175	1,340,802	1,202,198	1,258,466
General Administrative Services	408,406	390,770	327,266	380,280	278,400	226,986	241,429	210,175	202,760	186,042
School Administrative Services	238,348	279,745	225,331	229,317	116,444	221,905	163,342	159,076	169,718	172,078
Central Services					154,422	127,629	132,161	126,507	138,998	120,805
Administrative Information Technology										21,118
Pupil Transportation	72,022	78,740	100,735	107,887	97,142	76,143	76,905	93,251	62,733	14,175
Plant Operations and Maintenance	611,803	611,115	558,463	619,079	677,398	722,007	906,502	698,225	723,384	742,277
Allocated and Unallocated Benefits	740,927	928,482	926,773	926,628	2,108,441	2,296,936	2,371,705	2,681,984	2,681,984	3,023,236
Transfer of Funds to Charter Schools									4,412	
Capital Outlay	46,481	105,252	8	44,716	36,119	65,020	71,831	591,388	138,646	128,435
<b>Debt Service:</b>										
Principal	350,000	375,000	260,000	285,000	300,000	315,000	335,000	355,000	375,000	395,000
Interest and Other Charges	274,028	258,043	240,795	229,095	216,878	202,328	187,680	171,935	155,250	136,500
<b>Total Expenditures</b>	<b>7,899,336</b>	<b>8,129,997</b>	<b>7,839,118</b>	<b>8,111,970</b>	<b>8,452,222</b>	<b>9,216,815</b>	<b>9,320,495</b>	<b>9,998,277</b>	<b>9,480,972</b>	<b>10,094,361</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>(3,321)</b>	<b>77,331</b>	<b>251,570</b>	<b>296,519</b>	<b>278,361</b>	<b>(216,877)</b>	<b>108,487</b>	<b>58,759</b>	<b>695,477</b>	<b>1,159,692</b>
<b>Other Financing Sources/(Uses):</b>										
Transfers Out						(50,000)				
<b>Total Other Financing Sources/(Uses)</b>						<b>(50,000)</b>				
<b>Net Change in Fund Balances</b>	<b>\$ (3,321)</b>	<b>\$ 77,331</b>	<b>\$ 251,570</b>	<b>\$ 296,519</b>	<b>\$ 278,361</b>	<b>\$ (266,877)</b>	<b>\$ 108,487</b>	<b>\$ 58,759</b>	<b>\$ 695,477</b>	<b>\$ 1,159,692</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	7.9%	7.9%	6.4%	6.4%	6.1%	5.7%	5.7%	5.6%	5.7%	5.3%

Source: School District Financial Reports

HIGH BRIDGE SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Refund Prior</u> <u>Year</u> <u>Expenditures</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2012	\$ 3,305	\$ 63,429	\$ 139,017	\$ 17,787	\$ 223,538
2013	1,351	11,505	142,770	84,736	240,362
2014	1,548	19,683	142,770	19,842	183,843
2015	2,047		125,491	14,665	142,203
2016	2,351		150,729	57,571	210,651
2017	2,372		96,990	9,722	109,084
2018	9,934		75,684	1,150	86,768
2019	12,385		166,837	84,654	263,876
2020	9,441		31,418	3,162	44,021
2021	1,263		33,996	109,758	145,017

Source: High Bridge School District records

HIGH BRIDGE SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
 UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2011	\$ 2,000,900	\$ 353,222,800	\$ 1,084,200	\$ 14,200	\$ 11,947,800	\$ 7,338,600	\$ 509,600	\$ 376,118,100	\$ 33,990,900	\$ 925,117	\$ 377,043,217	\$ 1.42	\$ 410,415,386
2012	1,961,400	348,613,800	1,478,600	9,254	11,964,200	7,338,600	509,600	371,875,454	34,119,500	921,445	372,796,899	1.45	387,670,007
2013	1,478,400	339,991,100	1,478,600	9,254	11,767,400	7,906,400	509,600	363,140,754	30,292,700	951,120	364,091,874	1.51	359,381,771
2014	1,635,700	337,046,400	1,478,600	9,254	11,767,400	7,221,000	509,600	359,667,954	30,292,700		359,667,954	1.60	349,430,504
2015	1,392,500	305,140,100	1,353,700	9,254	12,732,800	8,751,500	1,087,000	330,466,854	25,575,667		330,466,854	1.76	360,146,317
2016	1,396,400	304,820,800	1,353,700	8,554	12,862,200	8,751,500	1,087,000	330,280,154	25,575,667		330,280,154	1.80	361,164,047
2017	1,301,600	303,934,300	2,081,400	10,500	12,413,800	8,751,500	1,087,000	329,580,100	26,816,449		329,580,100	2.03	358,839,392
2018	1,148,300	302,871,800	2,083,300	10,200	12,330,300	9,769,200	1,067,900	329,281,000	26,817,949		329,281,000	2.13	364,046,312
2019	1,223,000	301,924,400	2,083,600	10,200	12,858,400	10,132,300	1,452,800	329,684,700	30,254,852		329,684,700	2.21	378,167,392
2020	1,353,000	303,117,800	2,077,800	10,200	14,329,300	10,867,500	1,541,900	333,297,500	29,302,452		333,297,500	2.24	356,609,251

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100



HIGH BRIDGE SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
(RATE PER \$100 OF ASSESSED VALUE)  
UNAUDITED

Year Ended December 31,	High Bridge Borough School District Direct Rate			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Regional School District	High Bridge Borough	Library	Hunterdon County	
2011	\$ 1.28	\$ 0.14	\$ 1.42	\$ 0.58	\$ 0.79	\$ 0.03	\$ 0.35	\$ 3.16
2012	1.30	0.15	1.45	0.54	0.82	0.03	0.34	3.17
2013	1.36	0.15	1.51	0.62	0.84	0.03	0.33	3.33
2014	1.47	0.13	1.60	0.60	0.88	0.03	0.33	3.43
2015	1.63	0.13	1.76	0.58	0.93	0.03	0.40	3.71
2016	1.66	0.13	1.80	0.60	0.98	0.03	0.40	3.81
2017	1.90	0.14	2.03	0.38	1.03		0.40	3.85
2018	1.99	0.14	2.13	0.39	1.03		0.42	3.96
2019	2.07	0.14	2.21	0.44	1.05		0.43	4.13
2020	2.11	0.14	2.24	0.44	1.05		0.40	4.13

Source: Municipal Tax Collector and School Business Administrator

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

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

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

HIGH BRIDGE SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

<u>Taxpayer</u>	2020	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
1742 Square Associates LTD	\$ 6,215,700	1.89%
XP Power LLC	2,973,200	0.90%
Bitow Enterprises LLC	1,745,700	0.53%
Sentinel Self Storage	1,690,100	0.51%
Perotti Farm LLC	1,187,100	0.36%
Luvavan LLC	1,078,000	0.33%
Individual Taxpayer #1	1,025,000	0.31%
Individual Taxpayer #2	909,900	0.28%
Individual Taxpayer #3	848,400	0.26%
Individual Taxpayer #4	838,700	0.25%
Total	<u>\$ 18,511,800</u>	<u>5.62%</u>

<u>Taxpayer</u>	2011	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
1742 Square Associates LTD	\$ 2,695,100	0.71%
Glassman Family Realty LLC	2,400,000	0.63%
Bitnow Enterprises LLC	2,071,900	0.55%
Individual Taxpayer #1	1,751,400	0.46%
Country Club Self Storage, LLC	1,706,000	0.45%
Individual Taxpayer #2	1,112,000	0.29%
Individual Taxpayer #3	887,100	0.23%
Individual Taxpayer #4	832,500	0.22%
Individual Taxpayer #5	846,000	0.22%
Individual Taxpayer #6	787,100	0.21%
Total	<u>\$ 15,089,100</u>	<u>3.99%</u>

Note: Individual taxpayers in 2020 and 2011 may be different.

Source: Municipal Tax Assessor

HIGH BRIDGE 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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 5,343,727	\$ 5,343,727	100.00%	-0-
2013	5,391,565	5,391,565	100.00%	-0-
2014	5,467,998	5,467,998	100.00%	-0-
2015	5,736,139	5,736,139	100.00%	-0-
2016	5,829,372	5,829,372	100.00%	-0-
2017	5,937,817	5,937,817	100.00%	-0-
2018	5,808,499	5,808,499	100.00%	-0-
2019	6,565,706	6,565,706	100.00%	-0-
2020	6,832,760	6,832,760	100.00%	-0-
2021	7,020,901	7,020,901	100.00%	-0-

Source: High Bridge School District records including the Certificate and Report of School Taxes (A4F form)

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

HIGH BRIDGE SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Total District		
2012	\$ 5,330,000	\$ 5,330,000	1.97%	\$ 1,482
2013	4,955,000	4,955,000	1.84%	1,383
2014	4,695,000	4,695,000	1.67%	1,315
2015	4,410,000	4,410,000	1.53%	1,242
2016	4,110,000	4,110,000	1.38%	1,159
2017	3,795,000	3,795,000	1.26%	1,073
2018	3,460,000	3,460,000	1.13%	999
2019	3,105,000	3,105,000	0.98%	908
2020	2,730,000	2,730,000	0.87%	806
2021	2,335,000	2,335,000	0.75%	689

Source: School District Financial Reports

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

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

HIGH BRIDGE SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>General Bonded Debt Outstanding</u>					
<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Deductions</u>	<u>Net General</u> <u>Bonded Debt</u> <u>Outstanding</u>	<u>Percentage of</u> <u>Net Valuation</u> <u>Taxable <sup>a</sup> of</u> <u>Property</u>	<u>Per Capita <sup>b</sup></u>
2012	\$ 5,330,000	-0-	\$ 5,330,000	1.410%	\$ 1,482
2013	4,955,000	-0-	4,955,000	1.314%	1,383
2014	4,695,000	-0-	4,695,000	1.259%	1,315
2015	4,410,000	-0-	4,410,000	1.211%	1,242
2016	4,110,000	-0-	4,110,000	1.143%	1,159
2017	3,795,000	-0-	3,795,000	1.148%	1,073
2018	3,460,000	-0-	3,460,000	1.050%	999
2019	3,105,000	-0-	3,105,000	0.943%	908
2020	2,730,000	-0-	2,730,000	0.828%	806
2021	2,335,000	-0-	2,335,000	0.701%	689

Source: School District Financial Reports

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

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

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

HIGH BRIDGE SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2020  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
High Bridge Borough	\$ 9,088,653	100.00%	\$ 9,088,653
North Hunterdon-Voorhees Regional High School District Debt	8,665,000	1.62%	348,841
Hunterdon County General Obligation Debt	90,647,955	1.66%	<u>1,504,756</u>
Subtotal, Overlapping Debt			10,942,250
High Bridge School District Direct Debt			<u>2,335,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 13,277,250</u></u>

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

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

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

HIGH BRIDGE SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS  
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized Valuation Basis		
	2018	2019	2020
	\$ 373,800,658	350,467,418	349,771,749
	<u>\$ 1,074,039,825</u>		
	<u>\$ 358,013,275</u>		
Average Equalized Valuation of Taxable Property			
Debt Limit (a) (3% of Average Equalization Value)	\$ 10,740,398		
Net Bonded School Debt	<u>2,335,000</u>		
Legal Debt Margin	<u>\$ 8,405,398</u>		

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 12,188,203	\$ 11,599,807	\$ 11,027,429	\$ 10,712,546	\$ 10,657,631	\$ 10,723,446	\$ 10,451,820	\$ 10,894,917	\$ 10,832,724	\$ 10,740,398
Total Net Debt Applicable to Limit	<u>5,680,000</u>	<u>4,955,000</u>	<u>4,695,000</u>	<u>4,410,000</u>	<u>4,110,000</u>	<u>3,795,000</u>	<u>3,460,000</u>	<u>3,105,000</u>	<u>2,730,000</u>	<u>2,335,000</u>
Legal Debt Margin	<u>\$ 6,508,203</u>	<u>\$ 6,644,807</u>	<u>\$ 6,332,429</u>	<u>\$ 6,302,546</u>	<u>\$ 6,547,631</u>	<u>\$ 6,928,446</u>	<u>\$ 6,991,820</u>	<u>\$ 7,789,917</u>	<u>\$ 8,102,724</u>	<u>\$ 8,405,398</u>
Total Net Debt Applicable to the Limit	46.60%	42.72%	42.58%	41.17%	38.56%	35.39%	33.10%	28.50%	25.20%	21.74%
As a Percentage of Debt Limit										

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

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

HIGH BRIDGE SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Year</u>	<u>Population<sup>a</sup></u>	<u>Hunterdon County Per Capita Personal Income<sup>b</sup></u>	<u>Total County Personal Income<sup>c</sup></u>	<u>Unemployment Rate<sup>d</sup></u>
2012	3,597	\$ 75,239	270,634,683	7.50%
2013	3,583	75,055	268,922,065	8.40%
2014	3,569	78,575	280,434,175	5.50%
2015	3,551	81,022	287,709,122	5.40%
2016	3,546	83,741	296,945,586	4.70%
2017	3,536	85,032	300,673,152	4.30%
2018	3,462	88,565	306,612,030	3.80%
2019	3,418	92,291	315,450,638	3.80%
2020	3,388	92,291 **	312,681,908	9.40%
2021	3,388 *	92,291 **	312,681,908 ***	N/A

\* - Latest Hunterdon County per capita personal income available (2020) was used for calculation purposes.

\*\* - Latest population data available (2019) was used for calculation purposes.

\*\*\* - Latest County Personal Income data available (2020) was used for calculation purposes.

N/A - Information unavailable.

Source:

- <sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development
- <sup>b</sup> Per Capita Personal Income provided by the NJ Dept of Labor and Workforce Development
- <sup>c</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented
- <sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development



HIGH BRIDGE SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS - BOROUGH OF HIGH BRIDGE  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

2020		2011	
Employer	Employees	Employer	Employees
		Percentage of Total Employment	Percentage of Total Employment

INFORMATION IS NOT AVAILABLE

Source: Hunterdon County Economic Development Corporation

HIGH BRIDGE SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
UNAUDITED

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instruction										
Regular	34.78	31.60	31.80	31.80	31.80	30.24	30.80	32.00	30.00	29.00
Special Education	33.53	33.00	34.70	34.70	34.70	42.74	20.27	20.60	24.00	21.00
Support Services:										
School Administrative Services	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.00
General and Business Administrative Services	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	5.00
Plant Operations and Maintenance	5.30	5.30	5.30	5.30	5.30	6.00	6.00	6.00	6.00	7.00
Pupil transportation	0.10	0.10	0.10	0.10	0.10	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>81.51</b>	<b>77.80</b>	<b>79.70</b>	<b>79.70</b>	<b>79.70</b>	<b>86.78</b>	<b>64.87</b>	<b>66.40</b>	<b>67.80</b>	<b>65.00</b>

Source: District Personnel Records

HIGH BRIDGE SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2012	394	\$ 7,228,827	\$ 18,347	2.81%	51.0	1:7.7	389	375	-0.41%	96.45%
2013	367	7,391,702	20,141	9.78%	47.0	1:7.8	348	337	-10.49%	96.84%
2014	375	7,338,315	19,711	-2.13%	45.0	1:8.3	368	353	5.75%	95.92%
2015	380	7,553,159	19,877	0.84%	45.0	1:8.4	377	360	2.42%	95.52%
2016	380	7,899,225	20,787	4.58%	45.0	1:8.4	378	361	0.29%	95.50%
2017	392	8,634,467	22,027	5.96%	50.0	1:8.0	390	372	3.17%	95.38%
2018	370	8,725,984	23,584	7.07%	41.0	1:9.0	370	349	-5.13%	94.32%
2019	370	8,879,954	24,000	1.76%	41.0	1:9.0	370	349	0.00%	94.32%
2020	363	8,812,076	24,276	1.15%	42.0	1:8.6	364	353	-1.62%	96.98%
2021	364	9,434,426	25,919	6.77%	42.0	1:8.7	364	352	-0.41%	96.57%

Sources: High Bridge School District records

Note: Enrollment based on annual October district count.

<sup>a</sup> Operating expenditures equal total expenditures less debt service and capital outlay.

<sup>b</sup> Teaching staff includes only full-time equivalents of certificated staff.

<sup>c</sup> Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

<sup>d</sup> The Cost Per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This Cost Per Pupil may be different from other Cost Per Pupil calculations.

HIGH BRIDGE SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>District Building</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>
Elementary										
Square Feet	46,459	46,459	46,459	46,459	46,459	46,459	46,459	46,459	46,459	46,459
Capacity (students)	349	349	349	349	349	349	349	349	349	349
Enrollment	253	258	270	265	263	271	271	193	195	210
Middle School										
Square Feet	54,584	54,584	54,584	54,584	54,584	54,584	54,584	54,584	54,584	54,584
Capacity (students)	126	126	126	126	126	126	126	126	126	126
Enrollment	136	109	107	115	115	121	121	177	168	154

Number of Schools at June 30, 2021:  
 Elementary = 1  
 Middle School = 1

Source: High Bridge School District Facilities Office

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

HIGH BRIDGE SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>High Bridge Elementary</u> <u>School</u>	<u>High Bridge Middle</u> <u>School</u>	<u>Total</u>
2012	\$ 100,956	\$ 113,845	\$ 214,801
2013	149,600	168,698	318,298
2014	60,045	67,710	127,755
2015	57,806	65,185	122,991
2016	143,593	168,705	312,298
2017	67,743	87,745	155,488
2018	234,456	131,831	366,287
2019	175,110	98,499	273,609
2020	111,380	216,208	327,588
2021	188,062	137,088	325,150

Source: High Bridge School District records

HIGH BRIDGE BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2021  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - School Alliance Insurance Fund:		
<u>PROPERTY SECTION:</u>		
Blanket Building and Contents (fund limit)	\$ 500,000,000	\$ 2,500
Accounts Receivable	2,500,000	2,500
Automobile Physical Damage	In Blanket Limit	1,000
Builders Risk	25,000,000	2,500
Electronic Data Processing Equipment	In Blanket Limit	2,500
<u>LIABILITY SECTION:</u>		
Comprehensive General Liability	5,000,000	
Automobile Liability	5,000,000	
Employee Benefit Liability	5,000,000	1,000
<u>EXCESS LIABILITY:</u>		
Excludes School Board Legal Liability	5,000,000	
<u>CRIME:</u>		
Blanket Employee Dishonesty	500,000	1,000
Forgery	50,000	1,000
Theft/Disappearance/Destruction:		
Inside	50,000	1,000
Outside	50,000	1,000
Computer Fraud	50,000	1,000
Funds Transfer Fund	50,000	1,000
Chartis (SAIF):		
<u>SCHOOL BOARD LEGAL LIABILITY</u>	5,000,000	5,000
ACE American Insurance Company (SAIF):		
<u>ENVIRONMENTAL IMPAIRMENT LIABILITY:</u>		
Limit of Liability:		
Incident	1,000,000	10,000
Fund Annual Aggregate	25,000,000	
<u>WORKERS' COMPENSATION (SAIF):</u>		
(a) Statutory Benefits	Included	
(a) Employer's Liability	5,000,000	
Supplemental Coverage (optional)	Included	
RLI Insurance Company:		
Public Employees' Faithful Performance Blanket Position Bond -		
Business Administrator - John Jennings	200,000	
Treasurer - Judy Favino	200,000	

SINGLE AUDIT SECTION



200 Valley Road, Suite 300  
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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  
High Bridge School District  
County of Hunterdon, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the High Bridge School District, in the County of Hunterdon (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, and have issued our report thereon dated December 7, 2021.

**Internal Control Over Financial Reporting**

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

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

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



The Honorable President and Members  
of the Board of Education  
High Bridge School District  
Page 2

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

December 7, 2021  
Mount Arlington, New Jersey

NISIVOCIA LLP

*Francis Jones of Nisivoccia LLP*  
Francis Jones  
Licensed Public School Accountant #1154  
Certified Public Accountant



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Report on Compliance For Each Major State Program;  
Report on Internal Control Over Compliance

Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
High Bridge School District  
County of Hunterdon, New Jersey

**Report on Compliance for Each Major State Program**

We have audited the High Bridge School District's (the "District's") compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2021. The District's major state programs are identified in the summary of auditors' 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 and state awards 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 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey's 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 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 state program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on Each Major 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 state programs for the fiscal year ended June 30, 2021.

The Honorable President and Members  
of the Board of Education  
High Bridge School District  
Page 2

### 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 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 state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB 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 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.

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

December 7, 2021  
Mount Arlington, New Jersey

NISIVOCCIA LLP

*Francis Jones of Nisivoccia LLP*  
Francis Jones  
Licensed Public School Accountant #1154  
Certified Public Accountant

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

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title:	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2020		Due to Grantor	Cash Received	Budgetary Expenditures	Adjustment	Balance at June 30, 2021		Amount Provided to Subrecipients
					Unearned Revenue/ (Accounts Receivable)	Unearned Revenue					(Accounts Receivable)	Due to Grantor	
<b>U.S. Department of Agriculture</b>													
Passed-through State Department of Agriculture:													
Child Nutrition Cluster:													
Food Distribution Program	10.555	N/A	7/1/19-6/30/20	\$ 8,605	\$ 1,342			\$ (1,342)					
Food Distribution Program	10.555	N/A	7/1/20-6/30/21	7,999	(56)		\$ 7,999	(6,931)			\$ 1,068		
National School Lunch Program	10.555	N/A	7/1/19-6/30/20	19,204	(4,157)		56						
COVID 19 - Seamless Summer Option	10.555	N/A	7/1/19-6/30/20	14,443			4,157	(72,054)					
COVID 19 - Seamless Summer Option	10.555	N/A	7/1/20-6/30/21	72,054	(2,871)		64,882	(80,327)			\$ (7,172)		
Total U.S. Department of Agriculture Child Nutrition Cluster					(2,871)		77,094	(80,327)			1,068	(7,172)	
<b>Total Enterprise Funds</b>													
					(2,871)		77,094	(80,327)			1,068	(7,172)	
<b>U.S. Department of Education</b>													
Passed-through State Department of Education:													
Elementary and Secondary Education Act:													
Title II - Part A	84.367	ESEA-2140-21	7/1/20-9/30/21	9,228			6,637	(6,637)					
Title IV	84.424	ESEA-2140-20	7/1/19-9/30/20	10,232	(1,397)		1,269		\$ 128			(666)	
Title IV	84.424	ESEA-2140-21	7/1/20-9/30/21	10,279			6,295	(6,961)					
Title I	84.010A	ESEA-2140-20	7/1/19-9/30/20	25,708	(5,711)		5,711					(3,631)	
Title I	84.010A	ESEA-2140-21	7/1/20-9/30/21	35,385	(7,108)		24,619	(28,250)				(4,297)	
Total Elementary and Secondary Education Act					(13,653)		44,531	(41,848)	128			(17,571)	
Special Education Cluster:													
I.D.E.A. Part B, Basic	84.027	IDEA-2140-20	7/1/19-9/30/20	95,140	(6,343)		6,343					(16,429)	
I.D.E.A. Part B, Basic	84.027	IDEA-2140-21	7/1/20-9/30/21	132,237	(210)		85,640	(102,069)					
I.D.E.A. Part B, Preschool	84.173	IDEA-2140-20	7/1/19-9/30/20	4,133			210					(1,142)	
I.D.E.A. Part B, Preschool	84.173	IDEA-2140-21	7/1/20-9/30/21	5,225	(6,553)		93,024	(104,042)				(17,571)	
Total Special Education Cluster					(6,553)		93,024	(104,042)				(17,571)	
Education Stabilization Fund:													
COVID-19 - CARES - Digital Divide	84.425D	S425D3210027	7/16/20-10/31/20	21,790			21,790	(21,790)					
COVID-19 - CRRSA - ESSER II	84.425D	S425D3210027	3/13/20-9/30/22	111,976				(111,976)				(111,976)	
Total Education Stabilization Fund							21,790	(133,766)				(111,976)	
Total U.S. Department of Education													
					(13,661)		159,345	(279,656)	128			(133,844)	
<b>U.S. Department of Treasury:</b>													
Passed-through State Department of Education:													
Special Revenue Fund:													
COVID-19 - Coronavirus Relief Fund	21.019	CARES214020	3/13/20-12/30/20	14,975			17,975	(14,975)					
Total U.S. Department of Treasury							17,975	(14,975)					
Total Special Revenue Fund					(13,661)		177,320	(294,631)	128			(133,844)	
<b>Total Federal Financial Awards</b>													
					\$ (16,532)		\$ 254,414	\$ (374,958)	\$ 128		\$ 1,068	\$ (141,016)	\$ -0-

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

HIGH BRIDGE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2020		Balance June 30, 2021		Memo																
				Unearned Revenue/ (Accounts Receivable)	Due to Grantor	GAAP Unearned Revenue (Accounts Receivable)	Budgetary Unearned Revenue		Due to Grantor	Budgetary (Accounts Receivable)	Cumulative Total Expenditures													
<b>General Fund:</b>																								
State Department of Education:																								
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	\$ 1,051,015	\$ (102,358)		\$ 102,358		\$ 1,051,015																
School Choice Aid	20-495-034-5120-068	7/1/19-6/30/20	20,977	(2,043)		2,043		20,977																
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	14,338	(1,396)		1,396		14,338																
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	273,011	(26,588)		26,588		273,011																
Security Aid	20-100-034-5120-084	7/1/19-6/30/20	34,384	(3,349)		3,349		34,384																
Adjustment Aid	20-495-034-5120-085	7/1/19-6/30/20	23,008	(2,241)		2,241		23,008																
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	138,915	(138,915)		138,915		138,915																
Reimbursed TPAF Social Security Contributions	21-495-034-5095-002	7/1/20-6/30/21	281,170		\$ (281,170)		\$ (13,675)	254,282																
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	1,017,609		(1,017,609)		(101,761)	1,017,609																
School Choice Aid	21-495-034-5120-068	7/1/20-6/30/21	32,703		29,433		(3,270)	32,703																
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	14,338		12,904		(1,434)	14,338																
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	273,011		245,710		(27,301)	273,011																
Security Aid	21-100-034-5120-084	7/1/20-6/30/21	34,384		30,946		(3,438)	34,384																
Nonpublic Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	3,770			\$ (3,770)	(3,770)	3,770																
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	270,014			(270,014)	(270,014)	270,014																
TPAF Pension Contributions (On-Behalf - Non-Budgeted)	21-100-034-5094-002	7/1/20-6/30/21	1,009,332		1,009,332			1,009,332																
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)	21-495-034-5094-001	7/1/20-6/30/21	322,327		322,327			322,327																
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)	21-495-034-5094-004	7/1/20-6/30/21	19,204		19,204			19,204																
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)	21-495-034-5094-004	7/1/20-6/30/21	432		432			432																
Reimbursed TPAF Social Security Contributions	20-495-034-5095-003	7/1/19-6/30/20	270,161	(12,958)		12,958		270,161																
Total General Fund				(289,848)		3,143,479	(3,278,294)	(424,663)																
<b>Special Revenue Fund:</b>																								
State Department of Education:																								
Preschool Education Aid	20-495-034-5120-086	7/1/19-6/30/20	279,720	(24,459)		30,996	(6,537)	279,720																
Preschool Education Aid	21-495-034-5120-086	7/1/20-6/30/21	717,991			646,192	(500,171)	717,991																
Total Special Revenue Fund				(24,459)		677,188	(506,708)	997,711																
<b>Debt Service Fund:</b>																								
Debt Service Type II Aid																								
Total Debt Service Fund	21-100-034-5120-124	7/1/20-6/30/21	78,249			78,249	(78,249)	78,249																
<b>Enterprise Fund:</b>																								
State Department of Agriculture:																								
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	977	(44)		44		977																
COVID 19 - Supplemental Summer Option	21-100-010-3350-023	7/1/20-6/30/21	1,693			1,444	(1,693)	1,693																
Total Enterprise Fund				(44)		1,488	(1,693)	977																
<b>Total State Financial Awards</b>																								
Less: State Awards Not Subject to Single Audit Major Program Determination																								
On-Behalf TPAF Pension System Contributions:																								
On-Behalf TPAF Post Retirement Contributions	21-495-034-5094-002	7/1/20-6/30/21	\$ (1,009,332)			\$ 1,009,332		\$ 1,009,332																
On-Behalf TPAF Pension Contributions	21-495-034-5094-001	7/1/20-6/30/21	(322,327)			322,327		322,327																
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	(19,204)			19,204		19,204																
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21	(432)			432		432																
Subtotal - On-Behalf TPAF Pension System Contributions																								
Total State Awards Subject to Single Audit Major Program Determination																								
Total State Awards Subject to Single Audit Major Program Determination																								
<table border="0" style="width: 100%;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right;">\$ (2,513,649)</td> </tr> <tr> <td style="width: 60%;"></td> <td style="text-align: right;">\$ (353,113)</td> </tr> <tr> <td style="width: 60%;"></td> <td style="text-align: right;">\$ 2,178,200</td> </tr> <tr> <td style="width: 60%;"></td> <td style="text-align: right;">\$ -0-</td> </tr> <tr> <td style="width: 60%;"></td> <td style="text-align: right;">\$ (2,74,033)</td> </tr> <tr> <td style="width: 60%;"></td> <td style="text-align: right;">\$ 2,178,200</td> </tr> <tr> <td style="width: 60%;"></td> <td style="text-align: right;">\$ (353,113)</td> </tr> <tr> <td style="width: 60%;"></td> <td style="text-align: right;">\$ 6,154,152</td> </tr> </table>										\$ (2,513,649)		\$ (353,113)		\$ 2,178,200		\$ -0-		\$ (2,74,033)		\$ 2,178,200		\$ (353,113)		\$ 6,154,152
	\$ (2,513,649)																							
	\$ (353,113)																							
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	\$ 6,154,152																							

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, High Bridge School District under programs of the federal and state governments for the fiscal year ended June 30, 2021. The information in these schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes these payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. The special revenue fund also does not recognize the June state aid payments in the current year. Grant revenue in the capital projects fund is recognized on the budgetary basis in the fiscal year of award but is not recognized on the GAAP basis until expended and submitted for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$34,715 for the general fund and \$(159,117) for the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and the special revenue funds.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS (Cont'd)

Revenue from federal and state awards are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,313,009	\$ 3,313,009
Special Revenue Fund	\$ 178,627	463,595	642,222
Debt Service Fund		78,249	78,249
Enterprise Fund	<u>80,327</u>	<u>1,693</u>	<u>82,020</u>
Total	<u>\$ 258,954</u>	<u>\$ 3,856,546</u>	<u>\$ 4,115,500</u>

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

NOTE 5. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2021.

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

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2021 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The District's state programs tested as major programs for the current fiscal year were the following:

	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>State Programs:</u>				
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	\$ 1,017,609	\$ 1,017,609
School Choice Aid	21-495-034-5120-068	7/1/20-6/30/21	32,703	32,703
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	273,011	273,011
Security Aid	21-495-034-5094-084	7/1/20-6/30/21	34,384	34,384

- The threshold used for distinguishing between Type A and Type B state programs was \$750,000.
- The single audit threshold identified in the Uniform Guidance and New Jersey's OMB Circular 15-08 was \$750,000.
- The District was determined to be a "low-risk" auditee for state programs.



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

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- Not applicable since expenditures of Federal awards were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

HIGH BRIDGE SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Status of Prior Year Findings:

There were no prior period audit findings.