

HACKENSACK BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Hackensack, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
of the
Hackensack Board of Education
Hackensack New Jersey
For The Fiscal Year Ended June 30, 2022**

**Prepared by
Business Office**

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INTRODUCTORY SECTION



Date: 01/25/23

Honorable President and
Members of the Board of Education
Hackensack School District
Hackensack, New Jersey 07601
Dear Board Members:

The Annual Comprehensive Financial Report of the Hackensack School District for the Fiscal Year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the Basic Financial Statements and results of Operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four (4) Sections as follows:

- The Introductory Section includes this transmittal letter, the District's Organizational Chart, list of professional advisors and a list of principal officials.
- The Financial Section includes the basic Financial Statements and Schedules, required supplementary information, Management's Discussion and Analysis, as well as the Auditor's Report thereon.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section includes the Auditor's report on the internal control structure and compliance with applicable laws and regulations and finding(s) and recommendations. The District is required to undergo an Annual Single Audit in conformity with the provisions of the Title 2 U.S. Code of Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey States Office of Management and Budget Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this Single Audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the Single Audit section of this report.

1. REPORTING ENTITY and ITS SERVICES:

The Hackensack School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by the National Council on Governmental Accounting (NCGA) Statement No. 14. All funds and account groups of the District are included in this Report. The Hackensack Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular academic, technological, vocational, as well as special education for handicapped students. This District is also a receiving school District from Maywood, Rochelle Park and South Hackensack.

The District completed the 2021-2022 fiscal year with an Average Daily Enrollment of 5,343 students, which is 144 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years:

<i>Fiscal Year</i>	<i>ADE</i>	<i>Number Change</i>	<i>Percent Change</i>
2021/22	5,343	(129)	-2.36%
2020/21	5,473	(144)	-2.57%
2019/20	5,617	(112)	-1.95%
2018/19	5,729	56	0.99%
2017/18	5,673	28	-0.50%
2016/17	5,645	(17)	-0.30%
2015/16	5,662	31	0.55%
2014/15	5,631	168	3.08%
2013/14	5,463	57	1.05%
2012/13	5,406	182	3.48%

For the 2021-2022 school year, the District was configured as follows:

- Early Childhood Developmental Center Grades Pre-K through K
- Fairmount Elementary School Grades Pre-K through 4
- Fanny M. Hillers Elementary School Grades Pre-K through 4
- Jackson Avenue Elementary School Grades Pre-K through 4
- Nellie K. Parker Elementary School Grades Pre-K through 4
- Hackensack Middle School Grades 5 through 8
- Hackensack High School Grades 9 through 12

Based on Demographic Projections prepared in April 2019, by Whitehall Associates, the Hackensack Board of Education determined that the District faced the need to expand in order to meet the projected growth in enrollment. However, since that demographic study was completed, there is a consistent decline in the enrollment numbers. The gradual withdrawal of the receiving high school students from Maywood is a contributing factor to this. However, there is still a need for additional space. In 2013, the Hackensack Board of Education approved an initial five (5) year lease for a school located in Hackensack from the

Archdiocese of Newark to help alleviate the immediate need for space. This facility is referred to as the Hackensack Early Childhood Development Center and houses Pre-K general education and students with disabilities. During the 2019-2020 school year, this lease was renewed for an additional four (4) years. This renewed lease and will expire on June 30, 2023. The district is seeking to renew again is currently exploring options and hopes to have a district owned replacement facility by the time the lease expires.

2. MAJOR INITIATIVES 2021-2022

Educational Programs, Grades Pre-K-12

Our District serves students in Pre K - 12, with a Preschool Program, four (4) elementary schools, a middle school and one high school, with a total student population of over 5,300 students. Our program of instruction follows the New Jersey Students Learning Standards (NJSLS) and aims to provide for personalized learning, supporting the needs of individual students to address gaps, especially those gaps related to the pandemic. Teachers provide for engaging and rigorous learning in classroom environments that privilege problem-solving, digital learning, career-readiness skills, to prepare all students to be Future Ready.

The 2021-2022 school year saw our Pre K full-day program maintain enrollment with 189 full day general education preschool students, which includes students in one local provider location. The district was able to provide additional inclusion opportunities for students, and expand classes to Jackson Avenue School, which allowed all elementary schools to offer preschool in the neighborhood school. Preschool teachers received training in the Creative Curriculum and implemented the GOLD and ESI-R assessments, which assisted with aligning instruction.

In the area of Mathematics, during the 2021-22 school year, a major focus for elementary schools was a bank of formative assessments to be included in the curriculum. Pacing charts were revised, to address prerequisite concepts and major content standards. Unit benchmark assessments were revised to be more standards-based aligned. A new Algebra course was restructured at the high school level to provide more access for students to be eligible for advanced courses.

In the area of English Language Arts during the 2021-2022 school year, the major focus for the elementary schools was on a Year 2 continuum to focus on Guided Reading, Running Records, and Conferring. Professional Development was provided by Scholastic to support teachers in administering benchmark, reading assessments. Additionally, grade 2 implemented the Foundations program. The major instructional professional development focus for the Middle School was on the implementation of a Balanced Literacy approach to instruction including Reading Workshop (year 2) for grade 5. The focus for the grade 5 professional development has been on coaching and demonstration lessons, extending classroom libraries, creating and implementing teaching tools including conferencing, modeling, providing small group instruction and writing pre and post assessments for each unit. Teachers in Grades 6 - 12 worked with a literacy consultant to support student independent choice reading on the secondary level using read-alouds, conferences, book clubs, text sets, and assessment of reading skills while incorporating culturally relevant teaching strategies and materials into the instruction.

Kindergarten to fifth grade Bilingual/ESL teachers are in the second year of professional development aimed at improving literacy instruction in our district with Heinemann Consultant Nicole Sanchez. The focus for the professional development was on student conferences, interactive read-alouds, shared reading, and whole book

assessments. We invested in building classroom libraries and purchased texts to support this initiative for ELL students. At both the Middle School and High School the focus was on supporting independent and choice reading on the secondary level as well as implementing a Reading Workshop for the grade 5 team. The focus for the professional development was on coaching and demonstration lessons, as well as extending classroom libraries. Teachers of grades 6-12 worked to support student reading on the secondary level. The focus of professional development has shifted to the support of reading instruction on the secondary level using interactive read-alouds, conferences, book clubs, text sets, and assessment of reading skills while incorporating culturally relevant teaching strategies and materials into the instruction.

Due to Covid, we continued this major initiative in the area of Science in SY 2021-2022 the major focus of work for the elementary schools was incorporating the newly purchased Amplify science units into the curriculum. The move to remote instruction in March of 2020, prevented classes from completing the units. In the 2021-2022 school year a full implementation of these units occurred. At the middle and high school level the focus continued to be assessment alignment with NJSL-S. In response to data, the district hired a consultant to help teachers align NJSL-S instruction with NJSLA-S expected outcomes. The result of these meetings were presentation and practice sessions for teachers on scientific modeling and a complete set of benchmarks and practice prompts. In preparation for detracking biology and chemistry at the HS, teachers will also receive initial training in Inquiry Hub Biology and Inquiry Hub Chemistry in preparation for SY 2022-2023.

Facility/District Upgrades included:

The district has initiated a massive plan to update and upgrade its school facilities, which have an average age of >75 years. There are several capital projects underway funded either through ESIP, Capital Projects, ESSER II and ARP ESSER III. These projects are in various stages of completion. Most of the completion issues were related to the impact of the pandemic, such as staff, supply chain and other similar tangential effects. Fewer contractors bid and pricing came in above estimates. The following lists these ongoing improvements:

At Various Schools (through the ESIP Program):

- Solar Panels on roof tops
- Solar CarPorts
- HVAC/Univent Replacement
- Building Controls Upgrade
- Air Handling Replacement
- Pool Chiller Replacement
- Steam Boiler Replacement (Fairmount)
- Lighting retrofit

At all schools (Through ESSER II & III)

All HVAC controls will be upgraded and/or replaced. The goal is to have all classroom spaces fully air conditioned by summer of 2024.

At all school funded from Capital Projects:

Fairmount Avenue

- Elevator
- Student Bathroom Improvements

Jackson Avenue

- Elevator
- Student Bathroom Improvements

Fanny Hillers

- Window Replacement
- Replace Rooftop Units to expand A/C to Kindergarten classrooms and cafeteria

High School

- Canopy/Portico/Security Improvements at front entry.
- Cafeteria Improvements (funded from surplus food service enterprise funds)
- Locker Replacement
- Waterproofing exterior walls at base of structure

Middle School

- Cafeteria Improvements (funded from surplus food service enterprise funds)

Nellie K. Parker

- Entry Stairway Reconstruction
- Auditorium Refurbishment

3. INTERNAL ACCOUNTING CONTROLS

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure the adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- (1) The cost of a control should not exceed the benefits likely to be derived; and
- (2) The valuation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal and State financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those Programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's Single Audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to Federal and State financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

4. BUDGETARY CONTROLS:

In addition to internal accounting controls which now includes the prerequisite that all requisitions confirm the use of Ed Data, NJESC, State Contracts etc., the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated Budgets are adopted for the General Fund, Special Revenue Fund, and Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final Budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as Reservations of Fund Balance on June 30, 2022.

5. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect Generally Accepted Accounting Principles (GAAP), as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

6. DEBT ADMINISTRATION

At June 30, 2022, the District had outstanding bonds of \$11,275,000, capital financing agreements of \$322,240, other financing agreements of \$1,593,113 and lease payables of \$654,968. Additional information regarding the District's debt is contained in the "Notes to the Financial Statements", Note 7.

7. FINANCIAL INFORMATION AT FISCAL YEAR-END

The Board developed its 2020-22 budget under the State's funding formula. An analysis of the expenditures in the financial section of this report will show that the Board was prudent in presenting the community with an accurate picture of educational needs.

8. CASH MANAGEMENT

The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a Cash Management Plan, which requires it to

deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT

The Board continues to be a member of the New Jersey School Boards Association Insurance Group, which self-insures Workers' Compensation and purchases general liability, auto and property insurance on a volume basis (Joint Insurance Fund).

10. OTHER INFORMATION

Independent Audit - State statutes require an annual audit by independent certified public accountants (CPA) or registered municipal accountants. The accounting firm of Lerch Vinci & Bliss, LLC was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award (Uniform Guidance) and State Treasury Circular Letter 15-08 OMB. The Auditor's Report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor's reports related specifically to the Single Audit are included in the Single Audit section of this report.

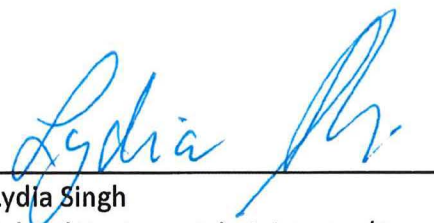
11. ACKNOWLEDGMENTS

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

Respectfully submitted,



Roberto Sanchez
Superintendent of Schools



Lydia Singh
School Business Administrator/Board Secretary

Board of Education

Superintendent

Business Admin/ Board Secretary

Asst Supt Curr & Instr

Asst Supt Adm Serv

Dir. Bldg/Grds

Maint/Grds
Custodians

Asst BA

Payroll Coord
Staff Accounting
Employee Benefits/Resources
Food Service

Tech Coord

Systems Info Coord
Computer Engineer
Computer Techs

Dir. of Curriculum Supervisors (ELA/Math/Sci/SS-PE)

Asst. Principal ECDC
Vis. Perf Arts/STEAM
Instr/Data Coord.
Curr. Specialist
Pert/Pre-K
Master Teachers
Grants-Title I & II

Principals (HHS/JAS/FMH)

Asst Principals Professional Development
Equity
Gifted & Talented

Dir. of Athletics

HS & MS Athletics
Coaches

Manager of HR

HR Staff
Manage Hiring Process
Affirmative Action Officer
Onboarding/Offboarding
Certifications
Employee Contracts
Employee Attendance
Substitute Management
FMLA/ADA compliance
Job Postings/Advertise

Dir. Spec. Srvc & Dir. ESL/BIL/WL

Supervisors - SE/Guidance
SEL
Nurses
Grants-Title III & IV/IDEA/SBYS

Principals (HMS/NKP/FS)

Asst Principals
Policy
Compliance
Achieve NJ

V.I.I.

HACKENSACK BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2022

Members of the Board of Education

Term Expires

Scott James-Vickery, President	2022
Anthony Rodriguez, Vice President	2023
Demetrius Carroll	2022
Christopher Coleman	2023
Ira Goodman	2022
Jennifer Maury	2024
Michael Oates	2023
Lancelot Powell	2024
Marlene Somerville	2024
Julio Bendezu (Maywood Rep)	

Other Officials

Roberto Sanchez, Superintendent

Rosemary Marks, Assistant Superintendent

Andrea Parchment, Assistant Superintendent

Lydia Singh, School Business Administrator/Board Secretary

HACKENSACK BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2022

Board Attorney

FLORIO PERRUCCI STEINHARDT CAPPELLI TIPTON & TAYLOR LLC
430 Mountain Avenue, Suite 103
New Providence, NJ 07904

Risk Manager

ALAMO INSURANCE GROUP, INC.
55 Flanagan Way
Secaucus, New Jersey 07094

Insurance Broker

Alamo Insurance Group, Inc.
55 Flanagan Way
Secaucus, NJ 07094

District Auditor

LERCH, VINCI & BLISS, LLP
17-17 Route 208 N
Fair Lawn, New Jersey 07410

Official Depository

TD BANK
1000 MacArthur Blvd
Mahwah, NJ 07430

FINANCIAL SECTION

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Hackensack Board of Education
Hackensack, New Jersey

Report on the Financial Statements

Opinions

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 Hackensack Board of Education, as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the 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 Hackensack Board of Education as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Hackensack Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hackensack Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hackensack Board of Education's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Hackensack Board of Education. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

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

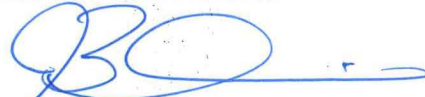
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If,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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 25, 2023 on our consideration of the Hackensack Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hackensack Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Hackensack Board of Education's internal control over financial reporting and compliance.

LERCH, VINCI & BLISS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 25, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

As management of the Hackensack Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Hackensack Board of Education for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, as well as, the District's financial statements and notes to the financial statements which immediately follows this discussion and analysis.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2021-2022 fiscal year include the following:

- The assets and deferred outflows of resources of the Hackensack Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$32,085,667 (Net Position)
- The District's total net position increased by \$11,526,572.
- Overall District revenues were \$156,905,699. General revenues accounted for \$107,494,007 or 69% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$49,411,692 or 31% of total revenues.
- The school district had \$141,563,404 in expenses for governmental activities; only \$44,565,260 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$107,494,007 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$35,092,948. Of this amount, \$26,404,640 is fund balance restricted for specific purposes, \$8,214,794 has been assigned to year end encumbrances and subsequent year expenditures and the remaining amount is the unassigned fund balance of \$473,514.
- The General Fund fund balance at June 30, 2022 was \$28,880,340, an increase of \$3,465,869 compared to the ending fund balance at June 30, 2021 of \$25,414,471.
- The General Fund unassigned budgetary fund balance at June 30, 2022 was \$33,665,629 which represents an increase of \$4,411,915 when compared to the ending unassigned budgetary fund balance at June 30, 2021 of \$29,253,714
- The District's total outstanding long-term liabilities decreased by \$6,216,617 during the current fiscal year.

HACKENSACK BOARD OF EDUCATION

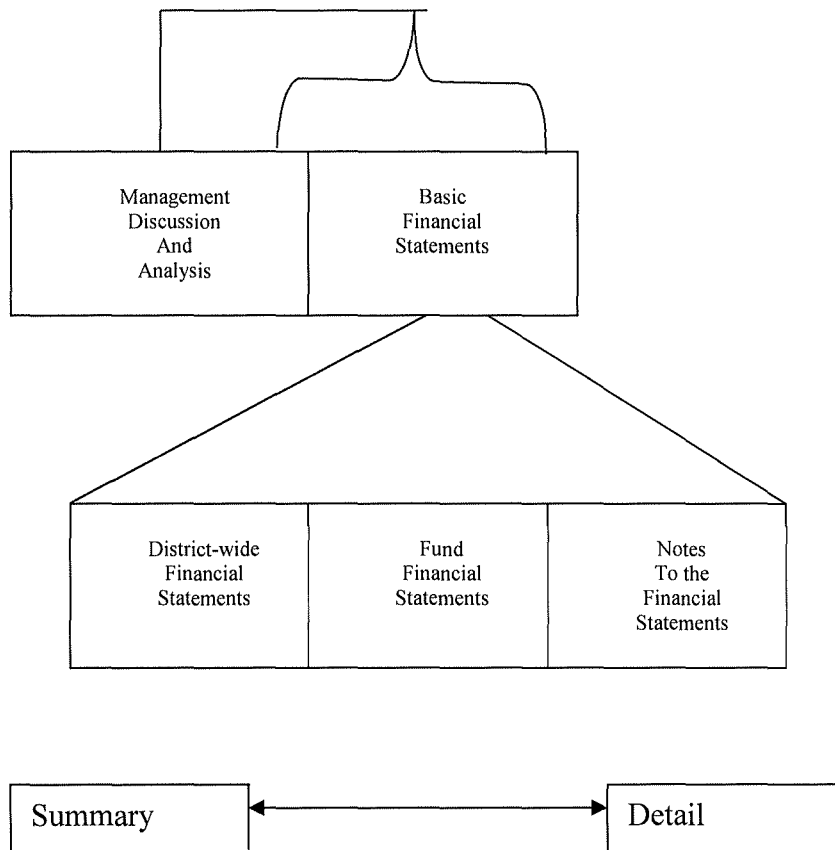
Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The basic financial statements also include notes that explain some of the information in the statements and provide more detailed data. The following shows how the various parts of this Annual Report are arranged and related to one another.



HACKENSACK BOARD OF EDUCATION

Management’s Discussion and Analysis Fiscal Year Ended June 30, 2022

The table below 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.

Major Features of the District-Wide and Fund Financial Statements

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

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 outflows of resources, liabilities and deferred inflows of resources. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

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

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, and plant operation and maintenance. Property taxes and Federal and State aid finance most of these activities.
- *Business type activities* – These are activities for operations that are financed and operated in a manner similar to private business enterprises. The District's food services (cafeteria) program is included under this category.

Fund Financial Statements

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

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

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

Notes to the Financial Statements

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

HACKENSACK BOARD OF EDUCATION

**Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2022**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District’s *combined* net position was \$32,085,667 on June 30, 2022 and \$20,559,095 on June 30, 2021 as follows:

Net Position As of June 30, 2022 and 2021						
	Governmental Activities		Business-Type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets						
Current Assets	\$ 43,315,401	\$ 38,252,444	\$ 4,577,248	\$ 3,700,443	\$ 47,892,649	\$ 41,952,887
Capital Assets, net of accumulated depreciation	<u>36,876,567</u>	<u>31,120,649</u>	<u>644,847</u>	<u>522,703</u>	<u>37,521,414</u>	<u>31,643,352</u>
Total Assets	<u>80,191,968</u>	<u>69,373,093</u>	<u>5,222,095</u>	<u>4,223,146</u>	<u>85,414,063</u>	<u>73,596,239</u>
Deferred Outflows of Resources	<u>839,889</u>	<u>1,981,091</u>	-	-	<u>839,889</u>	<u>1,981,091</u>
Liabilities						
Long-Term liabilities	34,214,346	40,430,963	-	-	34,214,346	40,430,963
Other Liabilities	<u>8,303,747</u>	<u>3,396,022</u>	<u>249,583</u>	<u>281,855</u>	<u>8,553,330</u>	<u>3,677,877</u>
Total Liabilities	<u>42,518,093</u>	<u>43,826,985</u>	<u>249,583</u>	<u>281,855</u>	<u>42,767,676</u>	<u>44,108,840</u>
Deferred Inflows of Resources	<u>11,398,055</u>	<u>10,907,353</u>	<u>2,554</u>	<u>2,042</u>	<u>11,400,609</u>	<u>10,909,395</u>
Net Position						
Net Investment in Capital Assets	28,524,036	25,156,982	644,847	522,703	29,168,883	25,679,685
Restricted	14,041,254	10,918,345			14,041,254	10,918,345
Unrestricted	<u>(15,449,581)</u>	<u>(19,455,481)</u>	<u>4,325,111</u>	<u>3,416,546</u>	<u>(11,124,470)</u>	<u>(16,038,935)</u>
Total Net Position	<u>\$ 27,115,709</u>	<u>\$ 16,619,846</u>	<u>\$ 4,969,958</u>	<u>\$ 3,939,249</u>	<u>\$ 32,085,667</u>	<u>\$ 20,559,095</u>

By far the largest portion of the District’s net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position represents amounts reserved for specific purposes by outside parties or state laws and regulations. Unrestricted net position represents amounts available to the government that are neither restricted nor invested in capital assets.

HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

The District's total net position of \$32,085,667 at June 30, 2022 represents a \$11,526,572 increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2022 and 2021.

Change in Net Position For The Fiscal Years Ended June 30, 2022 and 2021

	Governmental		Business-		Total	
	Activities		Type Activities			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program Revenue						
Charges for Services	\$ 5,257,746	\$ 5,900,740	\$ 88,688	\$ 16,181	\$ 5,346,434	\$ 5,916,921
Operating Grants and Contributions	39,174,595	52,107,989	4,757,744	5,334,755	43,932,339	57,442,744
Capital Grants and Contributions	132,919	143,431			132,919	143,431
General Revenues						
Property Taxes	86,136,292	85,283,457			86,136,292	85,283,457
Unrestricted State Aid	20,925,184	15,654,463			20,925,184	15,654,463
Other	432,531	667,818	-	-	432,531	667,818
Total Revenues	<u>152,059,267</u>	<u>159,757,898</u>	<u>4,846,432</u>	<u>5,350,936</u>	<u>156,905,699</u>	<u>165,108,834</u>
Expenses						
Instruction						
Regular	60,077,285	66,549,132			60,077,285	66,549,132
Special Education	26,598,436	28,951,522			26,598,436	28,951,522
Other Instruction	3,729,509	3,747,029			3,729,509	3,747,029
School Sponsored Activities and Athletics	1,806,271	1,858,461			1,806,271	1,858,461
Support Services						
Student and Instruction Related Services	22,052,393	23,316,910			22,052,393	23,316,910
General Administrative Services	1,327,663	1,827,057			1,327,663	1,827,057
School Administrative Services	6,586,164	7,361,203			6,586,164	7,361,203
Central Services and Info. Technology	2,817,535	3,392,599			2,817,535	3,392,599
Plant Operations and Maintenance	12,678,112	12,303,949			12,678,112	12,303,949
Pupil Transportation	3,537,667	1,622,672			3,537,667	1,622,672
Interest on Long-Term Debt	352,369	78,081			352,369	78,081
Food Services	-	-	3,815,723	2,610,116	3,815,723	2,610,116
Total Expenses	<u>141,563,404</u>	<u>151,008,615</u>	<u>3,815,723</u>	<u>2,610,116</u>	<u>145,379,127</u>	<u>153,618,731</u>
Increase in Net Position Before Transfer	10,495,863	8,749,283	1,030,709	2,740,820	11,526,572	11,490,103
Transfers	<u>-</u>	<u>(13,675)</u>	<u>-</u>	<u>13,675</u>	<u>-</u>	<u>-</u>
Increase in Net Position	10,495,863	8,735,608	1,030,709	2,754,495	11,526,572	11,490,103
Net Position, Beginning of Year	16,619,846	8,152,843	3,939,249	1,184,754	20,559,095	9,337,597
Prior Period Adjustment	<u>-</u>	<u>(268,605)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(268,605)</u>
Net Position, End of Year	<u>\$ 27,115,709</u>	<u>\$ 16,619,846</u>	<u>\$ 4,969,958</u>	<u>\$ 3,939,249</u>	<u>\$ 32,085,667</u>	<u>\$ 20,559,095</u>

HACKENSACK BOARD OF EDUCATION

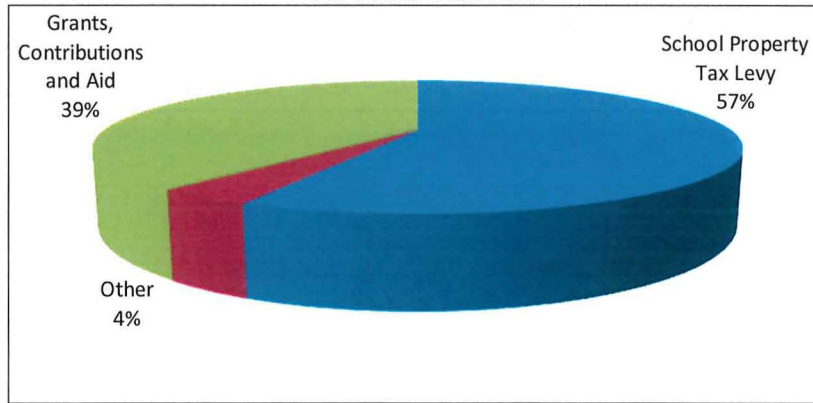
Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$152,059,267 for the fiscal year ended June 30, 2022, property taxes of \$86,136,292 represented 57% of revenues. Another significant portion of revenues came from grants and contributions and unrestricted state aid which totaled \$60,232,698 and represented 39% of revenues. In addition, charges for services from tuition and student organizations represented 4% of revenues. Miscellaneous income such as interest, prior year refunds and other miscellaneous items represented less than 1% of revenues.

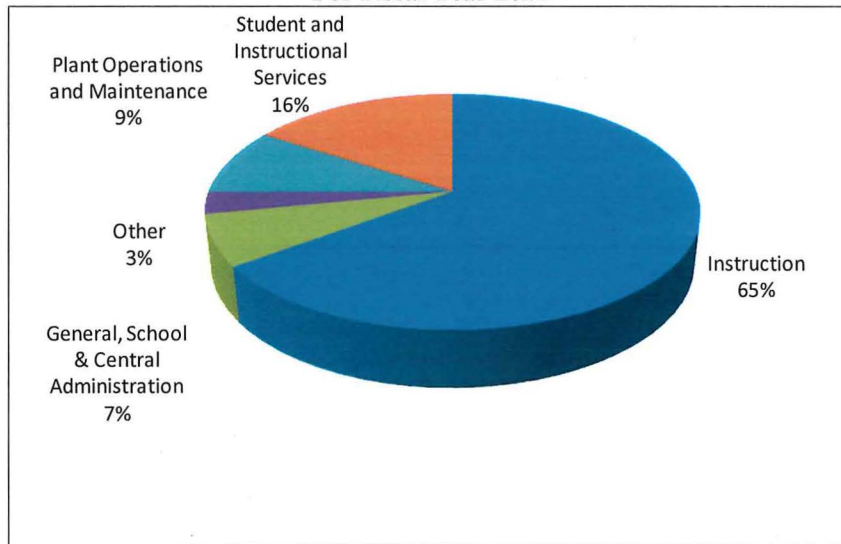
The total cost of all governmental activities programs and services was \$141,563,404 for the fiscal year ended June 30, 2022. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$92,211,501 (65%) of total expenses. Support services costs were \$48,999,534 (35%) of total expenses and interest on debt totaled \$352,369 less than 1% of total expenses.

For fiscal year 2022, total governmental activities revenues exceeded expenses and transfers increasing net position for governmental activities by \$10,495,863 from the previous year.

**Revenues by Sources – Governmental Activities
For Fiscal Year 2022**



**Expenses by Use – Governmental Activities
For Fiscal Year 2022**



HACKENSACK BOARD OF EDUCATION

**Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2022**

Total and Net Cost of Governmental Activities. The District’s total cost of services was \$141,563,404. After applying program revenues, derived from operating and capital grants and contributions of \$39,307,514 and charges for services of \$5,257,746, the net cost of services of the District is \$96,998,144 for the fiscal year ended June 30, 2022.

**Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2022 and 2021**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Instruction				
Regular	\$ 60,077,285	\$ 66,549,132	\$ 41,966,446	\$ 39,207,023
Special Education	26,598,436	28,951,522	13,164,124	14,756,560
Other Instruction	3,729,509	3,747,029	2,799,382	2,458,002
School Sponsored Activities and Athletics	1,806,271	1,858,461	1,470,475	1,556,968
Support Services				
Student and Instruction Related Services	22,052,393	23,316,910	15,454,595	14,577,189
General Administrative Services	1,327,663	1,827,057	1,158,300	1,646,762
School Administrative Services	6,586,164	7,361,203	5,190,526	5,223,923
Central Services and Info. Technology	2,817,535	3,392,599	2,560,479	3,021,924
Plant Operations and Maintenance	12,678,112	12,303,949	10,039,636	9,396,201
Pupil Transportation	3,537,667	1,622,672	2,841,812	934,635
Interest on Long-Term Debt	352,369	78,081	352,369	77,268
Total	\$ 141,563,404	\$ 151,008,615	\$ 96,998,144	\$ 92,856,455

Business-Type Activities – The District’s total business-type activities revenues were \$4,846,432 for the fiscal year ended June 30, 2022 and relate entirely to the District’s food service (cafeteria) program operations. Charges for services of \$88,688 accounted for 2% of total revenues and operating grants and contributions of \$4,757,744 accounted for 98% of the total revenues.

Total cost of all business-type activities programs and services was \$3,815,723 for the fiscal year ended June 30, 2022 and pertained entirely to food service (cafeteria) operating expenses.

For fiscal year 2022, total business-type activities revenues exceeded expenses, increasing net position by \$1,030,709 or 26% over the previous year.

HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$35,092,948 at June 30, 2022, an increase of \$152,294 from last year's fund balance of \$34,940,654. The District's restricted fund balances decreased \$1,146,325, the assigned fund balances increased \$2,407,245 while the unassigned fund balance of the governmental funds decreased \$1,108,626 at June 30, 2022.

Revenues for the District's governmental funds were \$157,552,311, while total expenditures were \$158,845,282 for the fiscal year ended June 30, 2022. The District also had other financing sources of \$1,445,265 from other financing agreement proceeds.

GENERAL FUND

The General Fund includes the primary operations of the District in providing educational services to students from grades Pre-K through 12 including pupil transportation, extra-curricular activities, plant operation and maintenance costs and capital outlay activities.

The following schedule presents a summary of General Fund Revenues.

	Fiscal Year Ended <u>June 30, 2022</u>	Fiscal Year Ended <u>June 30, 2021</u>	Amount of Increase (Decrease)	Percent Increase (Decrease)
Local Sources				
Property Tax Levy	\$ 86,136,292	\$ 85,283,457	\$ 852,835	1%
Tuition	5,040,477	5,713,794	(673,317)	-12%
Other	419,339	667,201	(247,862)	-37%
State Sources	57,707,394	46,153,528	11,553,866	25%
Federal Sources	<u>56,639</u>	<u>269,969</u>	<u>(213,330)</u>	-79%
Total General Fund Revenues	<u>\$ 149,360,141</u>	<u>\$ 138,087,949</u>	<u>\$ 11,272,192</u>	8%

For fiscal year 2022, total General Fund revenues increased \$11,272,192 or 8% from the previous year. Property taxes increased \$852,835 or 1% to support increases in operating costs. Tuition revenues decreased \$673,317 or 12% due to a decrease in enrollment from other school districts. As indicated, State aid increased \$11,553,866 or 25% mainly due to the increase in equalization formula aid as well as on-behalf TPAF pension benefit contributions made by the State for the District's teaching professionals.

The following schedule presents a summary of General Fund expenditures.

	Fiscal Year Ended <u>June 30, 2022</u>	Fiscal Year Ended <u>June 30, 2021</u>	Amount of Increase (Decrease)	Percent Increase (Decrease)
Instruction	\$ 91,196,806	\$ 84,991,846	\$ 6,204,960	7%
Support Services	47,516,268	41,940,450	5,575,818	13%
Capital Outlay	5,114,629	3,954,154	1,160,475	29%
Debt Service	<u>1,498,365</u>	<u>675,866</u>	<u>822,499</u>	100%
Total Expenditures	<u>\$ 145,326,068</u>	<u>\$ 131,562,316</u>	<u>\$ 13,763,752</u>	10%

HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

GENERAL FUND (Continued)

For fiscal year 2022, total General Fund expenditures increased \$13,763,752 or 10% from the previous year. Increases in regular education instructional costs student and instruction related services support costs, pupil transportation support costs and capital outlay were the major factors for the increase in the current fiscal year. Debt service expenditures increased due to the allocation of certain costs under the implementation of GASB Statement 87 "Leases".

In fiscal year 2022 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$3,465,869. Therefore, the total fund balance of \$25,414,471 at June 30, 2021 increased to a fund balance of \$28,880,340 at June 30, 2022. After deducting restricted and assigned fund balances, the unassigned fund balance decreased from of \$1,582,140 at June 30, 2021 to a fund balance of \$473,514 at June 30, 2022. The District's restricted fund balances (capital reserve, maintenance reserve, emergency reserve, excess surplus and unemployment compensation reserve) increased from a collective total fund balance of \$18,024,782 at June 30, 2021 to \$20,192,032 at June 30, 2022. The District's assigned fund balances (year end encumbrances and designated for subsequent expenditures) increased from a collective total fund balance of \$5,807,549 at June 30, 2021 to \$8,214,794 at June 30, 2022.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2022, the District had \$36,876,567 invested in land, buildings, furniture, equipment vehicles and right-to-use leases assets for governmental activities and \$644,847 for business type activities. For fiscal year 2022 depreciation expense was \$2,533,442 for governmental activities and \$48,726 for business-type activities. The following is a comparison of the June 30, 2022 and 2021 balances:

Capital Assets as of June 30, 2022 and 2021 (Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land and Land Improvements	\$ 1,525,816	\$ 1,563,430		
Building and Building Improvements	21,957,288	22,260,036	\$ 280,557	\$ 300,167
Right-to-use Leased Buildings	501,422	1,002,844		
Machinery and Equipment	1,891,218	1,894,055	228,590	222,536
Construction in Progress	<u>11,000,823</u>	<u>4,400,284</u>	<u>135,700</u>	<u>-</u>
Total Capital Assets, Net	<u>\$ 36,876,567</u>	<u>\$ 31,120,649</u>	<u>\$ 644,847</u>	<u>\$ 522,703</u>

Additional information on the District's capital assets is presented in Note 3 of this report.

HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

LONG TERM LIABILITIES

At June 30, 2022 the District had \$34,214,346 of total outstanding long term liabilities compared to \$40,430,963 at June 30, 2021. Therefore for fiscal year 2022 total outstanding long-term liabilities decreased by \$6,216,617. The following is a comparison of the June 30, 2022 and 2021 balances:

Outstanding Long-Term Liabilities as of June 30, 2022 and 2021

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Serial Bonds (including unamortized premium)	\$ 13,118,522	\$ 13,242,030
Capital Financing Agreements	322,240	636,105
Other Financing Agreements	1,593,113	767,102
Compensated Absences	1,238,321	1,160,697
Leases Payable	654,968	1,271,449
Net Pension Liability	<u>17,287,182</u>	<u>23,353,580</u>
Total Long-Term Liabilities	<u>\$ 34,214,346</u>	<u>\$ 40,430,963</u>

Additional information of the District's long-term liabilities is presented in Note 3 of this report.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to New Jersey Department of Education guidelines, and is based on accounting for certain transactions on the budgetary basis of accounting for revenues, expenditures and encumbrances. The most significant difference between the budgetary basis of accounting and generally accepted accounting principles is the legally mandated revenue recognition of certain delayed or deferred state aid payments. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made through the appropriation of capital reserve and maintenance reserve, as well as, the reappropriation of prior year encumbrances and budget transfers to prevent over expenditures in specific line item accounts.

For fiscal year 2022 General Fund budgetary revenues and other financing sources exceeded budgetary expenditures and other financing uses increasing budgetary fund balance \$4,411,915 to \$33,665,629 at June 30, 2022. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance decreased \$162,580 from an unassigned fund balance of \$5,421,383 at June 30, 2021 to \$5,258,803 at June 30, 2022. In addition, the District increased its capital reserve \$2,550,752 to \$10,322,463 at June 30, 2022, increased its maintenance reserve \$274,899 to \$2,285,762 at June 30, 2022 and increased its emergency reserve \$233 to \$300,263 at June 30, 2022. The District's total restricted excess surplus balance also decreased \$819,444 to \$6,319,924 at June 30, 2022 and the unemployment compensation reserve increased \$160,810 to \$963,620 at June 30, 2022. Overall assigned fund balances increased \$2,407,245 to \$8,214,794 at June 30, 2022.

HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

FACTORS BEARING ON THE DISTRICT'S FUTURE

While many factors influence the district's future, the availability of funding for increased enrollment, staffing needs special education costs and the economy will have the most impact on educational and fiscal decisions in the future.

Many factors were considered by the District's administration during the process of developing the fiscal year 2021-2022 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related employee benefit costs.

These indicators were considered when adopting the budget for fiscal year 2022-2023. Budgeted expenditures in the General Fund increased approximately 7% to \$141,916,882 for fiscal year 2022-2023. A significant portion of this budget increase was funded from additional state aid granted to the District.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Hackensack Board of Education, 191 Second Street, Hackensack, NJ 07601.

FINANCIAL STATEMENTS

HACKENSACK BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 39,097,939	\$ 4,146,374	\$ 43,244,313
Receivables, net	4,170,795	397,518	4,568,313
Other Assets	46,667	-	46,667
Inventory		33,356	33,356
Capital Assets, Not Being Depreciated	11,069,623		11,069,623
Capital Assets, Being Depreciated, Net	<u>25,806,944</u>	<u>644,847</u>	<u>26,451,791</u>
Total Assets	<u>80,191,968</u>	<u>5,222,095</u>	<u>85,414,063</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>839,889</u>	<u>-</u>	<u>839,889</u>
Total Deferred Outflows of Resources	<u>839,889</u>	<u>-</u>	<u>839,889</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	5,606,573	232,443	5,839,016
Accrued Interest Payable	81,294		81,294
Unearned Revenue	2,615,880	17,140	2,633,020
Noncurrent Liabilities			
Due Within One Year	2,209,329		2,209,329
Due Beyond One Year	<u>32,005,017</u>	<u>-</u>	<u>32,005,017</u>
Total Liabilities	<u>42,518,093</u>	<u>249,583</u>	<u>42,767,676</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenues		2,554	2,554
Deferred Amounts on Net Pension Liability	<u>11,398,055</u>	<u>-</u>	<u>11,398,055</u>
Total Deferred Inflows of Resources	<u>11,398,055</u>	<u>2,554</u>	<u>11,400,609</u>
NET POSITION			
Net Investment in Capital Assets	28,524,036	644,847	29,168,883
Restricted for			
Capital Projects	10,322,463		10,322,463
Plant Maintenance	2,285,762		2,285,762
Unemployment Compensation	963,620		963,620
Student Activities	274,508		274,508
Other Purposes	194,901		194,901
Unrestricted	<u>(15,449,581)</u>	<u>4,325,111</u>	<u>(11,124,470)</u>
Total Net Position	<u>\$ 27,115,709</u>	<u>\$ 4,969,958</u>	<u>\$ 32,085,667</u>

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

HACKENSACK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 60,077,285	\$ 3,491,992	\$ 14,502,267	\$ 116,580	\$ (41,966,446)		\$ (41,966,446)
Special Education	26,598,436	1,548,485	11,885,827		(13,164,124)		(13,164,124)
Other Instruction	3,729,509		930,127		(2,799,382)		(2,799,382)
School Sponsored Activities and Athletics	1,806,271	217,269	118,527		(1,470,475)		(1,470,475)
Support Services							
Student and Instruction Related Services	22,052,393		6,597,798		(15,454,595)		(15,454,595)
General Administrative Services	1,327,663		169,363		(1,158,300)		(1,158,300)
School Administrative Services	6,586,164		1,395,638		(5,190,526)		(5,190,526)
Central Services and Info. Technology	2,817,535		257,056		(2,560,479)		(2,560,479)
Plant Operations and Maintenance	12,678,112		2,622,137	16,339	(10,039,636)		(10,039,636)
Pupil Transportation	3,537,667		695,855		(2,841,812)		(2,841,812)
Interest on Long Term Debt	352,369	-	-	-	(352,369)	-	(352,369)
Total Governmental Activities	141,563,404	5,257,746	39,174,595	132,919	(96,998,144)	-	(96,998,144)
Business-Type Activities							
Food Service	3,815,723	88,688	4,757,744	-	-	\$ 1,030,709	1,030,709
Total Business-Type Activities	3,815,723	88,688	4,757,744	-	-	1,030,709	1,030,709
Total Primary Government	\$ 145,379,127	\$ 5,346,434	\$ 43,932,339	\$ 132,919	(96,998,144)	1,030,709	(95,967,435)
General Revenues							
Taxes:							
Property Taxes, levied for general purposes, net					86,136,292		86,136,292
Unrestricted State Aid					20,925,184		20,925,184
Investment Earnings					51,680	-	51,680
Miscellaneous Income					380,851	-	380,851
Total General Revenues and Transfers					107,494,007	-	107,494,007
Change in Net Position					10,495,863	1,030,709	11,526,572
Net Position, Beginning of Year (Restated)					16,619,846	3,939,249	20,559,095
Net Position, End of Year					\$ 27,115,709	\$ 4,969,958	\$ 32,085,667

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FUND FINANCIAL STATEMENTS

**HACKENSACK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 31,553,197	\$ 469,408	\$ 7,075,333	\$ 1	\$ 39,097,939
Receivables from Other Governments	1,005,905	3,164,890			4,170,795
Due from Other Funds	195,599				195,599
Security Deposit	46,667	-	-	-	46,667
	<u>32,801,368</u>	<u>3,634,298</u>	<u>7,075,333</u>	<u>1</u>	<u>43,511,000</u>
Total Assets	<u>\$ 32,801,368</u>	<u>\$ 3,634,298</u>	<u>\$ 7,075,333</u>	<u>\$ 1</u>	<u>\$ 43,511,000</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 3,575,224	\$ 424,239	\$ 1,184,716		\$ 5,184,179
Payable to State Government	204,937	76,590			281,527
Payroll Deductions and Withholdings Payable	89,761				89,761
Due to Other Funds		48,181	147,418		195,599
Other Liabilities	51,106				51,106
Unearned Revenue	-	2,615,880	-	-	2,615,880
	<u>3,921,028</u>	<u>3,164,890</u>	<u>1,332,134</u>	<u>-</u>	<u>8,418,052</u>
Total Liabilities	<u>3,921,028</u>	<u>3,164,890</u>	<u>1,332,134</u>	<u>-</u>	<u>8,418,052</u>
Fund Balances					
Restricted Fund Balance					
Capital Reserve	7,122,463				7,122,463
Capital Reserve-Designated for Subsequent Year's Expenditures	3,200,000				3,200,000
Maintenance Reserve	1,985,762				1,985,762
Maintenance Reserve-Designated for Subsequent Year's Expenditures	300,000				300,000
Emergency Reserve	300,263				300,263
Unemployment Compensation Reserve	963,620				963,620
Excess Surplus	2,902,186				2,902,186
Excess Surplus-Designated for Subsequent Year's Expenditures	3,417,738				3,417,738
Student Activities		274,508			274,508
Scholarships		194,900			194,900
Capital Projects			5,743,199		5,743,199
Debt Service				\$ 1	1
Assigned Fund Balance					
Year End Encumbrances	3,314,664				3,314,664
Designated for Subsequent Year's Expenditures	4,900,130				4,900,130
Unassigned Fund Balance	473,514	-	-	-	473,514
	<u>28,880,340</u>	<u>469,408</u>	<u>5,743,199</u>	<u>1</u>	<u>35,092,948</u>
Total Fund Balances	<u>28,880,340</u>	<u>469,408</u>	<u>5,743,199</u>	<u>1</u>	<u>35,092,948</u>
Total Liabilities and Fund Balances	<u>\$ 32,801,368</u>	<u>\$ 3,634,298</u>	<u>\$ 7,075,333</u>	<u>\$ 1</u>	<u>\$ 43,511,000</u>

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

HACKENSACK BOARD OF EDUCATION
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 AS OF JUNE 30, 2022

Total Fund Balances (Exhibit B-1) \$ 35,092,948

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$80,153,884 and the accumulated depreciation is \$43,277,317.

36,876,567

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

Deferred Outflows of Resources	\$ 839,889	
Deferred Inflows of Resources	<u>(11,398,055)</u>	(10,558,166)

The district has financed capital assets and certain computer items through the issuance of capital leases and lease-purchase agreements. The interest accrual at year end is:

(81,294)

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

Bonds Payable, Net	(13,118,522)	
Capital Financing Agreements	(322,240)	
Other Financing Agreements	(1,593,113)	
Compensated Absences	(1,238,321)	
Leases Payable	(654,968)	
Net Pension Liability	<u>(17,287,182)</u>	<u>(34,214,346)</u>

Net Position of Governmental Activities (Exhibit A-1) \$ 27,115,709

**HACKENSACK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 86,136,292				\$ 86,136,292
Tuition	5,040,477				5,040,477
Interest	38,488		\$ 13,192		51,680
Miscellaneous	380,851	\$ 407,308	-	-	788,159
Total - Local Sources	91,596,108	407,308	13,192	-	92,016,608
State Sources	57,707,394	3,191,240			60,898,634
Federal Sources	56,639	4,580,430	-	-	4,637,069
Total Revenues	<u>149,360,141</u>	<u>8,178,978</u>	<u>13,192</u>	<u>-</u>	<u>157,552,311</u>
EXPENDITURES					
Current					
Instruction					
Regular Instruction	59,097,999	3,586,609	1,445,265		64,129,873
Special Education Instruction	26,523,718	1,770,489			28,294,207
Other Instruction	3,985,194	58,902			4,044,096
School-Sponsored Activities and Athletics	1,589,895	291,260			1,881,155
Support Services					
Student and Instruction Related Services	21,000,695	2,661,908			23,662,603
General Administrative Services	1,395,189				1,395,189
School Administrative Services	7,217,171				7,217,171
Central Services and Info. Technology	2,974,403				2,974,403
Plant Operations and Maintenance	11,395,560				11,395,560
Pupil Transportation	3,533,250				3,533,250
Debt Service					
Principal	1,433,648	115,952			1,549,600
Interest	64,717		414,098		478,815
Capital Outlay	5,114,629	132,919	3,041,812	-	8,289,360
Total Expenditures	<u>145,326,068</u>	<u>8,618,039</u>	<u>4,901,175</u>	<u>-</u>	<u>158,845,282</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,034,073</u>	<u>(439,061)</u>	<u>(4,887,983)</u>	<u>-</u>	<u>(1,292,971)</u>
OTHER FINANCING SOURCES (USES)					
Other Financing Agreement Proceeds			1,445,265		1,445,265
Transfers In	7,305	575,509			582,814
Transfers Out	(575,509)	-	(7,305)	-	(582,814)
Total Other Financing Sources and Uses	<u>(568,204)</u>	<u>575,509</u>	<u>1,437,960</u>	<u>-</u>	<u>1,445,265</u>
Net Change in Fund Balances	3,465,869	136,448	(3,450,023)	-	152,294
Fund Balance, Beginning of Year	<u>25,414,471</u>	<u>332,960</u>	<u>9,193,222</u>	<u>1</u>	<u>34,940,654</u>
Fund Balance, End of Year	<u>\$ 28,880,340</u>	<u>\$ 469,408</u>	<u>\$ 5,743,199</u>	<u>\$ 1</u>	<u>\$ 35,092,948</u>

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

**HACKENSACK BOARD OF EDUCATION
ILLUSTRATIVE RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 152,294

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.

Capital Outlay	\$ 8,289,360	
Depreciation Expense	<u>(2,533,442)</u>	
		5,755,918

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

Net Increase in Compensated Absences	(77,624)	
Net Decrease in Pension Expense	<u>4,434,494</u>	
		4,356,870

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

Principal Repayments		
Capital Financing Agreements	313,865	
Other Financing Agreements	619,254	
Leases Payable	<u>616,481</u>	
		1,549,600

The issuance of long-term debt provides current financial resources to governmental funds, but it increases long-term liabilities in the statement of net position and does not affect the statement of activities.

Debt Issued:		
Lease Purchase Proceeds	<u>(1,445,265)</u>	
		(1,445,265)

In the statement of activities, certain amounts related to the issuance of long term debt are deferred and amortized over the term of the debt. In the governmental funds, these amounts either provide or use current resources. These amounts represent the current year amortization of the costs related to the issuance of long term debt.

Original Issue Premium		123,508
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in accrued interest		<u>2,938</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 10,495,863**

**HACKENSACK BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2022**

	Business-Type Activities <u>Enterprise Fund</u> <u>Food Services</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 4,146,374
Intergovernmental Receivable	397,518
Inventory	<u>33,356</u>
Total Current Assets	<u>4,577,248</u>
Capital Assets	
Building and Building Improvements	392,221
Machinery and Equipment	646,491
Construction in Progress	135,700
Less: Accumulated Depreciation	<u>(529,565)</u>
Total Capital Assets, Net	<u>644,847</u>
Total Assets	<u>5,222,095</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	232,443
Unearned Revenue	<u>17,140</u>
Total Current Liabilities	<u>249,583</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Commodities Revenue	<u>2,554</u>
Total Deferred Inflows of Resources	<u>2,554</u>
NET POSITION	
Investment in Capital Assets	644,847
Unrestricted	<u>4,325,111</u>
Total Net Position	<u>\$ 4,969,958</u>

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

**HACKENSACK BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-Type Activities <u>Enterprise Fund</u> <u>Food Services</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales	
Non-Reimbursable Programs	\$ 88,688
Total Operating Revenues	88,688
OPERATING EXPENSES	
Salaries and Benefits	1,769,518
Cost of Sales - Reimbursable Programs	1,138,152
Cost of Sales - Non-Reimbursable Programs	445,034
Insurance	156,773
Purchased Management Services	112,330
Transportation	32,229
Repairs and Maintenance	47,469
Supplies	57,009
Miscellaneous	8,483
Depreciation	48,726
Total Operating Expenses	3,815,723
Operating Loss	(3,727,035)
NONOPERATING REVENUES	
State Sources	
School Lunch Program	84,801
Federal Sources	
National School Breakfast Program	1,485,498
National School Lunch Program	2,931,746
Snack Program	31,067
Administrative Cost Program	3,135
Food Distribution Program	221,497
Total Nonoperating Revenues	4,757,744
Change in Net Position	1,030,709
Net Position, Beginning of Year	3,939,249
Net Position, End of Year	\$ 4,969,958

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

**HACKENSACK BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-Type Activities <u>Enterprise Fund</u> <u>Food Services</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 85,256
Cash Payment for Salaries and Benefits	(1,769,518)
Cash Payments to Suppliers for Goods and Services	<u>(1,829,013)</u>
Net Cash Used by Operating Activities	<u>(3,513,275)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	<u>5,005,667</u>
Net Cash Provided by Noncapital Financing Activities	<u>5,005,667</u>
Cash Flows from Capital and Related Financial Activities	
Acquisition and Construction of Capital Assets	<u>(170,870)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(170,870)</u>
Net Increase in Cash and Cash Equivalents	1,321,522
Cash and Cash Equivalents, Beginning of Year	<u>2,824,852</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 4,146,374</u></u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	<u>\$ (3,727,035)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	48,726
Non Cash Federal Assistance - Food Distribution Program (USDA Commodities)	221,497
Change in Assets, Liabilities and Deferred Inflows of Resources (Increase)/Decrease in Inventory	(24,703)
Increase/(Decrease) in Accounts Payable	(28,840)
Increase (Decrease) in Unearned Revenue	(3,432)
Increase/(Decrease) in Deferred Commodities Revenue	<u>512</u>
Total Adjustments	<u>213,760</u>
Net Cash Used by Operating Activities	<u><u>\$ (3,513,275)</u></u>
Non-Cash Investing, Capital and Financing Activities	
Value Received for Food Distribution Program	\$ 222,009

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

NOTES TO THE FINANCIAL STATEMENTS

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2022, the District adopted the following GASB statements:

- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB Statement No. 92, *Omnibus 2020*. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

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

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB Statement No. 99, *Omnibus 2022*, the section applicable to the District will be effective beginning with the fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

The District reports the following nonmajor governmental fund:

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

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

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

4. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost except for intangible right-to-use leased assets the measurement of which is discussed in Note 1. E.8. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

**HACKENSACK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Capital Assets (Continued)*

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

<u>Assets</u>	<u>Years</u>
Land Improvements	8-10
Buildings	40
Building Improvements	7-20
Right-to-use Leased Buildings	10
Furniture, Equipment and Vehicles	5-20

5. *Deferred Outflows/Inflows of Resources*

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items which arise only under the accrual basis of accounting that qualifies for reporting in this category. One item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item which qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

6. *Compensated Absences*

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Pensions

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

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

8. Leases

Non-cancellable leases for the use of buildings and equipment are recognized as a lease liability and an intangible right-to-use lease asset in the district-wide and proprietary fund type financial statements. The District recognizes lease liabilities with an initial, individual value of \$2,000 or more. The lease liability is subsequently reduced by the principal portion of lease payments made each year. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the asset's useful life. Leases are monitored for changes in circumstances that would require a remeasurement of the lease and the lease assets and liabilities are remeasured if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

In the fund financial statements leases payable are recognized as other financing sources at the initial amount of the lease liability. Intangible right-to-use leased assets are reported as capital outlay expenditures.

9. Financing Agreements

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

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

10. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported with the unamortized bond premium. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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

HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2022/2023 District budget certified for taxes.

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

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2022/2023 District budget certified for taxes.

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

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2022 audited excess surplus that is required to be appropriated in the 2023/2024 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that was appropriated in the 2022/2023 original budget certified for taxes.

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

HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

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

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2022/2023 District budget certified for taxes.

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

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

11. Fund Balance Policies

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

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

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 2020-2021 and 2021-2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2021/2022. Also, during 2021/2022 the Board increased the original budget by \$18,887,587. The increase was funded by the additional appropriation of capital reserve, maintenance reserve, grant awards, student activities revenue, scholarship donations and the reappropriation of prior year general fund encumbrances.

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

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

B. Capital Reserve

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

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

**HACKENSACK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021		\$	7,771,711
Increased by			
Interest Earnings	\$	5,860	
Deposits Approved in District Budget		2,000,000	
Deposits Approved by Board Resolution		2,500,000	
Total Increases			<u>4,505,860</u>
			12,277,571
Decreased by:			
Withdrawals Approved in District Budget	(1,730,108)		
Withdrawals Approved By Board Resolution	<u>(225,000)</u>		
			<u>(1,955,108)</u>
Balance, June 30, 2022		\$	<u><u>10,322,463</u></u>

The withdrawals from the capital reserve were for use in a department approved facilities projects, consistent with the district's Long Range Facilities Plan. The District designated and appropriated \$3,200,000 of the capital reserve balance at June 30, 2022 for use in the 2022/2023 original budget certified for taxes.

C. Maintenance Reserve

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

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021		\$	2,010,863
Increased by			
Interest Earnings	\$	437	
Deposits Approved by Board Resolution		1,000,000	
Return of Unencumbered Budget Appropriations			
Funded from Reserve		<u>163,462</u>	
			<u>1,163,899</u>
			3,174,762
Withdrawals Approved By Board Resolution			<u>(889,000)</u>
Balance, June 30, 2022		\$	<u>2,285,762</u>

The June 30, 2022 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$7,510,326. The District designated and appropriated \$300,000 of the maintenance reserve balance at June 30, 2022 for use in the 2022/2023 original budget certified for taxes.

D. Emergency Reserve

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

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

The activity of the emergency reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021	\$	300,030
Increased by		
Deposits Interest		<u>233</u>
Balance, June 30, 2022	\$	<u>300,263</u>

**HACKENSACK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2022 is \$6,319,924. Of this amount, \$3,417,738 was designated and appropriated in the 2022/2023 original budget certified for taxes and the remaining amount of \$2,902,186 will be appropriated in the 2023/2024 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC and NCUSIF.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2022, the book value of the Board's deposits were \$36,168,980 and bank and brokerage firm balances of the Board’s deposits amounted to \$36,356,450. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” or “cash with Fiscal Agent” are categorized as:

Depository Account

Insured	\$ 35,571,484
Uninsured and Collateralized	<u>784,966</u>
	<u>\$ 36,356,450</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2022 the Board’s bank balances of \$784,966 were exposed to custodial credit risk.

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	<u>\$ 784,966</u>
	<u>\$ 784,966</u>

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments

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

As of June 30, 2022, the Board had the following investments:

<u>Investment Type:</u>	<u>Fair Value</u>
NJ ARM Managed Account - Local Government Investment Pool	\$ <u>7,075,333</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial risk. As of June 30, 2022, \$7,075,333 of the Board’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>
Uninsured and Collateralized:	
Collateral held by pledging financial institutions' trust department or agent but not in the Board's name	\$ <u>7,075,333</u>

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

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices. As of June 30, 2022 the Board’s investments in NJ ARM was rated AAA by Standard and Poor’s.

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

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

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

Investments are valued based on price data obtained from observed transactions and market price quotations provided by NJ ARM. Since the value is not obtained from a quoted price in an active market the investments held by the District at June 30, 2022 are categorized as Level 2.

B. Receivables

Receivables as of June 30, 2022 for the district’s individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental-				
Federal		\$ 3,164,890	\$ 391,690	\$ 3,556,580
State	\$ 189,644		5,828	195,472
Local	816,261			816,261
Accounts	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Gross Receivables	1,005,905	3,164,890	397,518	4,568,313
Less: Allowance for Uncollectibles	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net Total Receivables	<u>\$ 1,005,905</u>	<u>\$ 3,164,890</u>	<u>\$ 397,518</u>	<u>\$ 4,568,313</u>

C. Unearned Revenue

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

Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 625,009
Grant Draw Downs Reserved for Encumbrances	<u>1,990,871</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 2,615,880</u>

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Restated Balance, <u>July 1, 2021</u> (Restated)	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2022</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 68,800	-	-	\$ 68,800
Construction in Progress	<u>4,400,284</u>	<u>\$ 6,636,439</u>	<u>\$ 35,900</u>	<u>11,000,823</u>
Total Capital Assets, Not Being Depreciated	<u>4,469,084</u>	<u>6,636,439</u>	<u>35,900</u>	<u>11,069,623</u>
Capital Assets, Being Depreciated:				
Land Improvements	1,785,681	137,579		1,923,260
Buildings and Building Improvements	53,365,190	1,095,118		54,460,308
Right-to-use Leased Buildings	5,014,219			5,014,219
Machinery and Equipment	<u>7,230,350</u>	<u>456,124</u>	-	<u>7,686,474</u>
Total Capital Assets Being Depreciated	<u>67,395,440</u>	<u>1,688,821</u>	<u>-</u>	<u>69,084,261</u>
Less Accumulated Depreciation for:				
Land Improvements	(291,051)	(175,193)		(466,244)
Buildings and Building Improvements	(31,105,154)	(1,397,866)		(32,503,020)
Right-to-use Leased Buildings	(4,011,375)	(501,422)		(4,512,797)
Machinery and Equipment	<u>(5,336,295)</u>	<u>(458,961)</u>	-	<u>(5,795,256)</u>
Total Accumulated Depreciation	<u>(40,743,875)</u>	<u>(2,533,442)</u>	<u>-</u>	<u>(43,277,317)</u>
Total Capital Assets, Being Depreciated, Net	<u>26,651,565</u>	<u>(844,621)</u>	<u>-</u>	<u>25,806,944</u>
Governmental Activities Capital Assets, Net	<u>\$ 31,120,649</u>	<u>\$ 5,791,818</u>	<u>\$ 35,900</u>	<u>\$ 36,876,567</u>

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2021	Increases	Decreases	Balance, June 30, 2022
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	-	\$ 135,700	-	\$ 135,700
Total Capital Assets, Not Being Depreciated	-	135,700	-	135,700
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	\$ 392,221			\$ 392,221
Equipment	611,321	35,170	-	646,491
Total Capital Assets Being Depreciated	1,003,542	35,170	-	1,038,712
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(92,054)	\$ (19,610)		(111,664)
Equipment	(388,785)	(29,116)	-	(417,901)
Total Accumulated Depreciation	(480,839)	(48,726)	-	(529,565)
Total Capital Assets, Being Depreciated, Net	522,703	(13,556)	-	509,147
Business-Type Activities Capital Assets, Net	\$ 522,703	\$ 122,144	\$ -	\$ 644,847

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

Governmental Activities:	
Instruction	
Regular Instruction	\$ 116,685
Special Education Instruction	51,186
Other Instruction	6,442
School-Sponsored Activities and Athletics	96,335
Total Instruction	270,648
Support Services	
Student and Instruction Related Services	38,861
General Administrative Services	2,291
School Administrative Services	14,280
Central Services and Info. Technology	161,929
Plant Operations and Maintenance	2,017,687
Pupil Transportation	27,746
Total Support Services	2,262,794
Total Governmental Funds	\$ 2,533,442
Business-Type Activities:	
Food Service Fund	\$ 48,726
Total Depreciation Expense-Business-Type Activities	\$ 48,726

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects and other significant commitments as of June 30, 2022:

<u>Project</u>	<u>Remaining Commitment</u>
Energy Savings Improvement Project	\$ 5,836,508
Replacement Windows at Hiller Elementary School	211,176
Elevator at Jackson Elementary School	650,158
Canopy / Portico at Hackensack High School	243,908
Elevator at Fairmount School	712,487
Rooftop Unit Replacement at Hiller Elementary School	590,363
Univent Upgrades at Hiller Elementary and Hackensack Middle School	440,825
Replace / Upgrade Surveillance Systems at Elementary Schools	299,871
Maintenance of Football Field Bleachers	<u>197,371</u>
 Total	 <u>\$ 9,182,667</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 48,181
General Fund	Capital Projecs Fund	<u>147,418</u>
Total		<u>\$ 195,599</u>

The above balances are the results of expenditures paid by one fund on behalf of another fund or to cover cash balances which were in an overdraft position.

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

Interfund Transfers

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 575,509	\$ 575,509
Capital Projects Fund	7,305	-	7,305
	<u>\$ 7,305</u>	<u>\$ 575,509</u>	<u>\$ 582,814</u>

The above transfers are the result of revenues earned in one fund to finance expenditures in another fund.

**HACKENSACK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases Payable

On June 28, 2013, the District entered into a five year lease agreement as lessee for the use of a school building. On December 18, 2018 the lease agreement was amended and extended five more years for an amended lease term of 10 years through June 30, 2023. The amended lease liability was recorded in the amount of \$5,014,219. The lease has an interest rate of 4.00%. The District is required to make monthly payments of \$54,677 to \$55,771. Upon expiration of the lease agreement if the District remains in the building such occupancy shall be deemed to be a month-to-month tenancy and holdover period at a rental rate of one and half times the rental payment during the last year of the lease term. As of June 30, 2022 the value of the lease liability was \$654,968. The building has a 10 year estimated useful life. The value of the right-to-use asset as of June 30, 2022 is \$5,014,219 and had accumulated depreciation of \$4,512,797.

The future principal and interest lease payments as of June 30, 2022 were as follows:

Governmental Activities:

<u>Ending June 30,</u>	<u>Leases Payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 654,968	\$ 14,284	\$ 669,252

G. Financing Agreements

Capital Financing Agreements

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

Capital financing agreements at June 30, 2022 are comprised of the following:

\$800,000, fiscal year 2018 Agreement for the acquisition of a phone system for a term of 5 years due in annual principal installments of \$161,065 to \$165,791 through October 1, 2022, interest rate at 2.934%	\$ 165,791
\$400,000, fiscal year 2020 Agreement for the acquisition of school buses for a term of 3 years due in annual principal installments of \$99,141 to \$102,523 through October 15, 2022 interest rate at 2.38%	101,505
\$216,116, fiscal year 2020 Agreement for the acquisition of photo copiers for a term of 3 years due in annual principal installments of \$52,404 to \$55,109 through December 15, 2022 interest at 2.39%	54,944
Total	\$ 322,240

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements (Continued)

Other Financing Agreements

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

Other financing agreements at June 30, 2022 are comprised of the following:

\$1,027,407, fiscal year 2021 Agreement for the purchase of chrombooks and other technology items for a term of 4 years due in annual principal installments of \$253,021 to \$260,304 through November 2, 2023, interest at 1.056%	\$ 514,081
\$1,445,265, fiscal year 2022 Agreement for the purchase of chrombooks for a term of 3 years due in annual principal installments of \$356,430 to \$366,233 through July 14, 2024, interest at 0.909%	<u>1,079,032</u>
Total	<u>\$ 1,593,113</u>

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Capital Agreements</u>		<u>Other Financing Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2023	\$ 322,240	\$ 8,602	\$ 612,121	\$ 15,229	\$ 958,192
2024	-	-	618,058	12,292	630,350
2025	-	-	362,934	3,297	366,231
Total	<u>\$ 322,240</u>	<u>\$ 8,602</u>	<u>\$ 1,593,113</u>	<u>\$ 30,818</u>	<u>\$ 1,954,773</u>

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2022 are comprised of the following issues:

\$11,275,000, 2021 ESIP Refunding Bonds, due in annual installments of \$445,000 to \$795,000 through May 1, 2042 interest at 3.00% to 4.00% \$11,275,000

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 445,000	\$ 427,150	\$ 872,150
2024	725,000	409,350	1,134,350
2025	345,000	380,350	725,350
2026	405,000	366,550	771,550
2027	435,000	350,350	785,350
2028-2032	2,510,000	1,477,950	3,987,950
2033-2037	3,510,000	899,950	4,409,950
2038-2042	<u>2,900,000</u>	<u>275,750</u>	<u>3,175,750</u>
Total	<u>\$ 11,275,000</u>	<u>\$ 4,587,400</u>	<u>\$ 15,862,400</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2022 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 241,439,387
Less: Net Debt	<u>-</u>
Remaining Borrowing Power	<u>\$ 241,439,387</u>

ESIP Refunding Bonds are an exemption to the District's debt limitation.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

	Restated Balance, <u>July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2022</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 11,275,000			\$ 11,275,000	\$ 445,000
Add: Unamortized Premium	<u>1,967,030</u>	-	<u>\$ 123,508</u>	<u>1,843,522</u>	<u>-</u>
Total Bonds Payable	13,242,030	-	123,508	13,118,522	445,000
Capital Financing Agreements	636,105		313,865	322,240	322,240
Other Financing Agreements	767,102	\$ 1,445,265	619,254	1,593,113	612,121
Compensated Absences	1,160,697	268,909	191,285	1,238,321	175,000
Leases Payable	1,271,449		616,481	654,968	654,968
Net Pension Liability	<u>23,353,580</u>	-	<u>6,066,398</u>	<u>17,287,182</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 40,430,963</u>	<u>\$ 1,714,174</u>	<u>\$ 7,930,791</u>	<u>\$ 34,214,346</u>	<u>\$ 2,209,329</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	None	\$ 97,878	\$ 1,204	\$ 45,331	\$ 963,620
2021	None	65,142	190	159,606	802,810
2020	1,000,000	90,935	408	185,687	995,967

B. Contingent Liabilities

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

Pending Litigation – A complaint was filed against the District on November 19, 2020 alleging sexual abuse by a former District employee. Plaintiffs filed a statement of damages on April 27, 2021 alleging \$75 million in damages. An answer was filed, followed by a motion to dismiss which was denied on July 23, 2021. Insurance coverage was denied. Discovery was closed on January 16, 2023, with both parties having completed a number of depositions as well as having exchanged reports of experts. Prior to the court-ordered mediation on October 25, 2023, plaintiff reduced their demand to \$1.5 million.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2022, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2022, the District has not estimated its arbitrage earnings due to the IRS, if any.

**HACKENSACK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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

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

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

**HACKENSACK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

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

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

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

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

Other Pension Funds

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

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

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

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2021 is \$12.0 billion and the plan fiduciary net position as a percentage of the total pension liability is 70.33%. The collective net pension liability of the State funded TPAF at June 30, 2021 is \$48.2 billion and the plan fiduciary net position as a percentage of total pension liability is 35.52%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee’s annual compensation for fiscal year 2022.

PERS employers’ and TPAF State’s nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2022 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2022, 2021 and 2020 were equal to the required contributions.

During the fiscal years ended June 30, 2022, 2021 and 2020 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended		On-behalf	
<u>June 30,</u>	<u>PERS</u>	<u>TPAF</u>	<u>DCRP</u>
2022	\$ 1,708,969	\$ 19,223,180	\$ 76,616
2021	1,566,632	13,466,208	69,433
2020	1,410,529	10,079,089	85,277

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2022, 2021 and 2020 the District contributed \$0, \$0 and \$3,959, respectively for PERS and the State contributed \$4,903, \$4,959 and \$5,112, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$3,786,359 during the fiscal year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2020 through June 30, 2021. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2021 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2021.

At June 30, 2022, the District reported in the statement of net position (accrual basis) a liability of \$17,287,182 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2021. At June 30, 2021, the District's proportionate share was .14593 percent, which was an increase of .00272 percent from its proportionate share measured as of June 30, 2020 of .14321 percent.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$2,725,525 for PERS. The pension contribution made by the District during the current 2021/2022 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2022 with a measurement date of the prior fiscal year end of June 30, 2021. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2022 for contributions made subsequent to the measurement date. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 272,641	\$ 123,756
Changes of Assumptions	90,031	6,154,349
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		4,553,898
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>477,217</u>	<u>566,052</u>
Total	<u>\$ 839,889</u>	<u>\$ 11,398,055</u>

At June 30, 2022, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2023	\$ (3,749,408)
2024	(3,472,597)
2025	(2,116,448)
2026	(1,248,687)
2027	28,974
Thereafter	<u>-</u>
	<u>\$ (10,558,166)</u>

**HACKENSACK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>
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%

Mortality Rates

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>23,541,636</u>	\$ <u>17,287,182</u>	\$ <u>11,979,391</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2021. A sensitivity analysis specific to the District’s net pension liability at June 30, 2021 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**HACKENSACK BOARD OF EDUCATION
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2020 through June 30, 2021. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2021, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$5,142,615 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State's proportionate share of the net pension liability attributable to the District is \$218,551,601. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2021. At June 30, 2021, the State's share of the net pension liability attributable to the District was .45460 percent, which was an increase of .00317 percent from its proportionate share measured as of June 30, 2020 of .45143 percent.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2021 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.

	<u>TPAF</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 258,583,050</u>	<u>\$ 218,551,601</u>	<u>\$ 184,927,699</u>

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2021. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2021 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

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 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2020:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>149,304</u>
Total	<u>366,108</u>

Measurement Focus and Basis of Accounting

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

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2021 is \$60.0 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the June 30, 2020 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2021.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2022, 2021 and 2020 were \$4,491,312, \$4,220,100 and \$3,739,158, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**HACKENSACK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State’s contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2020 through June 30, 2021. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$13,078,833. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State’s proportionate share of the OPEB liability attributable to the District is \$217,660,531. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2021 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the state’s share of the OPEB liability attributable to the District was .36272 percent, which was an increase of .00636 percent from its proportionate share measured as of June 30, 2020 of .35636 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
Salary Increases*	<u>PERS</u>	<u>TPAF</u>
Initial Fiscal Year Applied Through	2026	2026
Rate	2.00% to 6.00%	1.55% to 4.45%
Rate Thereafter	3.00% to 7.00%	2.75% to 5.65%

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions (Continued)

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2020 Measurement Date	\$ 241,646,826
Changes Recognized for the Fiscal Year:	
Service Cost	11,137,456
Interest on the Total OPEB Liability	5,646,343
Changes in Benefit Terms	(231,673)
Differences Between Expected and Actual Experience	(36,449,772)
Changes of Assumptions	214,739
Gross Benefit Payments	(4,447,737)
Contributions from the Member	144,349
Net Changes	<u>\$ (23,986,295)</u>
Balance, June 30, 2021 Measurement Date	<u>\$ 217,660,531</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021.

HACKENSACK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.16%; as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 260,723,147</u>	<u>\$ 217,660,531</u>	<u>\$ 183,751,306</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 176,196,907</u>	<u>\$ 217,660,531</u>	<u>\$ 273,343,114</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021 were not provided by the pension system.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

F. Subsequent Events

Capital Financing Agreement

On August 22, 2022 the District entered into a capital financing agreement for the acquisition of interactive flat panels for classrooms in the amount of \$800,000. The financing agreement is for a term of 5 years at an interest rate of 3.15% with the first lease payment due December 1, 2022.

G. Tax Abatements

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

For Hackensack Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

NOTE 5 RESTATEMENT

On July 1, 2021, the Hackensack Board of Education implemented GASB Statement No. 87 "Leases". The Hackensack Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2021 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2021 have been restated to reflect certain activities related to leases payable for the intangible right-to-use capital assets. The effect of this restatement is to decrease net position of governmental activities by \$268,605 from \$16,888,451 as previously reported to \$16,619,846 as of June 30, 2021.

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States. As governments monitor the outbreaks, they have taken various steps to control them through requiring social distancing, masks and business closures and limited openings. As the virus appears to be under control in many areas, many of these restrictions have been lifted although the situation is monitored, sometimes restrictions are reinstated. Several vaccines have been developed and have been administered. Mutant variants have emerged in various places around the world and now are prevalent in the United States. Certain workers are being required to be vaccinated. Companies have developed booster shots, and current vaccines have proven substantially effective against all currently know variants. New treatments are also being developed to avert the worst outcomes. The assessment of the impact of the virus and the ability to control it and its mutant strains is ongoing.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS (Continued)

In the State, Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. On June 4, 2021, the Governor signed legislation enabling the end of the public health emergency and keeping certain executive orders in place until January 1, 2022, though such executive orders may be modified or rescinded prior to that day by the Governor. The Board expects ongoing actions be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and may continue to negatively affect economic growth and financial markets worldwide. These negative impacts could reduce or negatively affect property values within the School District.

Since the pandemic began, the federal government had enacted rescue legislation to address the pandemic and alleviate its economic and health effects, including significant support for education. The legislation includes various forms of financial relief including direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. Federal aid for public education has been provided under three 5 separate laws: The Coronavirus Aid, Relief, and Economic Security Act in March 2020 (CARES Act), and the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020 (CRRSA) and the American Rescue Plan Act in March 2021 (ARP). The Elementary and Secondary School Emergency Relief (ESSER) Fund is the main source of funding for public elementary and secondary education under each law. The School District has been awarded up to \$16,215,957 to address certain expenses incurred as a result of the pandemic. Because of the evolving nature of the outbreak and federal, state and local responses, the Board cannot predict how the outbreak will impact the financial condition or operations of the Board, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The School District cannot predict costs associated with this or any other potential infectious disease outbreak including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease. To date the School District has not been materially and adversely affected financially due to the virus.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

HACKENSACK BOARD OF EDUCATION
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 86,136,292		\$ 86,136,292	\$ 86,136,292	
Tuition from Other LEA's	5,146,674		5,146,674	5,040,477	\$ (106,197)
Interest on Emergency Reserve				233	233
Interest on Maintenance Reserve	1,000		1,000	437	(563)
Interest on Unemployment Reserve	5,000		5,000	1,204	(3,796)
Interest on Capital Reserve				5,860	5,860
Interest on Investments				30,754	30,754
Unrestricted Miscellaneous	200,000	-	200,000	380,851	180,851
Total Local Sources	91,488,966	-	91,488,966	91,596,108	107,142
State Sources					
Transportation Aid	682,382		682,382	682,382	
Special Education Aid	4,787,838	-	4,787,838	4,787,838	-
Equalization Aid	21,532,939	-	21,532,939	21,532,939	
Security Aid	2,121,557	-	2,121,557	2,121,557	
Extraordinary Aid	1,500,000	-	1,500,000	2,022,970	522,970
On-behalf TPAF Pension System Contributions-Normal Costs & Accrued Liabilities (Non-Budget)				18,955,741	18,955,741
On-behalf TPAF Pension System Contributions-NCGI (Non-Budget)				267,439	267,439
On-behalf TPAF Contributions-Post Retirement Medical Contributions (Non-Budget)				4,491,312	4,491,312
On-behalf TPAF Contributions-Long-Term Disability Insurance Contributions (Non-Budget)				4,903	4,903
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	3,786,359	3,786,359
Total State Sources	30,624,716	-	30,624,716	58,653,440	28,028,724
Federal Sources					
Medicaid Reimbursement	169,021	-	169,021	56,639	(112,382)
Total Federal Sources	169,021	-	169,021	56,639	(112,382)
Total Revenues	122,282,703	-	122,282,703	150,306,187	28,023,484
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Pre-School	70,245	(70,000)	245	-	245
Kindergarten	1,274,740	71,640	1,346,380	1,313,570	32,810
Grades 1-5	9,660,256	(300,142)	9,360,114	9,123,960	236,154
Grades 6-8	7,457,987	(250,000)	7,207,987	7,114,602	93,385
Grades 9-12	11,518,730	(122,027)	11,396,703	11,148,996	247,707
Regular Program - Home Instruction					
Salaries of Teachers	156,045	(100,000)	56,045	899	55,146
Purchased Professional-Educational Services		21,081	21,081	14,754	6,327
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	702,291	35,040	737,331	538,483	198,848
Purchased Professional-Educational Services	1,191,880	(3,000)	1,188,880	445,845	743,035
Purchased Technical Services	67,697	(6,846)	60,851	36,858	23,993
Other Purchased Services	1,404,436	200,944	1,605,380	1,475,242	130,138
General Supplies	2,156,645	(85,875)	2,070,770	1,684,863	385,907
Textbooks	361,062	19,215	380,277	330,511	49,766
Other Objects	3,000	90	3,090	129	2,961
Total Regular Programs	36,025,014	(589,880)	35,435,134	33,228,712	2,206,422

**HACKENSACK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 1,659,382	\$ (33,195)	\$ 1,626,187	\$ 1,578,569	\$ 47,618
Other Salaries for Instruction	910,345	-	910,345	742,349	167,996
General Supplies	4,387	-	4,387	1,474	2,913
	-	-	-	-	-
Total Learning and/or Language Disabilities	<u>2,574,114</u>	<u>(33,195)</u>	<u>2,540,919</u>	<u>2,322,392</u>	<u>218,527</u>
Behavior Disabilities					
Salaries of Teachers	389,012	-	389,012	233,091	155,921
Other Salaries for Instruction	267,710	10,795	278,505	242,692	35,813
General Supplies	1,075	-	1,075	-	1,075
	-	-	-	-	-
Total Behavior Disabilities	<u>657,797</u>	<u>10,795</u>	<u>668,592</u>	<u>475,783</u>	<u>192,809</u>
Multiple Disabilities					
Salaries of Teachers	781,342	67,960	849,302	849,088	214
Other Salaries for Instruction	688,310	19,380	707,690	707,538	152
General Supplies	525	-	525	498	27
	-	-	-	-	-
Total Multiple Disabilities	<u>1,470,177</u>	<u>87,340</u>	<u>1,557,517</u>	<u>1,557,124</u>	<u>393</u>
Resource Room/ Resource Center					
Salaries of Teachers	4,948,735	111,770	5,060,505	4,773,708	286,797
Other Salaries for Instruction	911,350	177,930	1,089,280	1,052,332	36,948
General Supplies	4,550	-	4,550	664	3,886
	-	-	-	-	-
Total Resource Room/Resource Center	<u>5,864,635</u>	<u>289,700</u>	<u>6,154,335</u>	<u>5,826,704</u>	<u>327,631</u>
Preschool Disabilities - Full Time					
Salaries of Teachers	1,185,504	38,545	1,224,049	1,194,724	29,325
Other Salaries for Instruction	595,205	10,850	606,055	560,879	45,176
General Supplies	9,950	-	9,950	-	9,950
	-	-	-	-	-
Total Preschool Disabilities - Full Time	<u>1,790,659</u>	<u>49,395</u>	<u>1,840,054</u>	<u>1,755,603</u>	<u>84,451</u>
Home Instruction					
Salaries of Teachers	-	88,100	88,100	79,284	8,816
	-	-	-	-	-
Total Home Instruction	<u>-</u>	<u>88,100</u>	<u>88,100</u>	<u>79,284</u>	<u>8,816</u>
Total Special Education	<u>12,357,382</u>	<u>492,135</u>	<u>12,849,517</u>	<u>12,016,890</u>	<u>832,627</u>
Bilingual Education					
Salaries of Teachers	2,361,949	(2,768)	2,359,181	2,333,023	26,158
Other Salaries for Instruction	83,370	(7,414)	75,956	65,933	10,023
Other Purchased Services	500	-	500	-	500
General Supplies	2,650	-	2,650	1,464	1,186
Textbooks	500	-	500	-	500
	-	-	-	-	-
Total Bilingual Education	<u>2,448,969</u>	<u>(10,182)</u>	<u>2,438,787</u>	<u>2,400,420</u>	<u>38,367</u>
School Sponsored Co/Extra Curricular Activities					
Salaries	418,158	8,000	426,158	123,554	302,604
Purchased Services	8,050	5,000	13,050	7,456	5,594
Supplies and Materials	37,500	-	37,500	29,487	8,013
Other Objects	1,000	8,000	9,000	8,670	330
	-	-	-	-	-
Total School Sponsored Co/Extra Curricular Activities	<u>464,708</u>	<u>21,000</u>	<u>485,708</u>	<u>169,167</u>	<u>316,541</u>

**HACKENSACK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
School-Sponsored Athletics - Instruction					
Salaries	\$ 1,201,913	\$ (281,000)	\$ 920,913	\$ 831,288	\$ 89,625
Purchased Services	183,460	(39,910)	143,550	94,406	49,144
Supplies and Materials	114,850	22,651	137,501	88,705	48,796
Other Objects	50,500	-	50,500	46,082	4,418
Total School-Sponsored Athletics - Instruction	<u>1,550,723</u>	<u>(298,259)</u>	<u>1,252,464</u>	<u>1,060,481</u>	<u>191,983</u>
Summer School - Instruction					
Salaries of Teachers	67,465	(67,000)	465	23	442
Total Summer School - Instruction	<u>67,465</u>	<u>(67,000)</u>	<u>465</u>	<u>23</u>	<u>442</u>
Instructional Alternative Education Program - Instruction					
Salaries of Teachers	36,050	59,500	95,550	93,645	1,905
Total Instructional Alternative Education Program - Instruction	<u>36,050</u>	<u>59,500</u>	<u>95,550</u>	<u>93,645</u>	<u>1,905</u>
Total Instruction	<u>52,950,311</u>	<u>(392,686)</u>	<u>52,557,625</u>	<u>48,969,338</u>	<u>3,588,287</u>
Instruction					
Tuition to Other LEAs Within the State-Regular	98,338	27,000	125,338	26,500	98,838
Tuition to Other LEAs Within the State-Special	1,944,198	(1,079,541)	864,657	772,683	91,974
Tuition to County Vocational School District - Regular	468,999	49,000	517,999	507,478	10,521
Tuition to County Vocational School District - Special	175,860	267,000	442,860	428,805	14,055
Tuition to CSSD & Regional Day Schools	3,025,023	(700,000)	2,325,023	2,197,599	127,424
Tuition to APSSD Within the State	4,074,418	80,900	4,155,318	4,028,896	126,422
Tuition - State Facilities	9,000	-	9,000	9,000	-
Total Undistributed Expenditures - Instruction	<u>9,795,836</u>	<u>(1,355,641)</u>	<u>8,440,195</u>	<u>7,970,961</u>	<u>469,234</u>
Attendance and Social Work Services					
Salaries	12,500	320	12,820	12,812	8
Salaries of Drop-Out Prevention Officer/Coordinator	211,154	3,900	215,054	210,652	4,402
Total Attendance and Social Work Services	<u>223,654</u>	<u>4,220</u>	<u>227,874</u>	<u>223,464</u>	<u>4,410</u>
Health Services					
Salaries	823,265	155,048	978,313	927,129	51,184
Purchased Professional and Technical Services	30,000	9,388	39,388	23,754	15,634
Other Purchased Services	21,932	(500)	21,432	18,464	2,968
Supplies and Materials	14,475	7,395	21,870	13,043	8,827
Total Health Services	<u>889,672</u>	<u>171,331</u>	<u>1,061,003</u>	<u>982,390</u>	<u>78,613</u>
Speech, OT, PT & Related Services					
Salaries	1,593,113	67,905	1,661,018	1,525,691	135,327
Purchased Professional-Educational Services	600,000	1,264,984	1,864,984	1,827,094	37,890
Supplies and Materials	2,501	-	2,501	497	2,004
Total Speech, OT, PT & Related Services	<u>2,195,614</u>	<u>1,332,889</u>	<u>3,528,503</u>	<u>3,353,282</u>	<u>175,221</u>
Other Support Serv. Students- Extra Serv.					
Salaries	406,291	72,630	478,921	430,635	48,286
Purchased Professional-Educational Services	1,000,000	120,217	1,120,217	830,231	289,986
Supplies and Materials	25,000	(25,000)	-	-	-
Total Other Support Serv. Students- Extra Serv.	<u>1,431,291</u>	<u>167,847</u>	<u>1,599,138</u>	<u>1,260,866</u>	<u>338,272</u>
Guidance					
Salaries of Other Professional Staff	1,448,605	58,505	1,507,110	1,490,118	16,992
Salaries of Secretaries and Clerical Assistants	151,919	-	151,919	148,630	3,289
Other Purchased Professional and Technical Services	48,600	-	48,600	31,388	17,212
Other Purchased Services	4,300	23,852	28,152	24,662	3,490
Supplies and Materials	8,800	620	9,420	5,740	3,680
Total Guidance	<u>1,662,224</u>	<u>82,977</u>	<u>1,745,201</u>	<u>1,700,538</u>	<u>44,663</u>

**HACKENSACK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Child Study Teams					
Salaries of Other Professional Staff	\$ 3,562,056	\$ 152,589	\$ 3,714,645	\$ 3,378,929	\$ 335,716
Salaries of Secretaries and Clerical Assistants	328,218	(21,890)	306,328	302,956	3,372
Purchased Professional-Educational Services	230,000	172,984	402,984	374,071	28,913
Other Purchased Professional and Technical Services	135,000	(47,000)	88,000	87,700	300
Residential Costs	1,750	(1,750)			-
Miscellaneous Purchased Services		1,750	1,750	1,133	617
Supplies and Materials	70,000	14,421	84,421	70,625	13,796
Other Objects	3,750	200	3,950	2,688	1,262
Total Child Study Teams	4,330,774	271,304	4,602,078	4,218,102	383,976
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	557,147	(14,000)	543,147	539,835	3,312
Salaries of Other Professional Staff	536,130	27,095	563,225	563,216	9
Salaries of Secretaries and Clerical Assistants	164,976	-	164,976	161,654	3,322
Other Purchased Services	87,620	(1,500)	86,120	45,497	40,623
Supplies and Materials	7,200	-	7,200	1,163	6,037
Other Objects	8,876	-	8,876	1,623	7,253
Total Improvement of Instructional Services	1,361,949	11,595	1,373,544	1,312,988	60,556
Educational Media Services/School Library					
Salaries	530,137	15,395	545,532	515,074	30,458
Purch. Professional and Technical Services	43,000	(37,895)	5,105	5,105	-
Other Purchased Services	23,652	(7,235)	16,417	5,093	11,324
Supplies and Materials	55,319	(102)	55,217	34,670	20,547
Total Educational Media Serv./School Library	652,108	(29,837)	622,271	559,942	62,329
Instructional Staff Training Services					
Salaries		24,000	24,000	11,716	12,284
Purchased Professional-Educational Services	200,000	14,394	214,394	177,204	37,190
Other Purchased Prof and Tech. Services	5,000	(5,000)	-	-	-
Other Purchased Services	103,895	(15,593)	88,302	39,560	48,742
Supplies and Materials	22,800	8,000	30,800	24,642	6,158
Total Instructional Staff Training Services	331,695	25,801	357,496	253,122	104,374
Support Services General Administration					
Salaries	511,689	1,700	513,389	502,861	10,528
Legal Services	450,000	33,127	483,127	329,274	153,853
Audit Fees	65,000	62,221	127,221	61,948	65,273
Architectural/Engineering	50,000	-	50,000	38,925	11,075
Other Purchased Professional Services	54,850	24,845	79,695	25,905	53,790
Communications/Telephone	47,610	(7,900)	39,710	23,027	16,683
BOE Other Purchased Services	8,450	-	8,450	1,390	7,060
Misc Purchased Services	45,000	406	45,406	13,026	32,380
General Supplies	14,700	40	14,740	4,573	10,167
BOE In-House Training/Meeting Supplies	2,500	-	2,500	1,298	1,202
Miscellaneous Expenditures	12,300	5,000	17,300	11,019	6,281
BOE Membership Dues and Fees	27,500	1,000	28,500	27,653	847
Total Support Services General Administration	1,289,599	120,439	1,410,038	1,040,899	369,139
Support Services School Administration					
Salaries of Principal/Asst. Principals	3,788,932	(143,755)	3,645,177	3,411,279	233,898
Salaries of Secretarial and Clerical Assistants	1,169,083	(12,984)	1,156,099	1,077,277	78,822
Purchased Professional and Technical Services	4,000	(4,000)	-	-	-
Other Purchased Services	9,000	15,650	24,650	3,267	21,383
Supplies and Materials	52,960	23,429	76,389	36,610	39,779
Other Objects	14,265	-	14,265	1,460	12,805
Total Support Services School Administration	5,038,240	(121,660)	4,916,580	4,529,893	386,687

**HACKENSACK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Central Services					
Salaries	\$ 927,544	\$ 169,325	\$ 1,096,869	\$ 1,041,074	\$ 55,795
Purchased Professional Services	10,250	-	10,250	-	10,250
Purchased Technical Services	18,300	-	18,300	16,274	2,026
Miscellaneous Purchased Services	55,950	4,504	60,454	26,367	34,087
Supplies and Materials	10,500	657	11,157	6,546	4,611
Miscellaneous Expenditures	2,500	50,896	53,396	51,875	1,521
Total Central Services	1,025,044	225,382	1,250,426	1,142,136	108,290
Admin. Info. Technology					
Salaries	813,724	(42,800)	770,924	770,887	37
Purchased Professional Services	8,000	-	8,000	7,941	59
Other Purchased Services	545,099	(45,571)	499,528	476,430	23,098
Supplies and Material	42,120	8,647	50,767	25,955	24,812
Other Objects	1,765	-	1,765	-	1,765
Total Admin. Info. Technology	1,410,708	(79,724)	1,330,984	1,281,213	49,771
Required Maintenance for School Facilities					
Salaries	738,521	-	738,521	728,710	9,811
Cleaning, Repair and Maint. Serv.	2,093,736	1,050,568	3,144,304	2,269,224	875,080
General Supplies	467,900	8,916	476,816	350,613	126,203
Total Required Maintenance for School Fac.	3,300,157	1,059,484	4,359,641	3,348,547	1,011,094
Custodial Services					
Salaries	2,991,330	246,080	3,237,410	3,231,597	5,813
Salaries of Non-Instructional Aides	243,887	(216,426)	27,461	27,374	87
Purchased Professional and Technical Services	239,420	-	239,420	71,599	167,821
Cleaning, Repair and Maint. Serv.	461,150	(255,000)	206,150	61,381	144,769
Rental of Land and Building Other Than Lease Purchase Agmt.	707,130	(34,000)	673,130	573,239	99,891
Other Purchased Property Services	153,875	-	153,875	105,949	47,926
Insurance	736,500	134,000	870,500	861,625	8,875
Miscellaneous Purchased Services	1,000	2,738	3,738	1,152	2,586
General Supplies	450,000	(32,053)	417,947	279,387	138,560
Energy (Natural Gas)	475,000	230,000	705,000	566,133	138,867
Energy (Electricity)	750,000	-	750,000	636,373	113,627
Other Objects	1,500	-	1,500	450	1,050
Total Custodial Services	7,210,792	75,339	7,286,131	6,416,259	869,872
Care and Upkeep of Grounds					
Salaries	113,896	-	113,896	111,983	1,913
Cleaning, Repair and Maint. Serv.	85,000	875	85,875	69,308	16,567
General Supplies	80,000	(7,000)	73,000	39,241	33,759
Total Care and Upkeep of Grounds	278,896	(6,125)	272,771	220,532	52,239
Security					
Purch. Professional and Technical Services	350,300	15,700	366,000	351,997	14,003
Cleaning, Repair, and Maintenance Services	68,500	(16,875)	51,625	29,348	22,277
General Supplies	20,450	22,425	42,875	14,086	28,789
Total Security	439,250	21,250	460,500	395,431	65,069

**HACKENSACK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Student Transportation Services					
Salaries for Pupil Trans (Other Than Between Home & School)	\$ 92,700	\$ 37,400	\$ 130,100	\$ 130,100	
Other Purchased Professional and Technical Services	2,500	-	2,500	1,500	\$ 1,000
Cleaning, Repair, and Maintenance Services	32,000	-	32,000	10,551	21,449
Contract Services-Aid in Lieu Payments - Charter School	320,000	(11,220)	308,780	15,762	293,018
Contract Services (Between Home and School)-Vendors		235,139	235,139	235,139	-
Contract Services (Oth Than Between Home and School)-Vendors	245,300	4,260	249,560	88,695	160,865
Contract Services (Special Ed Students)-ESCs and CTSAs	3,200,000	(196,000)	3,004,000	2,999,350	4,650
Miscellaneous Purchased Services - Transportation	2,000	(500)	1,500	1,408	92
Transportation Supplies	-	5,000	5,000	1,309	3,691
Other Objects	-	1,500	1,500	351	1,149
Total Student Transportation Services	3,894,500	75,579	3,970,079	3,484,165	485,914
Unallocated Benefits - Employee Benefits					
Social Security Contributions	1,350,000	133,426	1,483,426	1,301,710	181,716
Other Retirement Contributions-PERS	1,650,000	58,969	1,708,969	1,708,969	
Other Retirement Contributions - DCRP	120,000	-	120,000	79,616	40,384
Workmen's Compensation	775,000	-	775,000	729,179	45,821
Health Benefits	12,835,030	(468,025)	12,367,005	10,485,557	1,881,448
Tuition Reimbursement	8,500	-	8,500	4,920	3,580
Other Employee Benefits	22,450	80	22,530	6,285	16,245
Unused Sick Payment to Terminated/Retired Staff	250,000	120,000	370,000	191,285	178,715
Total Unallocated Benefits - Employee Benefits	17,010,980	(155,550)	16,855,430	14,507,521	2,347,909
On-behalf TPAF Pension System Contributions- Normal Costs & Accrued Liability (Non-Budget)					
				18,955,741	(18,955,741)
On-behalf TPAF Pension System Contributions-NCGI Cost (Non-Budget)					
				267,439	(267,439)
On-behalf TPAF Contributions-Post Retirement Medical Contributions (Non-Budget)					
				4,491,312	(4,491,312)
On-behalf TPAF Contributions-Long-Term Disability Insurance Contributions (Non-Budget)					
				4,903	(4,903)
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	3,786,359	(3,786,359)
Total TPAF On-Behalf	-	-	-	27,505,754	(27,505,754)
Total Undistributed Expenditures	63,772,983	1,896,900	65,669,883	85,708,005	(20,038,122)
Interest Earned on Maintenance Reserve					
	1,000	-	1,000	-	1,000
Total Expenditures - Current Expenditures	116,724,294	1,504,214	118,228,508	134,677,343	(16,448,835)
CAPITAL OUTLAY					
Equipment					
Preschool	165,000	-	165,000	148,100	16,900
Grades 9-12	10,000	(10,000)			-
Undistributed Expenditures-Instruction		82,112	82,112	58,633	23,479
Undistributed Expenditures - Central Services		3,000	3,000	2,889	111
Undistributed Expenditures-Administrative Information Technology	205,000	33,422	238,422	221,932	16,490
Undistributed Expenditures-Required Maint. For School Facilities	82,500	(20,000)	62,500	52,296	10,204
Undistributed Expenditures-Security	60,000	16,826	76,826	68,304	8,522
School Buses - Regular	103,928	-	103,928	103,927	1
Total Equipment	626,428	105,360	731,788	656,081	75,707

**HACKENSACK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CAPITAL OUTLAY (Continued)					
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	\$ 553,295	\$ (170,594)	\$ 382,701	\$ 205,836	\$ 176,865
Other Purchased Prof. and Tech. Services		15,285	15,285	6,935	8,350
Construction Services	6,134,400	829,893	6,964,293	4,414,189	2,550,104
Assessment for Debt Service on SDA Funding	37,812	-	37,812	37,812	-
Total Facilities Acquisition and Construction Services	<u>6,725,507</u>	<u>674,584</u>	<u>7,400,091</u>	<u>4,664,772</u>	<u>2,735,319</u>
Increase in Capital Reserve	2,000,000	-	2,000,000		2,000,000
Interest Deposit to Capital Reserve	5,000	-	5,000	-	5,000
Total Capital Outlay	<u>9,356,935</u>	<u>779,944</u>	<u>10,136,879</u>	<u>5,320,853</u>	<u>4,816,026</u>
TRANSFER OF FUNDS TO CHARTER SCHOOL	<u>5,694,864</u>	<u>-</u>	<u>5,694,864</u>	<u>5,327,872</u>	<u>366,992</u>
Total Expenditures	<u>131,776,093</u>	<u>2,284,158</u>	<u>134,060,251</u>	<u>145,326,068</u>	<u>(11,265,817)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(9,493,390)</u>	<u>(2,284,158)</u>	<u>(11,777,548)</u>	<u>4,980,119</u>	<u>16,757,667</u>
Other Financing Sources (Uses)					
Transfers In - Capital Projects Fund				7,305	7,305
Transfers Out - Special Revenue Fund	(535,509)	(40,000)	(575,509)	(575,509)	-
Total Other Financing Sources (Uses)	<u>(535,509)</u>	<u>(40,000)</u>	<u>(575,509)</u>	<u>(568,204)</u>	<u>7,305</u>
Net Change in Fund Balances	(10,028,899)	(2,324,158)	(12,353,057)	4,411,915	16,764,972
Fund Balance, Beginning of Year	29,253,714	-	29,253,714	29,253,714	-
Fund Balance, End of Year	<u>\$ 19,224,815</u>	<u>\$ (2,324,158)</u>	<u>\$ 16,900,657</u>	<u>\$ 33,665,629</u>	<u>\$ 16,764,972</u>
Recapitulation of Fund Balance					
Restricted Fund Balance					
Capital Reserve				\$ 7,122,463	
Capital Reserve - Designated for Subsequent Year's Expenditures (2022/23 Budget)				3,200,000	
Maintenance Reserve				1,985,762	
Maintenance Reserve - Designated for Subsequent Year's Expenditures (2022/23 Budget)				300,000	
Emergency Reserve				300,263	
Unemployment Compensation Reserve				963,620	
Excess Surplus				2,902,186	
Excess Surplus - Designated for Subsequent Year's Expenditures (2022/23 Budget)				3,417,738	
Assigned Fund Balance					
Year-End Encumbrances				3,314,664	
Designated for Subsequent Year's Expenditures (2022/23 Budget)				4,900,130	
Unassigned Fund Balance					
				<u>5,258,803</u>	
Reconciliation to Governmental Funds Statements (GAAP):				33,665,629	
Less: Final State Aid Payments Not Recognized on GAAP Basis				<u>(4,785,289)</u>	
Final Balance Per Governmental Fund (GAAP)				<u>\$ 28,880,340</u>	

**HACKENSACK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
Federal	\$ 2,708,642	\$ 15,126,672	\$ 17,835,314	\$ 6,028,510	\$ (11,806,804)
State	3,318,947	1,125,897	4,444,844	3,664,005	(780,839)
Local Sources					
Miscellaneous	-	270,860	270,860	407,308	136,448
Total Revenues	<u>6,027,589</u>	<u>16,523,429</u>	<u>22,551,018</u>	<u>10,099,823</u>	<u>(12,451,195)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	2,281,020	(541,575)	1,739,445	1,399,479	339,966
Other Salaries for Instruction	448,988	29,712	478,700	394,825	83,875
Purchased Professional Services & Technical Serv.	60,455	227,481	287,936	168,078	119,858
Other Purchased Services	1,269,578	868,010	2,137,588	1,983,473	154,115
General Supplies	39,936	923,245	963,181	780,124	183,057
Textbooks		5,642	5,642	5,598	44
Co-Curricular/Extra-Curricular Activities		217,450	217,450	217,450	-
Athletic Activities	-	73,810	73,810	73,810	-
Total Instruction	<u>4,099,977</u>	<u>1,803,775</u>	<u>5,903,752</u>	<u>5,022,837</u>	<u>880,915</u>
Support Services					
Salaries of Program Directors	-	88,448	88,448	88,448	-
Salaries of Other Professional Staff	335,423	66,886	402,309	211,242	191,067
Salaries of Secretarial and Clerical Assistants	49,359	48,519	97,878	49,845	48,033
Salaries of Community Involvement Specialist	30,750	-	30,750	30,584	166
Salaries of Master Teachers	146,565	71,570	218,135	166,917	51,218
Other Salaries	628,046	1,156,396	1,784,442	884,426	900,016
Personal Services-Employee Benefits	530,939	1,102,187	1,633,126	841,287	791,839
Purchased Ed Services - Contracted Pre-K	593,819	(12,821)	580,998	376,327	204,671
Purchased Professional and Technical Services		593,419	593,419	387,838	205,581
Other Purchased Professional-Education Services	15,000	68,275	83,275	65,157	18,118
Other Purchased Professional Services		261	261	261	-
Purchased Property Services	105,019	10,953	115,972	115,952	20
Other Purchased Services		136,473	136,473	70,258	66,215
Contracted Services Transportation	2,500	4,871	7,371	4,617	2,754
Travel	2,000	-	2,000	-	2,000
Miscellaneous Purchased Services	1,000	-	1,000	1,000	-
Supplies and Materials	8,281	228,690	236,971	119,656	117,315
Other Objects	-	9,881	9,881	9,880	1
Scholarship Awards	-	19,600	19,600	19,600	-
Total Support Services	<u>2,448,701</u>	<u>3,593,608</u>	<u>6,042,309</u>	<u>3,443,295</u>	<u>2,599,014</u>

**HACKENSACK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital Outlay					
Construction Services		\$ 10,669,104	\$ 10,669,104	\$ 1,582,142	9,086,962
Instructional Equipment	-	170,680	170,680	165,454	5,226
Noninstructional Equipment	\$ 14,420	326,262	340,682	325,156	15,526
	<u>14,420</u>	<u>11,166,046</u>	<u>11,180,466</u>	<u>2,072,752</u>	<u>9,107,714</u>
Total Capital Outlay					
	<u>14,420</u>	<u>11,166,046</u>	<u>11,180,466</u>	<u>2,072,752</u>	<u>9,107,714</u>
Total Expenditures	<u>6,563,098</u>	<u>16,563,429</u>	<u>23,126,527</u>	<u>10,538,884</u>	<u>12,587,643</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(535,509)	(40,000)	(575,509)	(439,061)	136,448
Other Financing Sources					
Transfers In- General Fund	535,509	40,000	575,509	575,509	-
Net Change in Fund Balances	-	-	-	136,448	136,448
Fund Balances, Beginning of Year	332,960	-	332,960	332,960	-
Fund Balances, End of Year	<u>\$ 332,960</u>	<u>\$ -</u>	<u>\$ 332,960</u>	<u>\$ 469,408</u>	<u>\$ 136,448</u>
Recapitulation of Fund Balances					
Restricted Fund Balance					
Student Activities				\$ 274,508	
Scholarships				194,900	
				<u>\$ 469,408</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**HACKENSACK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

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

	General Fund		Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 150,306,187	(C-2)	\$ 10,099,823
Difference - Budget to GAAP:			
State Aid payments recognized for GAAP purposes, not recognized for Budgetary statements (2020/2021) State Aid and Extraordinary Aid)	3,839,243		
State Aid payment recognized for Budgetary purposes, not recognized for GAAP statements (2021/2022) State Aid and Extraordinary Aid)	(4,785,289)		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized but are not recognized for financial reporting purposes until incurred			
Encumbrances, June 30, 2021, Net of Cancellations			70,026
Encumbrances, June 30, 2022	-		(1,990,871)
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>149,360,141</u>	(B-2)	\$ <u>8,178,978</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 145,326,068	(C-2)	\$ 10,538,884
Difference - Budget to GAAP:			
Encumbrances for supplies and equipment ordered by not received are reported in the year the order is place for budgetary purposes, but in the year the supplies are received for financial reporting purposes			
Encumbrances, June 30, 2021, Net of Cancellations			70,026
Encumbrances, June 30, 2022	-		(1,990,871)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>145,326,068</u>	(B-2)	\$ <u>8,618,039</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III
PENSION AND POST-EMPLOYMENT BENEFITS INFORMATION

**HACKENSACK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Public Employees Retirement System

Last Eight Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0.14593%	0.14321%	0.14501%	.14651%	.14778%	0.15253%	0.15729%	0.15186%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 17,287,182</u>	<u>\$ 23,353,580</u>	<u>\$ 26,128,655</u>	<u>\$ 28,847,699</u>	<u>\$ 34,399,870</u>	<u>\$ 45,174,987</u>	<u>\$ 35,307,561</u>	<u>\$ 28,431,870</u>
District's Covered Payroll	<u>\$ 10,700,604</u>	<u>\$ 10,491,446</u>	<u>\$ 10,345,276</u>	<u>\$ 10,242,211</u>	<u>\$ 10,236,731</u>	<u>\$ 10,162,144</u>	<u>\$ 10,591,162</u>	<u>\$ 10,591,162</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	161.55%	222.60%	252.57%	281.65%	336.04%	444.54%	333.37%	268.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

HACKENSACK BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Eight Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 1,708,969	\$ 1,566,632	\$ 1,410,529	\$ 1,457,332	\$ 1,368,986	\$ 1,355,054	\$ 1,352,238	\$ 1,251,891
Contributions in Relation to the Contractually Required Contribution	<u>1,708,969</u>	<u>1,566,632</u>	<u>1,410,529</u>	<u>1,457,332</u>	<u>1,368,986</u>	<u>1,355,054</u>	<u>1,352,238</u>	<u>1,251,891</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 10,467,526	\$ 10,700,604	\$ 10,491,446	\$ 10,345,276	\$ 10,242,211	\$ 10,236,731	\$ 10,162,144	\$ 10,591,162
Contributions as a Percentage of Covered Payroll	16.33%	14.64%	13.44%	14.09%	13.37%	13.24%	13.31%	11.82%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**HACKENSACK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Teachers Pension and Annuity Fund

Last Eight Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 218,551,601</u>	<u>\$ 297,261,970</u>	<u>\$ 273,394,132</u>	<u>\$ 284,273,493</u>	<u>\$ 298,074,439</u>	<u>\$ 346,252,662</u>	<u>\$ 271,402,578</u>	<u>\$ 237,261,570</u>
Total	<u>\$ 218,551,601</u>	<u>\$ 297,261,970</u>	<u>\$ 273,394,132</u>	<u>\$ 284,273,493</u>	<u>\$ 298,074,439</u>	<u>\$ 346,252,662</u>	<u>\$ 271,402,578</u>	<u>\$ 237,261,570</u>
District's Covered Payroll	\$ 51,896,738	\$ 51,336,609	\$ 49,337,420	\$ 47,951,474	\$ 47,937,259	\$ 47,008,379	\$ 45,628,720	\$ 44,861,914
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

HACKENSACK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Change of Benefit Terms: None.

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

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

Postemployment Health Benefit Plan

Last Five Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Cost	\$ 11,137,456	\$ 6,166,632	\$ 6,060,784	\$ 6,786,487	\$ 8,179,939
Interest on Total OPEB Liability	5,646,343	5,269,367	6,472,383	6,750,033	5,836,471
Changes of Benefit Terms	(231,673)			-	
Differences Between Expected and Actual Experience	(36,449,772)	43,740,760	(27,290,290)	(11,082,850)	
Changes of Assumptions	214,739	44,140,571	2,182,968	(18,744,553)	(24,707,925)
Gross Benefit Payments	(4,447,737)	(4,206,872)	(4,494,315)	(4,367,763)	(4,258,398)
Contribution from the Member	144,349	127,510	133,224	150,957	156,805
Net Change in Total OPEB Liability	<u>(23,986,295)</u>	<u>95,237,968</u>	<u>(16,935,246)</u>	<u>(20,507,689)</u>	<u>(14,793,108)</u>
Total OPEB Liability - Beginning	<u>241,646,826</u>	<u>146,408,858</u>	<u>163,344,104</u>	<u>183,851,793</u>	<u>198,644,901</u>
Total OPEB Liability - Ending	<u>\$ 217,660,531</u>	<u>\$ 241,646,826</u>	<u>\$ 146,408,858</u>	<u>\$ 163,344,104</u>	<u>\$ 183,851,793</u>
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	217,660,531	146,408,858	146,408,858	163,344,104	183,851,793
Total OPEB Liability - Ending	<u>\$ 217,660,531</u>	<u>\$ 146,408,858</u>	<u>\$ 146,408,858</u>	<u>\$ 163,344,104</u>	<u>\$ 183,851,793</u>
District's Covered Payroll	\$ 62,597,342	\$ 61,828,055	\$ 59,682,696	\$ 58,193,685	\$ 58,173,990
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%

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

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

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

**HACKENSACK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

HACKENSACK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ESEA Title I	ESEA Title II-A	ESEA Title III	ESEA Title III Immigrant	ESEA Title IV	IDEA Basic	IDEA Preschool	Emergency Relief Grant CARES	Subtotal
REVENUES									
Local									
State									
Federal	\$ 1,194,972	\$ 114,363	\$ 90,331	\$ 181	\$ 91,882	\$ 1,464,302	\$ 39,960	\$ 43,352	\$ 3,039,343
Total Revenues	\$ 1,194,972	\$ 114,363	\$ 90,331	\$ 181	\$ 91,882	\$ 1,464,302	\$ 39,960	\$ 43,352	\$ 3,039,343
EXPENDITURES									
Instruction									
Salaries of Teachers	\$ 167,996				\$ 8,990				\$ 176,986
Other Salaries for Instruction									-
Purchased Professional and Technical Services	48,100				78,926				127,026
Other Purchased Services	12,670				3,966	\$ 1,447,204	\$ 39,960		1,503,800
General Supplies	342,210		\$ 58,971					\$ 26,165	427,346
Textbooks									-
Co-Curricular/Extra Curricular Activities									-
Athletic Activities									-
Total Instruction	570,976	-	58,971	-	91,882	1,447,204	39,960	26,165	2,235,158
Support Services									
Salaries of Program Directors									-
Salaries of Other Professional Staff									-
Secretary of Secretarial and Clerical Assistants									-
Salaries of Community Involvement Specialist									-
Salaries of Master Teachers									-
Other Salaries	319,072	\$ 82,365	2,248						403,685
Personnel Services - Employee Benefits	233,805	14,130	172						248,107
Purchased Professional and Technical Services	10,200	7,600	28,940			17,098			63,838
Other Purchased Professional-Education Services									-
Other Purchased Professional Service									-
Cleaning, Repair, & Maintenance Services									-
Purchased Property Service									-
Other Purchased Services	16,097	8,875							24,972
Contracted Services Transportation									-
Travel									-
Miscellaneous Purchased Services									-
Supplies and Materials	44,822	1,393		\$ 181				17,187	63,583
Other Objects									-
Scholarship Awards									-
Total Support Services	623,996	114,363	31,360	181	-	17,098	-	17,187	804,185
Capital Outlay									
Construction Services									
Instructional Equipment									-
Non-Instructional Equipment									-
Total Capital Outlay									-
Total Expenditures	\$ 1,194,972	\$ 114,363	\$ 90,331	\$ 181	\$ 91,882	\$ 1,464,302	\$ 39,960	\$ 43,352	\$ 3,039,343
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures									
Other Financing Sources									
Transfers In- General Fund									
Net Changes in Fund Balances									
Fund Balance, Beginning of Year									
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

HACKENSACK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	CRRSA			ARP			Bergen County Cares	IDEA ARP Basic	
	ESSER II	Learning Acceleration	Mental Health	ESSER III	Accelerated Learning	Evidence Based Summer Learning and Enrichment			
REVENUES									
Local									
State									
Federal	\$ 1,808,426	\$ 103,538	\$ 20,150	\$ 708,200	\$ 3,761	\$ 40,000	\$ 14,488	\$ 290,604	\$ 2,989,167
Total Revenues	\$ 1,808,426	103,538	\$ 20,150	\$ 708,200	\$ 3,761	\$ 40,000	\$ 14,488	\$ 290,604	\$ 2,989,167
EXPENDITURES									
Instruction									
Salaries of Teachers	\$ 91,493	\$ 31,214							\$ 122,707
Other Salaries for Instruction									-
Purchased Professional-Educational Services									-
Purchased Professional and Technical Services									-
Other Purchased Services				171,220			\$ 14,488	\$ 290,604	476,312
General Supplies	256	5,532		203,789					209,597
Textbooks									-
Other Objects									-
Co-Curricular/Extra-Curricular Activities									-
Athletic Activities	-	-	-	-	-	-	-	-	-
Total Instruction	91,749	36,766	-	375,009	-	-	14,488	290,604	808,616
Support Services									
Salaries of Program Directors									-
Salaries of Other Professional Staff									-
Secretary of Secretarial and Clerical Assistants									-
Salaries of Community Involvement Specialist									-
Salaries of Master Teachers									-
Other Salaries	\$ 1,911			140,662					142,573
Personnel Services - Employee Benefits		2,388		76,251					78,639
Purchased Professional and Technical Services	132,624	64,384	\$ 20,150	66,842		\$ 40,000			324,000
Other Purchased Professional-Education Services									-
Other Purchased Professional Service									-
Cleaning, Repair, & Maintenance Services									-
Purchased Property Service									-
Other Purchased Services				45,000					45,000
Contracted Services Transportation									-
Travel									-
Miscellaneous Purchased Services									-
Supplies and Materials				4,436	\$ 3,761				8,197
Other Objects									-
Scholarship Awards									-
Total Support Services	134,535	66,772	20,150	333,191	3,761	40,000	-	-	598,409
Capital Outlay									
Construction Services	1,582,142								1,582,142
Instructional Equipment	-	-	-	-	-	-	-	-	-
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-
Total Capital Outlay	1,582,142	-	-	-	-	-	-	-	1,582,142
Total Expenditures	\$ 1,808,426	\$ 103,538	\$ 20,150	\$ 708,200	\$ 3,761	\$ 40,000	\$ 14,488	\$ 290,604	\$ 2,989,167
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-
Other Financing Sources									
Transfers In- General Fund	-	-	-	-	-	-	-	-	-
Net Changes in Fund Balances	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

HACKENSACK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Preschool Education Aid	School Based Youth Services	Family Friendly	Non-Public Chapter 192 / 193					School Security Grant	Subtotal
				Comp. Education	ESL	Examination and Classification	Corrective Speech	Supplemental Instruction		
REVENUES										
Local										
State	\$ 2,872,792	333,742	\$ 51,731	\$ 21,320	\$ 1,188	\$ 20,846	\$ 7,905	\$ 9,003	\$ 308,817	\$ 3,627,344
Federal	-	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 2,872,792	\$ 333,742	\$ 51,731	\$ 21,320	\$ 1,188	\$ 20,846	\$ 7,905	\$ 9,003	\$ 308,817	\$ 3,627,344
EXPENDITURES										
Instruction										
Salaries of Teachers	\$ 1,077,683		\$ 22,103							\$ 1,099,786
Other Salaries for Instruction	393,198		1,627							394,825
Purchased Professional and Technical Services				\$ 21,320	\$ 1,188		\$ 7,905			30,413
Other Purchased Services	3,361									3,361
General Supplies	126,351		16,830							143,181
Textbooks										-
Other Objects										-
Co-Curricular/Extra-Curricular Activities										-
Athletic Activities										-
Total Instruction	1,600,593	-	40,560	21,320	1,188	-	7,905	-	-	1,671,566
Support Services										
Salaries of Program Directors.	88,448									88,448
Salaries of Other Professional Staff	211,242									211,242
Secretary of Secretarial and Clerical Assistants	49,845									49,845
Salaries of Community Involvement Specialist	30,584									30,584
Salaries of Master Teachers	166,917									166,917
Other Salaries	52,990	\$ 276,487	8,691							338,168
Personnel Services - Employee Benefits	490,910	21,151	2,480							514,541
Purchased Ed Services - Contracted Pre-K	376,327									376,327
Purchased Professional and Technical Services										-
Other Purchased Professional-Education Services	34,108	1,200				\$ 20,846		\$ 9,003		65,157
Other Purchased Professional Service	261									261
Cleaning, Repair, & Maintenance Services										-
Purchased Property Service	115,952									115,952
Other Purchased Services										-
Contracted Services - Transportation		4,617								4,617
Travel										-
Miscellaneous Purchased Services	1,000									1,000
Supplies and Materials	27,469	20,407								47,876
Other Objects		9,880								9,880
Scholarship Awards										-
Total Support Services	1,646,053	333,742	11,171	-	-	20,846	-	9,003	-	2,020,815
Capital Outlay										
Construction Services										
Instructional Equipment	161,655	-	-	-	-	-	-	-	-	161,655
Non-Instructional Equipment	-	-	-	-	-	-	-	-	\$ 308,817	308,817
Total Capital Outlay	161,655	-	-	-	-	-	-	-	308,817	470,472
Total Expenditures	\$ 3,408,301	\$ 333,742	\$ 51,731	\$ 21,320	\$ 1,188	\$ 20,846	\$ 7,905	\$ 9,003	\$ 308,817	\$ 4,162,853
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(535,509)	-	-	-	-	-	-	-	-	(535,509)
Other Financing Sources										
Transfers In- General Fund	535,509	-	-	-	-	-	-	-	-	535,509
Net Changes in Fund Balances	-	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

HACKENSACK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Nonpublic Textbook	Nonpublic Nursing	Nonpublic Security	Nonpublic Technology	Student Activities	Scholarship	Page 1 Subtotal	Page 2 Subtotal	Page 3 Subtotal	Total
REVENUES										
Local					\$ 217,269	\$ 190,039				\$ 407,308
State	\$ 5,598	\$ 10,639	\$ 16,625	\$ 3,799					\$ 3,627,344	3,664,005
Federal	-	-	-	-	-	-	\$ 3,039,343	\$ 2,989,167	-	6,028,510
Total Revenues	\$ 5,598	\$ 10,639	\$ 16,625	\$ 3,799	\$ 217,269	\$ 190,039	\$ 3,039,343	\$ 2,989,167	\$ 3,627,344	\$ 10,099,823
EXPENDITURES										
Instruction										
Salaries of Teachers							\$ 176,986	\$ 122,707	\$ 1,099,786	\$ 1,399,479
Other Salaries for Instruction							-	-	394,825	394,825
Purchased Professional and Technical Services		\$ 10,639					127,026	-	30,413	168,078
Other Purchased Services							1,503,800	476,312	3,361	1,983,473
General Supplies							427,346	209,597	143,181	780,124
Textbooks	\$ 5,598						-	-	-	5,598
Other Objects							-	-	-	-
Co-Curricular/Extra-Curricular Activities					\$ 217,450		-	-	-	217,450
Athletic Activities					73,810		-	-	-	73,810
Total Instruction	5,598	10,639	-	-	291,260	-	2,235,158	808,616	1,671,566	5,022,837
Support Services										
Salaries of Program Directors							-	-	88,448	88,448
Salaries of Other Professional Staff							-	-	211,242	211,242
Secretary of Secretarial and Clerical Assistants							-	-	49,845	49,845
Salaries of Community Involvement Specialist							-	-	30,584	30,584
Salaries of Master Teachers							-	-	166,917	166,917
Other Salaries							403,685	142,573	338,168	884,426
Personnel Services - Employee Benefits							248,107	78,639	514,541	841,287
Purchased Ed Services - Contracted Pre-K							-	-	376,327	376,327
Purchased Professional and Technical Services							63,838	324,000	-	387,838
Other Purchased Professional-Education Services							-	-	65,157	65,157
Other Purchased Professional Service							-	-	261	261
Cleaning, Repair, & Maintenance Services							-	-	-	-
Purchased Property Service							-	-	115,952	115,952
Other Purchased Services			\$ 286				24,972	45,000	-	70,258
Contracted Services Transportation							-	-	4,617	4,617
Travel							-	-	-	-
Miscellaneous Purchased Services							-	-	1,000	1,000
Supplies and Materials							63,583	8,197	47,876	119,656
Other Objects							-	-	9,880	9,880
Scholarship Awards						\$ 19,600	-	-	-	19,600
Total Support Services	-	-	286	-	-	19,600	804,185	598,409	2,020,815	3,443,295
Capital Outlay										
Construction Services								1,582,142		1,582,142
Instructional Equipment				\$ 3,799					161,655	165,454
Non-Instructional Equipment			16,339						308,817	325,156
Total Capital Outlay	-	-	16,339	3,799	-	-	-	1,582,142	470,472	2,072,752
Total Expenditures	\$ 5,598	\$ 10,639	\$ 16,625	\$ 3,799	\$ 291,260	\$ 19,600	\$ 3,039,343	\$ 2,989,167	\$ 4,162,853	\$ 10,538,884
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures										
Other Financing Sources										
Transfers In- General Fund					40,000				535,509	575,509
Net Changes in Fund Balances					(33,991)	170,439				136,448
Fund Balance, Beginning of Year					308,499	24,461				332,960
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ 274,508	\$ 194,900	\$ -	\$ -	\$ -	\$ 469,408

**HACKENSACK BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
PRESCHOOL - ALL PROGRAMS
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

EXPENDITURES	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Instruction					
Salaries of Teachers	\$ 1,065,198	\$ 117,518	\$ 1,182,716	\$ 1,077,683	\$ 105,033
Other Salaries for Instruction	448,988	27,537	476,525	393,198	83,327
Purchased Professional-Educational Services		-			-
Other Purchased Services	10,000	(6,639)	3,361	3,361	-
General Supplies	<u>35,000</u>	<u>92,658</u>	<u>127,658</u>	<u>126,351</u>	<u>1,307</u>
Total Instruction	<u>1,559,186</u>	<u>231,074</u>	<u>1,790,260</u>	<u>1,600,593</u>	<u>189,667</u>
Support Services					
Salaries of Supervisors of Instruction		88,448	88,448	88,448	-
Salaries of Other Professional Staff	335,423	66,886	402,309	211,242	191,067
Salaries of Secretarial and Clerical Assistants	49,359	48,519	97,878	49,845	48,033
Other Salaries	49,401	22,307	71,708	52,990	18,718
Salaries of Community Involvement Spec	30,750	-	30,750	30,584	166
Salaries of Master Teachers	146,565	71,570	218,135	166,917	51,218
Personal Services - Employee Benefits	530,939	7,576	538,515	490,910	47,605
Purchased Ed Services - Contracted Pre-K	593,819	(12,821)	580,998	376,327	204,671
Other Purchased Professional - Education Serv	15,000	21,365	36,365	34,108	2,257
Other Purchased Prof Services		261	261	261	-
Rentals	105,019	10,953	115,972	115,952	20
Purchased Property Service		-			-
Contracted Services Transportation	2,500	(895)	1,605		1,605
Travel	2,000	-	2,000		2,000
Miscellaneous Purchased Services	1,000	-	1,000	1,000	-
Supplies and Materials	<u>8,281</u>	<u>19,277</u>	<u>27,558</u>	<u>27,469</u>	<u>89</u>
Total Support Services	<u>1,870,056</u>	<u>343,446</u>	<u>2,213,502</u>	<u>1,646,053</u>	<u>567,449</u>
Capital Outlay					
Instructional Equipment	-	166,732	166,732	161,655	5,077
Noninstructional Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Outlay	<u>-</u>	<u>166,732</u>	<u>166,732</u>	<u>161,655</u>	<u>5,077</u>
Total Expenditures	<u>\$ 3,429,242</u>	<u>\$ 741,252</u>	<u>\$ 4,170,494</u>	<u>\$ 3,408,301</u>	<u>\$ 762,193</u>

Calculation of Budget Carryover

Total revised 2021-2022 Preschool Education Aid Allocation	\$ 2,836,521
Cancelled Prior Year Accounts Payable	-
General Fund Contribution	535,509
Add: Actual ECPA/PEA Carryover (June 30, 2021)	<u>764,265</u>
Total Preschool Ed. Aid Funds Available for 2021-2022 Budget	4,136,295
Less: 2021-2022 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>4,170,494</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2022	(34,199)
Add: June 30, 2022 Unexpended Preschool Education Aid	<u>762,193</u>
2021-2022 C/O - Preschool Education Aid Programs	<u>\$ 727,994</u>
2021-22 Preschool Education Aid C/O Budgeted in 2022-2023	<u>\$ 99,755</u>

CAPITAL PROJECTS FUND

HACKENSACK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Issue/ Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date Prior Years</u>	<u>Current Year</u>	<u>Transfer To General Fund</u>	<u>Unexpended Project Balance June 30, 2022</u>
Energy Savings Improvement Program	\$ 13,275,247	\$ 4,076,138	\$ 3,455,910		\$ 5,743,199
Acquisition of Chromebooks & Various Information Technology Items	1,027,723	1,020,418	-	\$ 7,305	-
Acquisition of Chromebooks	<u>1,445,265</u>	<u>-</u>	<u>1,445,265</u>	<u>-</u>	<u>-</u>
	<u>\$ 15,748,235</u>	<u>\$ 5,096,556</u>	<u>\$ 4,901,175</u>	<u>\$ 7,305</u>	<u>\$ 5,743,199</u>
Fund Balance, June 30, 2022 - GAAP Basis					<u>\$ 5,743,199</u>
 <u>Reconciliation to Fund Balance</u>					
Restricted for Capital Projects					
Year End Encumbrances					\$ 6,028,815
Available for Capital Projects					<u>(285,616)</u>
Total Fund Balance - Restricted for Capital Projects					<u>\$ 5,743,199</u>

**HACKENSACK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Revenues and Other Financing Sources	
Investment Earning	\$ 13,192
Other Financing Agreement Proceeds	1,445,265
	<hr/>
Total Revenues and Other Financing Sources	1,458,457
	<hr/>
Expenditures and Other Financing Uses	
Instruction	
General Supplies	1,445,265
Capital Outlay	
Other Professional Services	60,118
Construction Services	2,981,694
Debt Service	
Interest on ESIP Bonds	414,098
Transfers to General Fund	7,305
	<hr/>
Total Expenditures and Other Financing Uses	4,908,480
	<hr/>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,450,023)
Fund Balance- Beginning	9,193,222
	<hr/>
Fund Balance- Ending	\$ 5,743,199
	<hr/> <hr/>
<u>Reconciliation to GAAP</u>	
Fund Balance, End of Year - Budgetary Basis	\$ 5,743,199
	<hr/>
Fund Balance, June 30, 2022- GAAP	\$ 5,743,199
	<hr/> <hr/>

**HACKENSACK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
ENERGY SAVINGS IMPROVEMENT PROGRAM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Energy Savings Program Bond Proceeds	\$ 11,275,000		\$ 11,275,000	\$ 11,275,000
Premium on Energy Savings Bond Proceeds	1,986,791		1,986,791	1,986,791
Investment Earnings	<u>264</u>	<u>\$ 13,192</u>	<u>13,456</u>	<u>264</u>
 Total Revenues and Other Financing Sources	 <u>13,262,055</u>	 <u>13,192</u>	 <u>13,275,247</u>	 <u>13,262,055</u>
 Expenditures and Other Financing Uses				
Capital Outlay				
Other Professional Services - Architectural/Engineering	147,418	60,118	207,536	500,000
Construction Services	3,775,884	2,981,694	6,757,578	12,195,121
Debt Service				
Other Purchased Services - Cost of Issuance	152,836		152,836	152,836
Interest on ESIP Bonds	<u>-</u>	<u>414,098</u>	<u>414,098</u>	<u>414,098</u>
 Total Expenditures and Other Financing Uses	 <u>4,076,138</u>	 <u>3,455,910</u>	 <u>7,532,048</u>	 <u>13,262,055</u>
 Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 <u>\$ 9,185,917</u>	 <u>\$ (3,442,718)</u>	 <u>\$ 5,743,199</u>	 <u>\$ -</u>

**HACKENSACK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
ACQUISITION OF CHROMEBOOKS & VARIOUS INFORMATION TECHNOLOGY ITEMS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Other Financing Agreement Proceeds	\$ 1,027,407		\$ 1,027,407	\$ 1,027,407
Investment Earnings	<u>316</u>	<u>-</u>	<u>316</u>	<u>316</u>
Total Revenues and Other Financing Sources	<u>1,027,723</u>	<u>-</u>	<u>1,027,723</u>	<u>1,027,723</u>
Expenditures and Other Financing Uses				
Instruction				
General Supplies	1,020,418	-	1,020,418	1,020,418
Transfers to General Fund	<u>-</u>	<u>\$ 7,305</u>	<u>7,305</u>	<u>7,305</u>
Total Expenditures and Other Financing Uses	<u>1,020,418</u>	<u>7,305</u>	<u>1,027,723</u>	<u>1,027,723</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 7,305</u>	<u>\$ (7,305)</u>	<u>\$ -</u>	<u>\$ -</u>

**HACKENSACK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
ACQUISITION OF CHROMEBOOKS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Other Financing Agreement Proceeds	\$ -	\$ 1,445,265	\$ 1,445,265	\$ 1,445,265
Total Revenues and Other Financing Sources	<u>-</u>	<u>1,445,265</u>	<u>1,445,265</u>	<u>1,445,265</u>
Expenditures and Other Financing Uses				
Instruction				
General Supplies	<u>-</u>	<u>1,445,265</u>	<u>1,445,265</u>	<u>1,445,265</u>
Total Expenditures and Other Financing Uses	<u>-</u>	<u>1,445,265</u>	<u>1,445,265</u>	<u>1,445,265</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ENTERPRISE FUND

EXHIBIT G-1

**HACKENSACK BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

**HACKENSACK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, June 30, 2021.</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2022</u>
			<u>Date</u>	<u>Amount</u>					
2021 Energy Savings Incentive Program (ESIP) Refunding Bonds	5/12/2021	\$ 11,275,000	5/1/2023	\$ 445,000	4.00 %				
			5/1/2024	725,000	4.00				
			5/1/2025	345,000	4.00				
			5/1/2026	405,000	4.00				
			5/1/2027	435,000	4.00				
			5/1/2028	435,000	4.00				
			5/1/2029	465,000	4.00				
			5/1/2030	500,000	4.00				
			5/1/2031	535,000	4.00				
			5/1/2032	575,000	4.00				
			5/1/2033	615,000	4.00				
			5/1/2034	655,000	4.00				
			5/1/2035	700,000	4.00				
			5/1/2036	745,000	4.00				
			5/1/2037	795,000	4.00				
			5/1/2038	515,000	4.00				
			5/1/2039	550,000	3.00				
			5/1/2040	580,000	3.00				
			5/1/2041	610,000	3.00				
			5/1/2042	645,000	3.00				
			Totals			<u>\$ 11,275,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,275,000</u>

HACKENSACK BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS, OTHER FINANCING AGREEMENTS AND LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2021 (Restated)</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2022</u>
<u>Capital Financing Agreements</u>						
Phone System	\$ 800,000	2.934%	\$ 326,856		\$ 161,065	\$ 165,791
School Buses	400,000	2.380%	200,646		99,141	101,505
Copier Lease	216,116	2.390%	<u>108,603</u>	<u>-</u>	<u>53,659</u>	<u>54,944</u>
Total Capital Financing Agreements			<u>\$ 636,105</u>	<u>\$ -</u>	<u>\$ 313,865</u>	<u>\$ 322,240</u>
<u>Other Financing Agreements</u>						
2020 Chromebooks and Various Information Technology Items	1,027,407	1.056%	\$ 767,102		\$ 253,021	\$ 514,081
2022 Chromebook Lease	1,445,265	0.909%	<u>-</u>	<u>\$ 1,445,265</u>	<u>366,233</u>	<u>1,079,032</u>
Total Other Financing Agreements			<u>\$ 767,102</u>	<u>\$ 1,445,265</u>	<u>\$ 619,254</u>	<u>\$ 1,593,113</u>
<u>Leases Payable</u>						
School Building (Pre-K through K at St Francis School)	5,014,219	4.000%	<u>\$ 1,271,449</u>	<u>-</u>	<u>\$ 616,481</u>	<u>\$ 654,968</u>
Total Leases Payable			<u>\$ 1,271,449</u>	<u>\$ -</u>	<u>\$ 616,481</u>	<u>\$ 654,968</u>

HACKENSACK BOARD OF EDUCATION
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ -	-	\$ -	\$ -	-
Total Revenues	-	-	-	-	-
EXPENDITURES					
Regular Debt Service					
Principal		-			-
Interest	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	1	-	1	1	-
Fund Balance, End of Year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

STATISTICAL SECTION

This part of the Hackensack's Board of Education'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 government's overall financial health.

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

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

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

	as of June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities						(Restated)				
Net Investment in Capital Assets	\$ 15,447,155	\$ 17,935,592	\$ 17,953,621	\$ 18,092,071	\$ 17,223,376	\$ 17,704,621	\$ 23,002,316	\$ 23,194,990	\$ 25,156,982	\$ 28,524,036
Restricted	9,354,947	8,721,596	8,136,312	10,816,135	12,657,948	15,616,934	8,518,737	11,523,490	10,918,345	14,041,254
Unrestricted	(1,264,109)	(1,577,122)	(26,614,963)	(30,453,813)	(33,999,979)	(35,568,264)	(32,987,323)	(26,565,637)	(19,455,481)	(15,449,581)
Total Governmental Activities Net Position	<u>\$ 23,537,993</u>	<u>\$ 25,080,066</u>	<u>\$ (525,030)</u>	<u>\$ (1,545,607)</u>	<u>\$ (4,118,655)</u>	<u>\$ (2,246,709)</u>	<u>\$ (1,466,270)</u>	<u>\$ 8,152,843</u>	<u>\$ 16,619,846</u>	<u>\$ 27,115,709</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 344,984	\$ 346,164	\$ 318,696	\$ 291,668	\$ 326,094	\$ 326,579	\$ 382,705	\$ 571,561	\$ 522,703	\$ 644,847
Unrestricted	392,514	149,704	442,639	575,117	733,272	980,188	1,086,974	613,193	3,416,546	4,325,111
Total Business-Type Activities Net Position	<u>\$ 737,498</u>	<u>\$ 495,868</u>	<u>\$ 761,335</u>	<u>\$ 866,785</u>	<u>\$ 1,059,366</u>	<u>\$ 1,306,767</u>	<u>\$ 1,469,679</u>	<u>\$ 1,184,754</u>	<u>\$ 3,939,249</u>	<u>\$ 4,969,958</u>
District-wide										
Net Investment in Capital Assets	\$ 15,792,139	\$ 18,281,756	\$ 18,272,317	\$ 18,383,739	\$ 17,549,470	\$ 18,031,200	\$ 23,385,021	\$ 23,766,551	\$ 25,679,685	\$ 29,168,883
Restricted	9,354,947	8,721,596	8,136,312	10,816,135	12,657,948	15,616,934	8,518,737	11,523,490	10,918,345	14,041,254
Unrestricted	(871,595)	(1,427,418)	(26,172,324)	(29,878,696)	(33,266,707)	(34,588,076)	(31,900,349)	(25,952,444)	(16,038,935)	(11,124,470)
Total District Net Position	<u>\$ 24,275,491</u>	<u>\$ 25,575,934</u>	<u>\$ 236,305</u>	<u>\$ (678,822)</u>	<u>\$ (3,059,289)</u>	<u>\$ (939,942)</u>	<u>\$ 3,409</u>	<u>\$ 9,337,597</u>	<u>\$ 20,559,095</u>	<u>\$ 32,085,667</u>

Note 1 - Net Position at June 30, 2015 reflects the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Note 2 - Net Position at June 30, 2020 was restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities" and a correction of an error for compensated absences liability.

Note 3 - Net Position at June 30, 2021 was restated to reflect the implementation of GASB Statement No. 87 "Leases".

Source: District financial statements

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

	For the Fiscal Year Ended June 30.									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 33,789,219	\$ 33,354,824	\$ 39,560,046	\$ 45,499,116	\$ 48,403,666	\$ 47,378,571	\$ 61,409,161	\$ 58,774,895	\$ 66,549,132	\$ 60,077,285
Special Education	11,115,653	11,333,736	12,925,784	15,010,597	17,289,908	16,621,434	27,386,726	27,125,449	28,951,522	26,598,436
Other Instruction	2,051,464	2,328,603	2,753,555	3,224,878	3,449,483	3,210,306	3,738,828	3,589,091	3,747,029	3,729,509
School Sponsored Activities and Athletics	2,033,545	1,881,660	1,744,437	1,970,847	2,227,997	2,269,278	2,267,830	1,768,094	1,858,461	1,806,271
Support Services:										
Tuition	5,753,383	5,850,284	5,300,618	6,044,410	6,678,148	7,000,963				
Student & Instruction Related Services	13,630,248	13,795,797	15,296,922	17,791,998	19,302,967	17,540,603	21,465,340	20,689,562	23,316,910	22,052,393
General Administrative Services	877,269	962,018	4,824,863	1,065,390	1,177,771	1,330,245	1,774,589	1,123,138	1,827,057	1,327,663
School Administrative Services	3,807,103	3,738,373	1,231,913	5,356,535	6,175,303	6,182,749	7,551,630	7,524,095	7,361,203	6,586,164
Central Administration and Info. Technology	1,627,556	1,995,738	2,229,429	2,377,684	2,489,029	2,475,056	2,563,278	3,190,296	3,392,599	2,817,535
Plant Operations and Maintenance	6,741,300	7,620,236	9,401,587	9,758,225	10,227,734	9,730,533	11,594,792	12,201,920	12,303,949	12,678,112
Pupil Transportation	1,833,554	1,978,391	2,407,699	2,794,002	3,087,134	2,505,866	3,023,372	2,943,653	1,622,672	3,537,667
Unallocated Benefits	9,345,453	8,331,799	9,993,897	12,469,212	15,852,579	22,686,341				
Allocated Benefits	6,305,195	8,397,609	8,032,117							
Special Schools										
Charter Schools	1,287,670	2,478,864	2,990,864	2,637,660	3,185,751	3,287,937				
Interest on Long-Term Debt	186,561	165,390	145,108	127,381	114,440	82,095	57,839	28,078	78,081	352,369
Unallocated Depreciation	976,090	1,104,117	1,161,461	1,115,703	1,142,749	1,143,311				
Amortization and Capital Lease Obligations	(33,956)	(33,956)	(33,956)	(33,956)	(33,956)	(33,956)				
Capital Outlay - Nondepreciable	125,489	243,549	64,638	37,814	1,128,571	836,338				
Total Governmental Activities Expenses	<u>101,452,796</u>	<u>105,527,032</u>	<u>120,030,982</u>	<u>127,247,496</u>	<u>141,899,274</u>	<u>144,247,670</u>	<u>142,833,385</u>	<u>138,958,271</u>	<u>151,008,615</u>	<u>141,563,404</u>
Business-Type Activities:										
Food service	2,519,991	2,699,334	2,336,040	2,422,862	2,400,207	2,427,100	2,737,472	2,484,552	2,610,116	3,815,723
Total Business-Type Activities Expense	<u>2,519,991</u>	<u>2,699,334</u>	<u>2,336,040</u>	<u>2,422,862</u>	<u>2,400,207</u>	<u>2,427,100</u>	<u>2,737,472</u>	<u>2,484,552</u>	<u>2,610,116</u>	<u>3,815,723</u>
Total District Expenses	<u>\$ 103,972,787</u>	<u>\$ 108,226,366</u>	<u>\$ 122,367,022</u>	<u>\$ 129,670,358</u>	<u>\$ 144,299,481</u>	<u>\$ 146,674,770</u>	<u>\$ 145,570,857</u>	<u>\$ 141,442,823</u>	<u>\$ 153,618,731</u>	<u>\$ 145,379,127</u>
Program Revenues										
Governmental Activities:										
Charges for Services							\$ 7,089,863	\$ 7,183,378	\$ 5,900,740	\$ 5,257,746
Operating Grants and Contributions	4,190,989	4,007,107	3,778,533	4,368,622	3,852,009	4,537,785	40,793,399	38,377,215	52,107,989	39,174,595
Capital Grants and Contributions	125,124	7,390	9,112	4,254	4,285	2,875	27,500	13,058	143,431	132,919
Total Governmental Activities Program Revenues	<u>\$ 4,316,113</u>	<u>\$ 4,014,497</u>	<u>\$ 3,787,645</u>	<u>\$ 4,372,876</u>	<u>\$ 3,856,294</u>	<u>\$ 4,540,660</u>	<u>\$ 47,910,762</u>	<u>\$ 45,573,651</u>	<u>\$ 58,152,160</u>	<u>\$ 44,565,260</u>
Business-Type Activities:										
Charges for services										
Food Service	\$ 424,644	\$ 478,178	\$ 438,598	\$ 335,273	\$ 437,568	\$ 427,223	\$ 471,145	\$ 303,497	\$ 16,181	\$ 88,688
Operating Grants and Contributions	1,921,521	1,977,656	2,138,555	2,187,382	2,155,209	2,241,332	2,429,239	1,896,130	5,334,755	4,757,744
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	<u>2,346,165</u>	<u>2,455,834</u>	<u>2,577,153</u>	<u>2,522,655</u>	<u>2,592,777</u>	<u>2,668,555</u>	<u>2,900,384</u>	<u>2,199,627</u>	<u>5,350,936</u>	<u>4,846,432</u>
Total District Program Revenues	<u>\$ 6,662,278</u>	<u>\$ 6,470,331</u>	<u>\$ 6,364,798</u>	<u>\$ 6,895,531</u>	<u>\$ 6,449,071</u>	<u>\$ 7,209,215</u>	<u>\$ 50,811,146</u>	<u>\$ 47,773,278</u>	<u>\$ 63,503,096</u>	<u>\$ 49,411,692</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (97,136,683)	\$ (101,512,535)	\$ (116,243,337)	\$ (122,874,620)	\$ (138,042,980)	\$ (139,707,010)	\$ (94,922,623)	\$ (93,384,620)	\$ (92,856,455)	\$ (96,998,144)
Business-Type Activities	(173,826)	(243,500)	241,113	99,793	192,570	241,455	162,912	(284,925)	2,740,820	1,030,709
Total District-Wide Net Expense	<u>\$ (97,310,509)</u>	<u>\$ (101,756,035)</u>	<u>\$ (116,002,224)</u>	<u>\$ (122,774,827)</u>	<u>\$ (137,850,410)</u>	<u>\$ (139,465,555)</u>	<u>\$ (94,759,711)</u>	<u>\$ (93,669,545)</u>	<u>\$ (90,115,635)</u>	<u>\$ (95,967,435)</u>

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

	For the Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property taxes levied for general purposes, net	\$ 68,520,822	\$ 71,216,667	\$ 73,389,592	\$ 74,857,383	\$ 79,062,039	\$ 81,256,564	\$ 82,865,444	\$ 84,522,752	\$ 85,283,457	\$ 86,136,292
Property taxes levied for debt service	572,182	654,712	757,906	725,525	696,645	664,813	635,813	623,263		
Unrestricted grants and contributions	23,271,486	21,970,153	33,950,195	38,124,112	47,401,576	51,319,112	11,552,967	14,254,090	15,654,463	20,925,184
Tuition Received	7,859,900	8,543,020	8,492,535	7,943,156	8,129,712	7,651,040				
Investment earnings	4,630	320	4,241	10,786	16,446	33,630	210,977	210,699	59,378	51,680
Miscellaneous income	608,385	669,736	697,352	198,585	161,514	973,876	437,861	328,663	608,440	380,851
Transfers			(21,554)	(5,504)					(13,675)	
Total Governmental Activities	100,837,405	103,054,608	117,270,267	121,854,043	135,467,932	141,899,035	95,703,062	99,939,467	101,592,063	107,494,007
Business-Type Activities:										
Investment earnings	163	199	152	153	11					
Miscellaneous Income	33,370	1,671	2,648			5,946				
Transfers			21,554	5,504					13,675	
Total Business-Type Activities	33,533	1,870	24,354	5,657	11	5,946	-	-	13,675	-
Total District-Wide	\$ 100,870,938	\$ 103,056,478	\$ 117,294,621	\$ 121,859,700	\$ 135,467,943	\$ 141,904,981	\$ 95,703,062	\$ 99,939,467	\$ 101,605,738	\$ 107,494,007
Change in Net Position										
Governmental Activities	\$ 3,700,722	\$ 1,542,073	\$ 1,026,930	\$ (1,020,577)	\$ (2,575,048)	\$ 2,192,025	\$ 780,439	\$ 6,554,847	\$ 8,735,608	\$ 10,495,863
Business-Type Activities	(140,293)	(241,630)	265,467	105,450	192,581	247,401	162,912	(284,925)	2,754,495	1,030,709
Total District	\$ 3,560,429	\$ 1,300,443	\$ 1,292,397	\$ (915,127)	\$ (2,382,467)	\$ 2,439,426	\$ 943,351	\$ 6,269,922	\$ 11,490,103	\$ 11,526,572

Source: District financial statements

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 1,911,097	\$ 4,430,263	\$ 8,136,294	\$ 10,200,658	\$ 11,020,459	\$ 13,418,250	\$ 13,184,269	\$ 16,877,653	\$ 18,024,782	\$ 20,192,032
Committed							-	688,720		
Assigned	6,884,100	4,291,196	2,613,807	615,459	1,637,489	2,198,684	1,170,127	2,634,393	5,807,549	8,214,794
Unassigned	1,488,724	1,300,578	843,264	1,089,606	935,090	793,394	(261,120)	(508,601)	1,582,140	473,514
Total General Fund	<u>\$ 10,283,921</u>	<u>\$ 10,022,037</u>	<u>\$ 11,593,365</u>	<u>\$ 11,905,723</u>	<u>\$ 13,593,038</u>	<u>\$ 16,410,328</u>	<u>\$ 14,093,276</u>	<u>\$ 19,692,165</u>	<u>\$ 25,414,471</u>	<u>\$ 28,880,340</u>
All Other Governmental Funds										
Restricted							\$ 158,040	\$ 379,832	\$ 9,526,183	\$ 6,212,608
Committed	\$ 418,023									
Assigned	141,727	137	18	18						
Unassigned										
Total All Other Governmental Funds	<u>\$ 559,750</u>	<u>\$ 137</u>	<u>\$ 18</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,040</u>	<u>\$ 379,832</u>	<u>\$ 9,526,183</u>	<u>\$ 6,212,608</u>

Note 1 - Fund Balances as of June 30, 2020 have been restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".

Source: District financial statements

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Property Tax levy	\$ 69,093,004	\$ 71,871,379	\$ 74,147,498	\$ 75,582,908	\$ 79,758,684	\$ 81,921,377	\$ 83,501,257	\$ 85,146,015	\$ 85,283,457	\$ 86,136,292
Tuition	7,859,900	8,543,020	8,492,535	7,943,156	8,129,712	7,651,040	6,989,382	7,083,222	5,713,794	5,040,477
Interest Earnings	4,630	320	4,241	10,786	16,446	33,630	210,977	210,699	59,378	51,680
Miscellaneous	621,355	670,620	697,352	198,585	161,514	973,876	538,342	428,819	795,386	788,159
State Sources	24,087,294	22,731,077	23,976,186	25,595,547	27,118,735	31,428,514	37,373,225	42,912,755	49,201,328	60,898,634
Federal Sources	3,498,111	3,252,689	3,316,277	3,853,908	3,097,730	3,456,224	3,445,154	3,421,997	5,404,278	4,637,069
Total Revenues	105,164,294	107,069,105	110,634,089	113,184,890	118,282,821	125,464,661	132,058,337	139,203,507	146,457,621	157,552,311
Expenditures										
Instruction										
Regular Instruction	30,756,018	31,158,011	32,526,740	33,726,562	33,224,664	34,661,348	54,798,763	55,407,509	59,902,853	64,129,873
Special Education Instruction	9,957,533	10,463,045	10,245,356	10,450,990	10,962,493	11,313,451	25,412,935	26,255,293	27,018,176	28,294,207
Other Instruction	1,838,115	2,150,846	2,178,302	2,234,337	2,193,068	2,176,804	3,290,741	3,375,233	3,321,597	4,044,096
School Sponsored Activities and Athletics	1,864,498	1,770,382	1,476,210	1,510,947	1,599,235	1,725,248	2,110,886	1,713,625	1,753,382	1,881,155
Support Services:										
Instruction - Tuition	5,753,383	5,850,284	5,300,618	6,044,410	6,678,148	7,000,963				
Attendance and Social Work Services	9,045	10,400	10,000	10,000	10,025	12,500				
Health Services	861,884	890,880	941,811	966,533	967,420	927,182				
Student & Inst. Related Services	11,639,734	12,048,869	11,652,786	12,227,179	12,395,976	11,999,909	19,260,335	19,630,380	21,210,950	23,662,603
General Administrative Services	835,180	3,453,363	3,822,606	872,452	929,077	1,091,233	1,727,546	1,102,718	1,613,581	1,395,189
School Administrative Services	3,409,905	929,071	1,120,063	3,705,997	3,906,676	4,195,262	6,707,138	7,140,247	6,614,034	7,217,171
Central Services and Info. Technology	1,483,117	1,872,608	1,844,386	1,706,302	1,682,347	1,794,776	2,327,566	3,079,091	3,150,977	2,974,403
Plant Operations and Maintenance	6,321,376	7,311,018	8,396,580	8,065,046	7,958,977	7,981,821	10,091,133	10,832,833	10,569,301	11,395,560
Pupil Transportation	1,826,799	1,974,200	2,394,399	2,768,977	3,063,355	2,483,988	3,003,297	2,924,892	1,598,929	3,533,250
Allocated Employee Benefits	6,305,195	8,397,609	8,032,117							
Unallocated Employee Benefits	6,714,485	4,956,683	5,321,619	13,556,417	14,129,465	15,227,477				
TPAF Pension/Social Security	9,217,396	8,203,459	9,428,672	10,994,683	12,463,706	14,511,019	-			
Charter Schools	1,287,670	2,478,864	2,990,864	2,637,660	3,185,751	3,287,937				
Capital Outlay	1,510,974	3,187,147	600,172	663,011	1,472,478	2,391,640	4,864,802	2,288,208	8,020,887	8,289,360
Debt service:										
Principal	620,000	615,000	610,000	595,000	585,000	580,000	1,344,054	1,558,183	904,501	1,549,600
Interest and other charges	190,100	168,863	148,025	130,525	111,663	84,813	87,097	66,528	32,483	478,815
Cost of Issuance									152,836	
Total Expenditures	102,402,405	107,890,602	109,041,326	112,867,028	117,519,524	123,447,371	135,026,293	135,374,740	145,864,487	158,845,282
Excess (Deficiency) of Revenues over (under) Expenditures	2,761,889	(821,497)	1,592,763	317,862	763,297	2,017,290	(2,967,956)	3,828,767	593,134	(1,292,971)
Other Financing sources (uses)										
Transfers in	219,312	162,248	461,344	388,929	377,450	411,499	411,499	413,376	789,652	582,814
Transfers out	(219,312)	(162,248)	(482,898)	(394,433)	(377,450)	(411,499)	(411,499)	(413,376)	(803,327)	(582,814)
ESIP Bond Proceeds									11,275,000	
Premium on Issuance of ESIP Bonds									1,986,791	
Financing Agreement Proceeds (Non-Budgeted)					924,000	800,000	-	616,116	1,027,407	1,445,265
Total Other Financing Sources (Uses)	-	-	(21,554)	(5,504)	924,000	800,000	-	616,116	14,275,523	1,445,265
Net Change in Fund Balances	\$ 2,761,889	\$ (821,497)	\$ 1,571,209	\$ 312,358	\$ 1,687,297	\$ 2,817,290	\$ (2,967,956)	\$ 4,444,883	\$ 14,868,657	\$ 152,294
Debt service as a percentage of noncapital expenditures										
	0.80%	0.75%	0.70%	0.65%	0.60%	0.55%	1.10%	1.22%	0.68%	1.35%

* Noncapital expenditures are total expenditures less capital outlay and debt service.

Source: District financial statements

**HACKENSACK BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Interest Earned	Tuition	Rentals	E-Rate	Refunds	Miscellaneous	Total
2013	\$ 4,630	\$ 7,859,900	\$ 54,388		\$ 110,847	\$ 443,031	\$ 8,472,796
2014	320	8,543,020	40,104		119,359	510,255	9,213,058
2015	4,241	8,492,535	30,450		14,087	652,815	9,194,128
2016	56,293	4,943,156	141,642			10,356	5,151,447
2017	52,652	8,129,712	122,978		647		8,305,989
2018	126,613	7,651,040	62,300		11,535	807,058	8,658,546
2019	210,247	6,989,382	100,481			437,861	7,737,971
2020	208,636	7,083,222	100,156		121,652	207,011	7,720,677
2021	58,761	5,713,794	90,489	\$ 56,465	94,644	366,842	6,380,995
2022	38,488	5,040,477	50,040	54,304	159,606	116,901	5,459,816

Source: District financial statements

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2013	\$ 48,369,100	\$ 1,995,196,200			\$ 1,718,956,070	\$ 288,435,400	\$ 879,727,000	\$ 4,930,683,770	\$ 21,534,684	\$ 4,952,218,454	\$ 5,607,198,120	\$ 1.424
2014	47,055,600	1,974,545,090			1,752,931,970	283,867,900	882,157,400	4,940,557,960		4,940,557,960	5,312,764,739	1.478
2015	48,420,800	1,964,113,450			1,721,451,400	277,317,000	862,744,900	4,874,047,550		4,874,047,550	5,508,010,175	1.551
2016	42,509,300	1,883,698,300			1,926,523,500	315,236,600	994,241,400	5,162,209,100		5,162,209,100	5,162,209,100	1.491
2017	57,910,900	1,941,114,800			1,913,353,700	322,384,000	1,025,760,400	5,260,523,800		5,260,523,800	5,260,253,800	1.537
2018	67,181,700	1,972,039,200			1,953,822,500	326,749,900	1,068,679,400	5,388,472,700		5,388,472,700	5,556,091,429	1.536
2019	61,899,700	2,014,583,100			1,974,594,400	323,042,200	1,169,973,000	5,544,092,400		5,544,092,400	5,741,485,756	1.521
2020	68,958,300	2,056,633,000			1,961,591,500	333,360,200	1,225,258,500	5,645,801,500		5,645,801,500	5,794,104,130	1.510
2021	73,784,300	2,103,579,500			1,917,220,650	326,401,500	1,155,682,200	5,576,668,150		5,576,668,150	5,968,392,164	1.537
2022	65,174,700	2,512,702,100			2,272,606,600	450,618,700	1,537,240,800	6,838,342,900	-	6,838,342,900	6,538,713,040	1.269

Source: County Abstract of Ratables

901

^a Tax rates are per \$100
 *

HACKENSACK BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)
(rate per \$100 of assessed value)

Calendar Year	Total Direct School Tax Rate	City of Hackensack	Bergen County	Total Direct and Overlapping Tax Rate
2013	\$ 1.420	\$ 1.540	\$ 0.260	\$ 3.220
2014	1.480	1.610	0.240	3.330
2015	1.550	1.690	0.260	3.500
2016	1.490	1.640	0.250	3.380
2017	1.540	1.640	0.240	3.420
2018	1.536	1.629	0.248	3.413
2019	1.521	1.585	0.251	3.357
2020	1.510	1.552	0.247	3.309
2021	1.537	1.565	0.256	3.358
2022	1.269	1.306	0.227	2.802

Source: Municipal Tax Collector

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

Taxpayer	2022		2013	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
20 Prospect Avenue (HUMC)	\$ 155,801,300	2.28%	\$ 126,774,000	2.50%
Riverside Squre LTD	136,000,000	1.99%	156,048,800	3.08%
Continental Plaza (401, 411 & 433 Hack Ave)	107,891,200	1.58%		
300 Prospect - Prospect Place	99,094,100	1.45%		
240 Prospect - JP Summit Apts.	77,070,000	1.13%		
Hackensack VF, LLC (Vornado)	75,000,000	1.10%	71,639,700	1.41%
Bloomindale's Inc	70,000,000	1.02%	35,917,300	0.71%
Quail Heights Partnership			41,125,000	0.81%
S&A Commercial - 185 Prospect	68,184,000	1.00%		
Avalon - 414 Hackensack	64,203,000	0.94%		
Stellar Capital Management			51,455,400	1.01%
Court Plaza Associates	63,619,200	0.93%	48,000,000	0.95%
Pierre Towers			37,000,000	0.73%
Bart VII, LLC			38,902,800	0.77%
10 Hackensack Avenue			35,631,700	0.70%
	<u>\$ 916,862,800</u>	<u>13.41%</u>	<u>\$ 642,494,700</u>	<u>12.67%</u>

Source: Municipal Tax Assessor

**HACKENSACK BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 69,093,004	\$ 69,093,004	100.00%	
2014	71,871,379	71,871,379	100.00%	
2015	74,147,498	74,147,498	100.00%	
2016	75,582,908	75,582,908	100.00%	
2017	79,758,684	79,758,684	100.00%	
2018	81,921,377	81,921,377	100.00%	
2019	83,501,257	83,501,257	100.00%	
2020	85,146,015	85,146,015	100.00%	
2021	85,283,457	85,277,183	99.99%	\$ 6,274
2022	86,136,292	86,130,018	99.99%	6,274

Source: District financial records

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

Fiscal Year Ended June 30,	Governmental Activities			Leases	Total District	Population	Per Capita
	General Obligation and ESIP Bonds	Capital and Other Financing Agreements					
2013	\$ 4,160,000	\$ 552,286			\$ 4,712,286	43,409	\$ 109
2014	3,545,000	279,913			3,824,913	43,515	88
2015	2,935,000	-			2,935,000	44,185	66
2016	2,340,000	-			2,340,000	44,286	53
2017	1,755,000	688,809			2,443,809	44,268	55
2018	1,175,000	1,262,399			2,437,399	44,519	55
2019	595,000	1,627,368			2,222,368	44,358	50
2020	-	1,280,301			1,280,301	44,189	29
2021	11,275,000	1,403,207			12,678,207	43,981	288
2022	11,275,000	1,915,353	\$ 654,968		13,845,321	45,646	303

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation and ESIP Bonds	Deductions			
2013	\$ 4,160,000		\$ 4,160,000	0.08% *	\$ 96
2014	3,545,000		3,545,000	0.07%	81
2015	2,935,000		2,935,000	0.06%	66
2016	2,340,000		2,340,000	0.05%	53
2017	1,755,000		1,755,000	0.03%	40
2018	1,175,000		1,175,000	0.02%	26
2019	595,000		595,000	0.01%	13
2020	-		-	0.00%	-
2021	11,275,000		11,275,000	0.20%	256
2022	11,275,000		11,275,000	0.16%	247

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

* The Borough underwent a revaluation effective calendar year 2013

**HACKENSACK BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES BONDED DEBT
AS OF DECEMBER 31, 2021
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Hackensack Board of Education (As of June 30, 2022)	\$ 11,275,000
City of Hackensack	<u>106,076,762</u>
	<u>117,351,762</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	47,352,418
Bergen County Utilities Authority - Water Pollution (B)	<u>22,668,391</u>
	<u>70,020,809</u>
Total Direct and Overlapping Debt	<u><u>\$ 187,372,571</u></u>

Source:

(1) City of Hackensack's 2021 Annual Debt Statement

(A) The debt for this entity was apportioned to the City of Hackensack by dividing the municipality's 2021 equalized value by the total 2021 equalized value for Bergen County.

(B) Overlapping debt was computed based upon municipal flow to the Authority.

HACKENSACK BOARD OF EDUCATION
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized valuation basis	
	2021	\$ 6,210,098,163
	2020	5,946,704,761
	2019	5,951,151,138
	[A]	<u>\$ 18,107,954,062</u>
Average equalized valuation of taxable property	[A/3]	\$ 6,035,984,687
Debt limit (4 % of average equalization value)	[B]	241,439,387 a
Total Net Debt Applicable to Limit	[C]	
Legal debt margin	[B-C]	<u>\$ 241,439,387</u>

Fiscal Year Ended June 30,

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 229,860,092	\$ 221,207,837	\$ 218,298,105	\$ 223,061,645	\$ 227,501,240	\$ 229,364,335	\$ 228,279,753	\$ 233,145,744	\$ 236,738,705	\$ 241,439,387
Total net debt applicable to limit	<u>4,160,000</u>	<u>3,545,000</u>	<u>2,935,000</u>	<u>2,340,000</u>	<u>1,755,000</u>	<u>1,175,000</u>	<u>595,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 225,700,092</u>	<u>\$ 217,662,837</u>	<u>\$ 215,363,105</u>	<u>\$ 220,721,645</u>	<u>\$ 225,746,240</u>	<u>\$ 228,189,335</u>	<u>\$ 227,684,753</u>	<u>\$ 233,145,744</u>	<u>\$ 236,738,705</u>	<u>\$ 241,439,387</u>
Total net debt applicable to the limit as a percentage of debt limit	1.81%	1.60%	1.34%	1.05%	0.77%	0.51%	0.26%	0.00%	0.00%	0.00%

Note 1 - ESIP Refunding Bonds are an exception to the District's debt limitation.

Source: Annual Debt Statements

**HACKENSACK BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2013	43,409	\$ 68,591	7.70%
2014	43,515	71,773	6.50%
2015	44,185	71,286	5.50%
2016	44,286	73,883	5.00%
2017	44,268	77,323	4.70%
2018	44,519	78,836	4.30%
2019	44,358	81,024	3.70%
2020	44,189	85,191	11.40%
2021	43,981	88,241	7.30%
2022	45,646	91,972	N/A

N/A - Not Available

Source: New Jersey State Department of Education

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

	<u>2022</u>		<u>2013</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

NOT AVAILABLE

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020 *	2021	2022
Instruction										
Regular	310	284	280	526	427	438	444	327	302	380
Special Education	220	184	193	105	128	163	101	110	108	108
Other Special Education							70	60	113	60
Support Services:										
Student & instruction related services	87	87	89	60	86	40	86	133	84	92
General administrative services	6	6	4	3	4	5	18	6	7	7
School administrative services	60	63	37	36	38	39	49	41	35	42
Business Administrative Services	14	14	17	14	14	18	12	15	20	21
Plant operations and maintenance	81	68	65	51	62	56	76	58	55	55
Pupil transportation							1	1	1	
Total	778	706	685	795	759	759	857	751	726	765

Source: District Personnel Records

* Count Discrepancy due to FTE's not properly recorded in prior years

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

Teacher/Pupil
 Ratio

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Teacher/Pupil Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2013	5,384	\$ 100,081,331	\$ 18,589	1.96%	531	1:10	1:10	1:12	5,406	5,261	3.48%	97.32%
2014	5,506	103,919,592	18,874	1.53%	467	1:12	1:12	1:12	5,463	5,232	1.05%	95.77%
2015	5,673	107,704,683	18,985	0.59%	473	1:12	1:11	1:13	5,631	5,391	3.08%	95.74%
2016	5,690	111,483,996	19,593	3.20%	631	1:8	1:09	1:11	5,662	5,444	0.55%	96.15%
2017	5,657	115,350,383	20,391	4.07%	555	1:10	1:10	1:11	5,645	5,451	-0.30%	96.56%
2018	5,678	120,390,918	21,203	3.98%	601	1:8	1:10	1:12	5,673	5,403	0.50%	95.24%
2019	5,770	128,730,340	22,310	5.22%	545	1:11	1:10	1:10	5,729	5,451	0.99%	95.15%
2020	5,626	131,461,821	23,367	4.74%	437	Not Provided	Not Provided	Not Provided	5,617	5,448	-1.95%	96.99%
2021	5,491	136,753,780	24,905	6.58%	431	Not Provided	Not Provided	Not Provided	5,473	5,006	-2.57%	91.46%
2022	5,817	148,527,507	25,533	2.52%	488	Not Provided	Not Provided	Not Provided	5,343	4,915	-2.37%	91.99%

Sources: District records

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

**HACKENSACK BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>District Building</u>										
<u>Elementary</u>										
Nellie K. Parker School										
Square Feet	80,280	80,280	80,280	80,280	80,280	80,280	80,280	80,280	80,280	80,280
Capacity (students)	539	539	539	539	539	539	539	539	539	539
Enrollment	568	541	581	585	575	542	495	533	458	548
Fairmount School										
Square Feet	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000
Capacity (students)	611	611	611	611	611	611	611	611	611	611
Enrollment	670	601	579	581	557	560	603	617	546	577
Fanny M. Hillers School										
Square Feet	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Capacity (students)	526	526	526	526	526	526	526	526	526	526
Enrollment	562	504	569	583	575	532	519	571	435	482
Jackson Avenue School										
Square Feet	60,800	60,800	60,800	60,800	60,800	60,800	60,800	60,800	60,800	60,800
Capacity (students)	434	434	434	434	434	434	434	434	434	434
Enrollment	454	399	433	430	424	413	424	443	415	439
ECDC										
Square Feet		40,309	40,309	40,309	40,309	40,309	40,309	40,309	40,309	40,309
Capacity (students)		490	490	490	490	490	490	490	490	490
Enrollment		280	275	309	276	265	277	290	210	233
<u>Middle School</u>										
Middle School										
Square Feet	103,293	141,932	141,932	141,932	141,932	141,932	141,932	141,932	141,932	141,932
Capacity (students)	1,161	1,161	1,161	1,161	1,161	1,161	1,161	1,161	1,161	1,161
Enrollment	1,327	1,406	1,395	1,401	1,415	1,465	1,509	1,571	1,570	1,535
<u>High School</u>										
Hackensack High School										
Square Feet	158,243	267,349	267,349	267,349	267,349	267,349	267,349	267,349	267,349	267,349
Capacity (students)	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064
Enrollment	1,803	1,775	1,816	1,813	1,835	1,901	1,943	1,909	1,810	1,953

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Other										
Administration Building										
Square Feet	10,000	7,516	7,516	7,516	7,516	7,516	7,516	7,516	7,516	7,516

Number of Schools at June 30, 2022
Elementary = 5
Middle School = 1
High School = 2
Other School = 2

Source: District Records

**HACKENSACK BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)**

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

	Project # (s)	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>School Facilities</u>											
Hackensack High School	N/A	\$ 277,050	\$ 325,944	\$ 406,956	\$ 289,651	\$ 311,184	\$ 345,441	\$ 455,351	\$ 632,489	\$ 782,478	\$ 1,135,347
Middle School	N/A	158,843	173,039	216,047	153,772	165,203	183,389	241,740	578,160	530,422	769,623
Nellie K. Parker School	N/A	66,681	97,875	122,201	86,977	93,443	103,730	136,734	144,363	237,705	344,901
Fairmount School	N/A	66,083	74,369	92,854	66,088	71,002	78,818	103,896	111,491	170,273	247,059
Fanny M. Hillers School	N/A	145,988	97,534	121,775	86,673	93,117	103,368	136,257	146,529	242,587	351,984
Jackson Avenue School	N/A	113,845	74,125	92,549	65,872	70,769	78,559	103,555	111,492	186,217	270,195
ECDC	N/A		49,144	61,358	43,672	46,918	52,083	68,655	91,984	131,056	190,158
Administration Building	N/A	3,966	9,163	11,441	8,143	8,748	9,712	12,801	15,963	27,072	39,280
Total School Facilities		<u>832,456</u>	<u>901,193</u>	<u>1,125,181</u>	<u>800,848</u>	<u>860,384</u>	<u>955,100</u>	<u>1,258,989</u>	<u>1,832,471</u>	<u>2,307,810</u>	<u>3,348,547</u>
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		<u>\$ 832,456</u>	<u>\$ 901,193</u>	<u>\$ 1,125,181</u>	<u>\$ 800,848</u>	<u>\$ 860,384</u>	<u>\$ 955,100</u>	<u>\$ 1,258,989</u>	<u>\$ 1,832,471</u>	<u>\$ 2,307,810</u>	<u>\$ 3,348,547</u>

Source: District Records

Source: School District's financial statements

HACKENSACK BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2022
(Unaudited)

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>	
NJ School Board Association Insurance Group/North Jersey Educational Insurance Fund	Property -			
	Real and Personal Property	\$ 500,000,000	\$ 5,000	
	Total Building and Content Insured Value	\$ 188,358,960		
	Extra Expense	\$ 50,000,000	\$ 5,000	
	Valuable Papers and Records	\$ 10,000,000	\$ 5,000	
	Demolition and Increased Cost of Construction	\$ 25,000,000	N/A	
	Loss of Rents	Not Covered	N/A	
	Loss of Business Income/Tuition	\$ 7,000,000	5,000	
	Limited Builders Risk	\$ 10,000,000	5,000	
	Fire Department Service Charge	\$ 10,000	N/A	
	Arson Reward	\$ 10,000	N/A	
	Pollutant Cleanup and Removal	\$ 250,000	N/A	
	Sublimits: Special Flood Hazard Area Flood Zones	\$ 25,000,000	\$ 1,000,000	
	Accounts Receivable	\$ 250,000	N/A	
	All Flood Zones	75,000,000	\$ 10,000	
	Earthquake	\$ 50,000,000	N/A	
	Terrorism	\$ 1,000,000	N/A	
	Electronic Data Processing -			
	Data Processing Equipment	Included	\$ 1,000	
	Equipment -			
Combined Single Limit per Accident for Property Damage and Business Income	\$ 100,000,000	\$ 5,000		
Crime -				
Public Employee Dishonesty with Faithful Performance	\$ 500,000	\$ 1,000		
Theft, Disappearance and Destruction - Loss of Money & Securities On or Off Premises	\$ 50,000	\$ 500		
Theft, Disappearance and Destruction - Money Orders & Counterfeit Paper Currency	\$ 50,000	\$ 500		
Forgery or Alteration	\$ 50,000	\$ 500		
Computer Fraud	\$ 50,000	\$ 500		
Comprehensive General Liability -				
Bodily Injury and Property Damage	\$ 31,000,000	N/A		
Products and Completed Operations	\$ 31,000,000	N/A		
Sexual Abuse	\$ 15,000,000	N/A		
Personal Injury and Advertising Injury	\$ 31,000,000	N/A		
Employee Benefits Liability	\$ 31,000,000	\$ 1,000		
Terrorism	Included	N/A		
Automobile -				
Bodily Injury and Property Damage	\$ 31,000,000	N/A		
Workers Compensation- Part 1 Statutory/ Part 2 \$3,000,000	Statutory			
School Leaders' Errors and Omissions -				
QBE coverage A and B (each policy period)	100,000/\$300,000	\$15,000		
NJSIG (each policy period)	\$30,000,000	N/A		
TRAVELERS	Travelers Statutory Bond-			
Dora Zeno	\$500,000	N/A		
Lydia Singh	\$500,000	N/A		
BRIT	Cyber liability Insurance-	\$500,000	\$50,000	
LIBERTY MUTUAL	Student Accident- Base	25,000	0 per injury	

Source: District Records

SINGLE AUDIT SECTION

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Hackensack Board of Education
Hackensack, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hackensack Board of Education as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Hackensack Board of Education's basic financial statements and have issued our report thereon dated January 25, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hackensack Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which are described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Hackensack Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 25, 2023.

Hackensack Board of Education's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Hackensack Board of Education's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Hackensack Board of Education's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 Hackensack Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Hackensack Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

LERCH, VINCI & BLISS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 25, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

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

INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Education
Hackensack Board of Education
Hackensack, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Hackensack Board of Education’s compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Hackensack Board of Education’s major federal and state programs for the fiscal year ended June 30, 2022. The Hackensack Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Hackensack Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

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

We are required to be independent of the Hackensack Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Hackensack Board of Education’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Hackensack Board of Education's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Hackensack Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Hackensack Board of Education's compliance with the requirements of each major federal and state program as a whole.

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which is described in the accompanying schedule of findings and questioned costs as item 2022-003. Our opinion on each major federal and state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Hackensack Board of Education's response to the noncompliance finding identified in our compliance audit and described in the accompanying schedule of findings and questioned costs. The Hackensack Board of Education's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

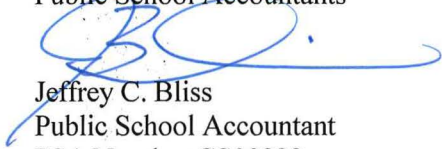
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hackensack Board of Education, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 25, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

LERCH, VINCI & BLISS, LLP

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


Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 25, 2023

HACKENSACK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Project Period	Award Amount	Balance, June 30, 2021				Carryover/ Deferred Revenue	Carryover/ (Accounts Receivable)	Cash Received	Budgetary Expenditures	Returned To Grantor	Adjustments	Balance, June 30, 2022			Memo GAAP Receivable
					Unearned Revenue	(Accounts Receivable)	Due to Grantor	Unearned Revenue							(Accounts Receivable)	Due to Grantor		
U.S. Department of Agriculture																		
Passed-through State Department of Education																		
Enterprise Fund																		
National School Breakfast Program	10.553	221NJ304N1099	7/1/21-6/30/22	\$ 1,485,498						\$ 1,350,038	\$ 1,485,498				\$ (135,460)		\$ (135,460)	
National School Breakfast Program	10.553	211NJ304N1099	7/1/20-6/30/20	1,830,464	-	\$ (238,694)				238,694	-				-		-	
National School Lunch Program	10.555																	
Non-Cash Assistance (Food Distribution)		221NJ304N1099	7/1/21-6/30/22	222,009						222,009	219,455				\$ 2,554			
Non-Cash Assistance (Food Distribution)		211NJ304N1099	7/1/20-6/30/21	193,146	\$ 2,042						2,042							
Cash Assistance		221NJ304N1099	7/1/21-6/30/22	2,931,746						2,678,495	2,931,746				(253,251)		(253,251)	
Cash Assistance		211NJ304N1099	7/1/20-6/30/20	2,915,784		(380,221)				380,221								
Afternoon Snack Program	10.555	221NJ304N1099	7/1/21-6/30/22	31,067						28,088	31,067				(2,979)		(2,979)	
Emergency Operational Cost Program	10.555	202121H170341	7/1/20-6/30/21	218,027		(218,027)				218,027					-		-	
P-EBT Administrative Costs	10.649	2121215900941	7/1/21-6/30/22	3,135						3,135	3,135							
P-EBT Administrative Costs	10.649	2021215900941	7/1/20-6/30/21	3,063	-	(3,063)				3,063	-				-		-	
Total U.S. Department of Agriculture/Child Nutrition Cluster					2,042	(840,005)	-	-	-	5,121,770	4,672,943	-	-	-	2,554	(391,690)	(391,690)	
Total Enterprise Fund					2,042	(840,005)	-	-	-	5,121,770	4,672,943	-	-	-	2,554	(391,690)	(391,690)	
U.S. Department of Education																		
Passed-through State Department of Education																		
Special Revenue Fund																		
IDEA Part B	84.027	H027A200100	7/1/21-9/30/22	1,450,790				\$ 29,056	\$ (29,056)	232,261	1,464,302				15,544	(1,247,585)	(1,232,041)	
IDEA Part B	84.027	H027A200100	7/1/20-9/30/21	1,521,704	29,056	(429,077)		(29,056)	29,056	400,021	-				-	-	-	
IDEA Part B, APR Basic	84.027X	H027X210100	7/1/21-9/30/22	298,045						264,556	290,604				7,441	(33,489)	(26,048)	
IDEA Preschool	84.173	H173A200114	7/1/21-9/30/22	53,024						-	39,960				13,064	(53,024)	(39,960)	
IDEA ARP Preschool	84.173X	H173X210114	7/1/21-9/30/22	25,290						-	-				25,290	(25,290)	-	
Total Special Education Cluster (IDEA)					29,056	(429,077)	-	-	-	896,838	1,794,866	-	-	-	61,339	(1,359,388)	(1,298,049)	
ESEA Title I	84.010	S010A1200030	7/1/21-9/30/22	1,117,017				191,128	(191,128)	1,103,795	1,194,972				113,173	(204,350)	(91,177)	
ESEA Title I	84.010	S010A1200030	7/1/20-9/30/21	1,279,383	191,128	(397,887)		(191,128)	191,128	206,759	-				-	-	-	
ESEA Title I Reallocated	84.010	S010A200030	7/1/20-9/30/21	121,616		(21,035)				21,035	-				-	-	-	
ESEA Title I Reallocated	84.010	S010A180030	7/1/18-9/30/19	145,856	-	-	\$ 26,953	-	-	-	-		\$ 26,953	-	-	-	-	
Total Title I					191,128	(418,922)	26,953	-	-	1,331,589	1,194,972	26,953	-	-	113,173	(204,350)	(91,177)	
ESEA Title II- A	84.367A	S367A210029	7/1/21-9/30/22	155,220				3,874	(3,874)	112,427	114,363				44,731	(46,667)	(1,936)	
ESEA Title II- A	84.367A	S367A200029	7/1/20-9/30/21	202,257	3,874	(35,084)		(3,874)	3,874	31,210	-				-	-	-	
Total Title II					3,874	(35,084)	-	-	-	143,637	114,363	-	-	-	44,731	(46,667)	(1,936)	
ESEA Title III	84.365	S365A210030	7/1/21-9/30/22	133,062				23,233	(23,233)	66,851	90,331				65,964	(89,444)	(23,480)	
ESEA Title III	84.365	S365A200030	7/1/20-9/30/21	118,777	23,233	(23,447)		(23,233)	23,233	214	-				-	-	-	
ESSA Title III - Immigrant	84.365	S365A210030	7/1/21-9/30/22	-				183	(183)	181	181				2	(2)	-	
ESSA Title III - Immigrant	84.365	S365A200030	7/1/20-9/30/21	-	183	(3,948)		(183)	183	3,765	-				-	-	-	
Total Title III					23,416	(27,395)	-	-	-	71,011	90,512	-	-	-	65,966	(89,446)	(23,480)	
ESEA Title IV	84.424	S424A210031	7/1/21-9/30/22	89,368				3,966	(3,966)	39,006	91,882				1,452	(54,328)	(52,876)	
ESEA Title IV	84.424	S424A200031	7/1/20-9/30/21	89,295	3,966	(15,916)		(3,966)	3,966	11,950	-				-	-	-	
Total Title IV					3,966	(15,916)	-	-	-	50,956	91,882	-	-	-	1,452	(54,328)	(52,876)	

HACKENSACK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal/ Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Project Period	Award Amount	Balance, June 30, 2021				Carryover/ Deferred Revenue	Carryover/ (Accounts Receivable)	Cash Received	Budgetary Expenditures	Returned To Grantor	Adjustments	Balance, June 30, 2022			Memo GAAP Receivable
					Unearned Revenue	(Accounts Receivable)	Due to Grantor	Unearned Revenue							(Accounts Receivable)	Due to Grantor		
Elementary and Secondary School Emergency Relief (ESSER)																		
Coronavirus Aid, Relief, and Economic Security (CARES) Act																		
CARES Emergency Relief Grant	84.425D	S425D200027	3/13/20-9/30/22	\$ 1,045,357	\$ 54,624	\$ (142,074)				\$ 129,141	\$ 43,352			\$ 11,272	\$ (12,933)	-	\$ (1,661)	
Elementary and Secondary School Emergency Relief (ESSER II)																		
Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act																		
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	4,013,033	4,013,033	(4,013,033)				246,122	1,808,426			2,204,607	(3,766,911)		(1,562,304)	
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	257,536	257,536	(257,536)				98,578	(103,538)			153,998	(158,958)		(4,960)	
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	45,000	(45,000)				24,875	20,150			24,850	(20,125)		-	
American Rescue Plan																		
ARP ESSER III	84.425U	S425U210027	3/13/20-9/30/24	9,019,032						626,727	708,200			8,310,832	(8,392,305)		(81,473)	
Accelerated Learning Coach & Educator Sup	84.425U	S425U210027	3/13/20-9/30/24	550,973							3,761			547,212	(550,973)		(3,761)	
Evidence Based Summer Learning & Enrichm	84.425U	S425U210027	3/13/20-9/30/24	40,000							40,000			-	(40,000)		(40,000)	
Evidence Based Comprehensive Beyond the	84.425U	S425U210027	3/13/20-9/30/24	40,000							-			40,000	(40,000)		-	
NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	-	-	-	-	-	-	-	-	-	45,000	(45,000)	-	-	
Total ESSER Cluster					4,370,193	(4,457,643)	-	-	-	1,125,443	2,727,427	-	-	11,337,771	(13,027,205)	-	(1,694,159)	
Coronavirus Relief Fund																		
CARES Act - Bergen County Pass Thru	21.019	N/A	3/1/20-12/31/21	291,659	30,541	-	-	-	-		14,488			16,053	-	-	-	
Coronavirus Relief Fund	21.019	N/A	3/1/20-12-31-21	545,032	2	-	-	-	-		-		\$ 240	242	-	-	-	
Total CRF Program Cluster					30,543	-	-	-	-	-	14,488	-	240	16,295	-	-	-	
Project ACES	17.259	AA-26795-16-55-A-3-	7/1/13-6/30/14	108,000		(414)									(414)		(414)	
Project ACES	17.259	AA-26795-16-55-A-3-	7/1/12-6/30/13	57,600	-	(2,799)	-	-	-	-	-	-	-	-	(2,799)	-	(2,799)	
Total Project ACES Cluster					-	(3,213)	-	-	-	-	-	-	-	-	(3,213)	-	(3,213)	
Total U.S. Department of Education					4,652,176	(5,387,250)	\$ 26,953	-	-	3,619,474	6,028,510	\$ 26,953	240	11,640,727	(14,784,597)	-	(3,164,890)	
Total Special Revenue Fund					4,652,176	(5,387,250)	26,953	-	-	3,619,474	6,028,510	26,953	240	11,640,727	(14,784,597)	-	(3,164,890)	
U.S. Department of Health and Human Services																		
Medicaid Cluster																		
General Fund:																		
Medicaid Assistance Program (SEMI)	93.778	2005NJ5MAP	7/1/20-6/30/21	56,639	-	-	-	-	-	\$ 56,639	\$ 56,639	-	-	-	-	-	-	
Total General Fund Fund					-	-	-	-	-	56,639	56,639	-	-	-	-	-	-	
Total Federal Awards					\$ 4,654,218	\$ (6,227,255)	\$ 26,953	\$ -	\$ -	\$ 8,797,883	\$ 10,758,092	\$ 26,953	\$ 240	\$ 11,643,281	\$ (15,176,287)	\$ -	\$ (3,556,580)	

HACKENSACK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2021	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Transfers / Adjustments	Balance, June 30, 2022			MEMO	
										Unearned Revenue	(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund														
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	\$ 21,532,939			\$ 19,490,658	\$ 21,532,939					\$ (2,042,281)		\$ 21,532,939
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	15,777,591	\$ (1,434,526)		1,434,526						-		
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	2,121,557			1,920,339	2,121,557					(201,218)		2,121,557
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	2,121,557	(192,896)		192,896						-		
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	4,787,838			4,333,738	4,787,838					(454,100)		4,787,838
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	4,787,838	(435,319)	-	435,319	-	-	-	-	-	-	-	-
Total State Aid Public Cluster				(2,062,741)	-	27,807,476	28,442,334	-	-	-	-	(2,697,599)	-	28,442,334
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	682,382			617,662	682,382					(64,720)		682,382
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	682,382	(62,043)	-	62,043	-	-	-	-	-	-	-	-
Total Transportation Aid Cluster				(62,043)	-	679,705	682,382	-	-	-	-	(64,720)	-	682,382
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	2,022,970				2,022,970					(2,022,970)		2,022,970
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	1,714,459	(1,714,459)		1,714,459						-		
On-Behalf TPAF Pension System Contributions NCGI	22-495-034-5094-004	7/1/21-6/30/22	267,439			267,439	267,439					-		267,439
On-Behalf TPAF Pension System Contributions Normal Costs and Accrued Liability	22-495-034-5094-002	7/1/21-6/30/22	18,955,741			18,955,741	18,955,741					-		18,955,741
On-Behalf TPAF Contributions Post Retirement Medical Benefits	22-495-034-5094-001	7/1/21-6/30/22	4,491,312			4,491,312	4,491,312					-		4,491,312
On-Behalf TPAF Contributions Long-Term Disability Insurance Premium	22-495-034-5094-004	7/1/21-6/30/22	4,903			4,903	4,903					-		4,903
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	3,786,359	-	-	3,596,715	3,786,359	-	-	-	-	(189,644)	\$ (189,644)	3,786,359
Total General Fund				(3,839,243)	-	57,517,750	58,653,440	-	-	-	-	(4,974,933)	-	(189,644) 58,653,440
Special Revenue:														
Preschool Education Aid	22-495-034-5120-086	7/1/21-6/30/22	2,836,521		\$ 764,265	2,567,493	3,408,301		\$ 535,509	\$ 727,994		(269,028)		3,408,301
Preschool Education Aid	21-495-034-5120-086	7/1/20-6/30/21	2,855,052	504,681	(764,265)	259,584						-		-
New Jersey Nonpublic Aid:														
Auxiliary Services:														
Compensatory Education	22-100-034-5120-067	7/1/21-6/30/22	34,040			34,040	21,320					-	\$ 12,720	21,320
Compensatory Education	21-100-034-5120-067	7/1/20-6/30/21	23,515	11,504				\$ 11,504				-		-
English as a Second Language	22-100-034-5120-067	7/1/21-6/30/22	2,466			2,466	1,188					-	1,278	1,188
Total Auxiliary Services (Chapter 192) Cluster				11,504	-	36,506	22,508	11,504	-	-	-	-	13,998	22,508
Handicapped Services:														
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	30,703			30,703	20,846					-	9,857	20,846
Examination and Classification	21-100-034-5120-066	7/1/20-6/30/21	24,899	13,385				13,385				-	-	-
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	12,090			12,090	7,905					-	4,185	7,905
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	10,025	7,109				7,109				-	-	-
Supplemental Instruction	22-100-034-5120-066	7/1/21-6/30/22	14,868			14,868	9,003					-	5,865	9,003
Supplemental Instruction	21-100-034-5120-066	7/1/20-6/30/21	10,523	5,553	-	-	-	5,553	-	-	-	-	-	-
Total Handicapped Services (Chapter 193) Cluster				26,047	-	57,661	37,754	26,047	-	-	-	-	19,907	37,754

HACKENSACK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2021	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Transfers / Adjustments	Balance, June 30, 2022			MEMO	
										Unearned Revenue	(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
Nonpublic Textbook Aid	22-100-034-5120-064	7/1/21-6/30/22	\$ 5,642			\$ 5,642	\$ 5,598					\$ 44		\$ 5,598
Nonpublic Textbook Aid	21-100-034-5120-064	7/1/20-6/30/21	6,170	\$ 27				\$ 27				-		-
Nonpublic Nursing Services	22-100-034-5120-070	7/1/21-6/30/22	10,640			10,640	10,639					1		10,639
Nonpublic Technology	22-100-034-5120-373	7/1/21-6/30/22	3,948			3,948	3,799					149		3,799
Nonpublic Security	22-100-034-5120-509	7/1/21-6/30/22	16,625			16,625	16,625					-		16,625
Depart of Human Services - SBYFS														
Friendly Family	22-016-1620-100-007	7/1/21-6/30/22	53,648			53,648	51,731					1,917		51,731
Friendly Family	21-016-1620-100-007	7/1/20-6/30/21	45,463	10,729								10,729		-
Friendly Family	20-016-1620-100-007	7/1/19-6/30/20	45,463	6,560								6,560		-
Friendly Family	19-016-1620-100-007	7/1/18-6/30/19	45,463	2,163								2,163		-
Friendly Family	18-016-1620-100-007	7/1/17-6/30/18	45,963	1,689								1,689		-
School Based Youth Service Program	22-016-1630-100-013	7/1/21-6/30/22	353,940			353,940	333,742			\$ 3,973		16,225		333,742
School Based Youth Service Program	21-016-1630-100-013	7/1/20-6/30/21	299,940	264								264		-
School Based Youth Service Program	20-016-1630-100-013	7/1/19-6/30/20	299,940	2,944	-	-	-	-	-	-	-	2,944	-	-
Total SBYS Program Cluster				24,349	-	407,588	385,473	-	-	3,973	-	42,491	-	385,473
Schools Development Authority (SDA) Emergent and Capital Maintenance Needs														
			134,114	-	-	134,114	-	-	-	134,114	-	-	-	-
New Jersey Schools Development Authority Alyssa's Law School Security Grant														
	22-034-5120-588-001	N/A	313,241	-	-	313,241	308,817	-	-	4,424	-	-	-	308,817
Total Special Revenue Fund				566,608	-	3,813,042	4,199,514	37,578	535,509	870,505	(269,028)	76,590	-	4,199,514
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	68,917			63,089	68,917					(5,828)	\$ (5,828)	68,917
State School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	164,096	(26,933)	-	42,817	15,884	-	-	-	-	-	-	15,884
Total Enterprise Fund				(26,933)	-	105,906	84,801	-	-	-	(5,828)	-	(5,828)	84,801
Total State Financial Assistance Subject to Single Audit Determination				(3,299,568)	-	61,436,698	62,937,755	37,578	535,509	870,505	(5,249,789)	76,590	(195,472)	62,937,755
State Financial Assistance Not Subject to Major Program Determination														
General Fund														
On-Behalf TPAF Pension System Contributions-NCGI	22-495-034-5094-004	7/1/21-6/30/22	267,439			(267,439)	(267,439)							(267,439)
On-Behalf TPAF Normal Costs	22-495-034-5094-002	7/1/21-6/30/22	18,955,741			(18,955,741)	(18,955,741)							(18,955,741)
On-Behalf TPAF Post-Retirement Medical Contributions	22-495-034-5094-001	7/1/21-6/30/22	4,491,312			(4,491,312)	(4,491,312)							(4,491,312)
On-Behalf TPAF Long-Term Disability Ins. Contributions	22-495-034-5094-004	7/1/21-6/30/22	4,903			(4,903)	(4,903)							(4,903)
Total State Financial Assistance Subject to Major Program Determination				\$ (3,299,568)	\$ -	\$ 37,717,303	\$ 39,218,360	\$ 37,578	\$ 535,509	\$ 870,505	\$ (5,249,789)	\$ 76,590	\$ (195,472)	\$ 39,218,360

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Hackensack Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is 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 (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$946,046 for the general fund and a decrease of \$1,920,845 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 56,639	\$ 57,707,394	\$ 57,764,033
Special Revenue Fund	4,580,430	3,191,240	7,771,670
Food Service Fund	<u>4,672,943</u>	<u>84,801</u>	<u>4,757,744</u>
Total Awards and Financial Assistance	<u>\$ 9,310,012</u>	<u>\$ 60,983,435</u>	<u>\$ 70,293,447</u>

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$3,786,359 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2022. The amount reported as TPAF Pension System Contributions in the amount of \$19,233,180, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$4,491,312 and TPAF Long-Term Disability Insurance in the amount of \$4,903 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2022.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

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

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

HACKENSACK BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued on financial statements Unmodified

Internal control over financial reporting:

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

2) Were significant deficiencies identified that are not considered to be material weakness(es)? X yes none reported

Noncompliance material to the basic financial statements noted? X yes no

Federal Awards Section

Internal Control over major programs:

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

(2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with Title 2 Part 200 of U.S. Uniform Guidance? X yes no

Identification of major federal programs:

<u>AL Number(s)</u>	<u>FAIN</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553/10.555</u>	<u>221NJ304N1099</u>	<u>Child Nutrition Program Cluster</u>
<u>84.425D</u>	<u>S425D200027</u>	<u>CARES ESSER Program Cluster</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>CRRSA ESSER Program Cluster</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP ESSER Program Cluster</u>

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

Auditee qualified as low-risk auditee? X yes no

**HACKENSACK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part 2 – Schedule of Financial Statement Findings

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

Finding 2022-001

Our audit of year end open purchase orders in the General Fund revealed certain purchase orders were not reviewed at year end for proper classification and validity. We noted numerous encumbrances which we deemed accounts payable and others which were deemed invalid at year end.

Criteria or specific requirement:

Internal controls over year end closing procedures of open purchase orders.

Condition

Certain open purchase orders classified as encumbrances at June 30, 2022 were determined to be accounts payable as goods and services were received prior to year end. In addition we determined certain encumbrances not to be valid and should have been cancelled prior to the financial statement close-out at year end.

Context

- Encumbrances recorded in the General Fund at June 30, 2022 totaling \$1,705,690 were determined to be accounts payable.
- Encumbrances recorded in the General Fund at June 30, 2022 totaling \$592,509 were determined to be invalid.

Effect

Financial statements do not properly reflect liabilities and fund balances at year end.

Cause

Procedures to review open purchase orders at year end did not appear to be completed properly.

Recommendation

Procedures be revised to ensure open purchase orders are reviewed at year end for proper classification and validity and adjusted accordingly.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and indicated it will review and revise its procedures to ensure corrective action is taken.

**HACKENSACK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part 2 – Schedule of Financial Statement Findings

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

Finding 2022-002

Certain pensionable wages covered by the Teachers' Pension and Annuity Fund that were funded by the Federal ESSER III program were excluded from the calculation to reimburse the State for on behalf social security and pension contributions (NJSA 18A:66-90).

Criteria or specific requirement

NJSA 18A:66-90 federal funds; state to be reimbursed; ascertainment of amount

Condition

District employees enrolled in the TPAF pension system whose pensionable base pay was funded by the Federal ESSER III program were not included in the calculation to reimburse the State.

Context

TPAF pensionable salaries charged to the ESSER III grant totaled \$86,766 resulting in a reimbursable amount of \$46,090.

Effect

Amount reimbursed for TPAF pensionable wages funded by federal grants was understated.

Cause

TPAF pensionable wages charged to the Federal ESSER III program were not included in calculation to reimburse State.

Recommendation

Procedures be reviewed and revised to ensure all federally funded TPAF pensionable salaries are included in the calculation to reimburse the State in accordance with NJSA 18A:66-90.

Views of Responsible Officials and Planned Corrective Action Plan:

Management has reviewed this finding and indicated it will review and revise its procedures to ensure corrective action is taken.

**HACKENSACK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

CURRENT YEAR FEDERAL AWARDS

Finding 2022-003

Our audit revealed net cash resources exceeded three months of average expenditures at June 30, 2022 in the Food Service Fund.

Federal program information:

Child Nutrition Program Cluster	10.553/10.555
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Criteria or specific requirement:

Federal Grant Compliance Supplement – School Breakfast Program/National School Lunch Program – Special Tests and Provisions

Condition:

See Finding 2022-003.

Questioned Costs:

None.

Context:

Net cash resources of \$4,294,309 at June 30, 2022 exceed three months of average expenditures of \$1,130,100 for 2021/2022 resulting in an excess of \$3,164,209 at year end.

Effect:

Non-profit status of Food Service Fund

Cause:

Food service revenues exceeded expenditures.

Recommendation

The District develop a plan to eliminate the excess of net cash resources in the Food Service Fund.

Views of Responsible Officials and Planned Corrective Action Plan:

Management has reviewed this finding and indicated it will develop a plan to ensure corrective action is taken.

**HACKENSACK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

CURRENT YEAR STATE AWARDS

There are none.

**HACKENSACK BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

STATUS OF PRIOR YEAR FINDINGS

Finding 2021-001

Condition

Encumbrances at June 30, 2021 in the capital project fund were not recorded at year end.

Current Status

Corrective action has been taken

Finding 2021-002

Condition

Purchases of various goods and services were made which were not in accordance with the procedures specified in the Public School Contracts Law and State procurement regulations.

Current Status

Corrective action has been taken.